THE EMIRATES GROUP

ANNUAL REPORT

2020-2021

His Highness Sheikh Mohammed bin Rashid Al Maktoum

Vice President and Prime Minister of the UAE and Ruler of Dubai

The COVID-19 pandemic has been one of the biggest challenges humanity has faced in its known history. Nevertheless, while it has caused unprecedented disruptions to our lives, it has also summoned extraordinary resilience across the world.

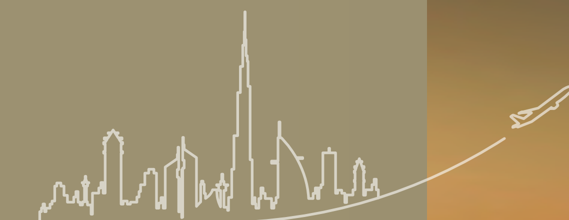
The UAE's fight against the pandemic has particularly been a story of strength, fortitude and endurance. We have been tested in our ability to deal with this unforeseen situation, but we have emerged out of it tougher.

In many ways, the UAE has proved to be one of best prepared countries to deal with this pandemic. Not only have we effectively safeguarded the health and wellbeing of citizens and residents, we have also weathered the economic impact of the crisis. The investments we made over the last few decades to create a world-leading infrastructure, thanks to the vision of our founding fathers, combined with our robust institutions and public services, have enabled us to counter the COVID-19 challenge.

What has been truly remarkable is the way all stakeholders in our society and economy have come together to mobilise the efforts and resources needed to combat the pandemic. The joint efforts of the public and private sectors in mounting a strong healthcare response is one of the examples of this spirit of solidarity.

Consistent with this spirit, the Dubai government has placed a high priority on extending support measures to businesses to ensure the short-term impact of the pandemic does not translate into long-term challenges. Going ahead, we continue to remain committed to helping all sectors in recovering on a solid footing.

Amidst the pandemic, our model for finding solutions to challenges has been marked by cooperation, humanitarian values and rapid action. The response of Dubai's aviation and logistics industry leaders to the disruption caused by COVID-19 is a key example of our



nation's ability to rise to the challenge in these testing times. Working unitedly, they have been quick to use their global capabilities not only to facilitate the rapid distribution of vaccines in the country but also send relief and humanitarian aid to developing nations.

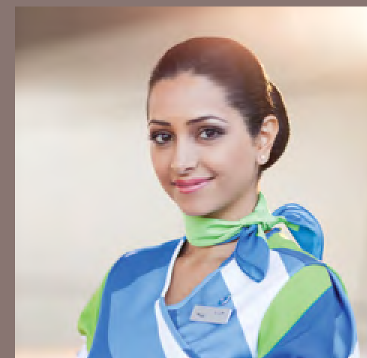
Aviation is indeed vital to Dubai's vision to be a pivotal economic hub for the world. The Emirates Group actively contributes to Dubai's economic success and is central to our future growth and prosperity. I am confident the Group will continue its role as a world-leading organisation shaping the future of global aviation, while also furthering the UAE's vision and aspirations.

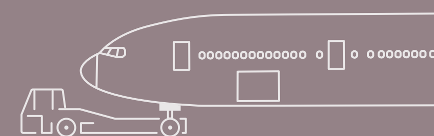
The UAE will mark 50 years of nationhood in December 2021. Growing from a modest regional trading post to a nation that sent the Arab world's first space mission to Mars, the UAE's development has been truly extraordinary. I look forward to our country achieving greater successes and accelerating our progress on the ambitious path set by our founding leaders. Their vision to drive human advancement and create a better world for future generations continues to inspire us.

Emirates is a global airline, serving 155 airports in 81 countries from its hub in Dubai, United Arab Emirates.

dnata is one of the world's largest combined air services providers in the world, serving over 320 airline customers in 37 countries. Its main activities are the provision of cargo and ground handling, catering, and travel services.

Emirates and dnata are independent entities and do not form a group as defined by International Financial Reporting Standards. However, these entities are under common management. Therefore, in the Management Review section of this document, they are together referred to as the Emirates Group.





Financial highlights

Emirates Group

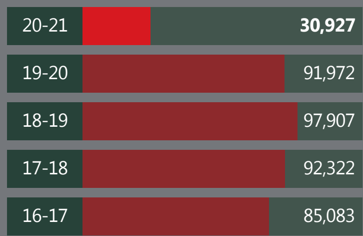
Financial highlights		**2020-21**	**2019-20**	**% change**
Revenue and other operating income*	AED m	35,586	104,002	(65.8)
Operating (loss) / profit	AED m	(16,878)	6,915	(344.1)
Operating margin	%	(47.4)	6.6	(54.0) pts
Loss / profit attributable to the Owner	AED m	(22,100)	1,674	(1,420.2)
Loss / profit margin	%	(62.1)	1.6	(63.7) pts
Financial position				
Total assets**	AED m	165,872	188,461	(12.0)
Cash assets	AED m	19,798	25,565	(22.6)
Employee data				
Employee strength	number	75,145	108,536	(30.8)

* After eliminating inter company income/expense of AED 882m in 2020-21 (2019-20: AED 2,730m).

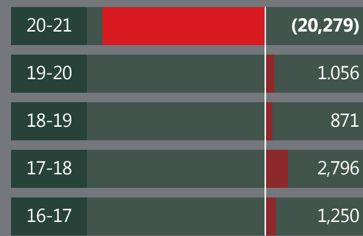
** After eliminating inter company receivables/payables of AED 179m in 2020-21 (2019-20: AED 304m).

Percentages and ratios are derived based on figures rounded off in millions.

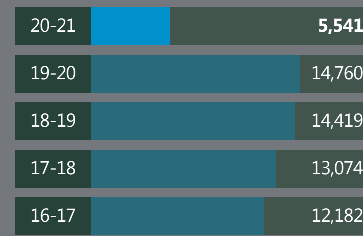
The financial year of the Emirates Group is from 1 April to 31 March. Throughout this report all figures are in UAE Dirhams (AED) unless otherwise stated. The exchange rate of the Dirham to the US Dollar is fixed at 3.67.



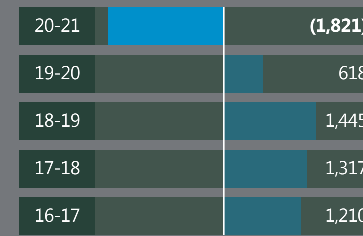
Revenue and operating income in AED m



(Loss) / profit attributable to the Owner in AED m



Revenue and operating income in AED m



(Loss) / profit attributable to the Owner in AED m

Emirates

Financial highlights		2020-21	2019-20	% change
Revenue and results				
Revenue and other operating income	AED m	30,927	91,972	(66.4)
Operating (loss) / profit	AED m	(15,021)	6,408	(334.4)
Operating margin	%	(48.6)	7.0	(55.6) pts
EBITDA	AED m	4,644	25,852	(82.0)
EBITDA margin	%	15.0	28.1	(13.1) pts
(Loss) / profit attributable to the Owner	AED m	(20,279)	1,056	(2,020.4)
(Loss) / profit margin	%	(65.6)	1.1	(66.7) pts
Return on Owner's funds	%	(95.3)	3.5	(98.8) pts
Financial position				
Total assets	AED m	151,777	172,062	(11.8)
Cash assets	AED m	15,108	20,249	(25.4)
Net debt to equity ratio	%	459.0	381.2	77.8 pts
Key operating statistics				
Passengers carried	number'000	6,553	56,162	(88.3)
Cargo carried	tonnes'000	1,873	2,389	(21.6)
Passenger seat factor	%	44.3	78.5	(34.2) pts
Overall capacity	ATKM million	24,782	58,584	(57.7)
Available seat kilometres	ASKM million	64,062	367,153	(82.6)
Aircraft	number	259	270	(11) nos
Employee data				
Employee strength	number	40,801	60,033	(32.0)

dnata

Financial highlights		2020-21	2019-20	% change
Revenue and results				
Revenue and other operating income	AED m	5,541	14,760	(62.5)
Operating (loss) / profit	AED m	(1,857)	507	(466.3)
Operating margin	%	(33.5)	3.4	(36.9) pts
(Loss) / profit attributable to the Owner	AED m	(1,821)	618	(394.7)
(Loss) / profit margin	%	(32.9)	4.2	(37.1) pts
Return on Owner's funds	%	(24.6)	7.6	(32.2) pts
Financial position				
Total assets	AED m	14,274	16,703	(14.5)
Cash assets	AED m	4,690	5,316	(11.8)
Key operating statistics				
Aircraft turns handled	number	289,526	680,867	(57.5)
Cargo handled	tonnes'000	2,686	2,929	(8.3)
Meals uplifted	number'000	16,939	93,492	(81.9)
Total Transaction Value (TTV)	AED m	229	10,751	(97.9)
Employee data				
Employee strength	number	34,344	48,503	(29.2)

HH Sheikh Ahmed bin Saeed Al Maktoum

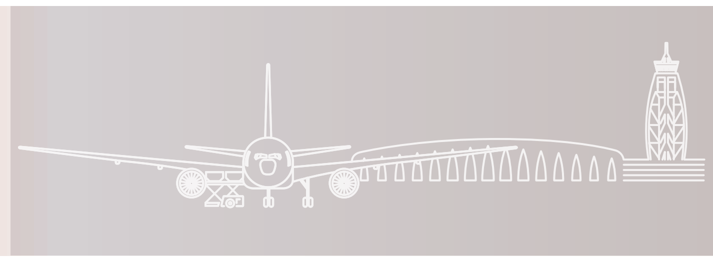
Chairman and Chief Executive Emirates Airline & Group

2020-21: A lingering black swan event

We began our 2020-21 financial year in lockdown. All passenger flights to and from the UAE had been suspended from 25 March 2020 for nearly eight weeks as part of the national pandemic response, and most of the world's countries had begun implementing various levels of restrictions on travel and personal movement.

A year on, Dubai has safely re-opened for business and for international visitors. The UAE is amongst the top nations in the world when it comes to protecting its citizens and residents against COVID-19 with 10 million vaccine doses administered by end April 2021.

Sadly, our industry is not recovering as quickly as hoped. At this time of writing, many countries are battling new variants and a third or fourth wave of COVID-19 infections, and international travel is still severely restricted in almost all markets.



It is hard to overstate the tremendous toll that COVID-19 has had on human lives, and its ongoing impact on economies, communities, and the global travel and aviation industry.

In this business environment, the Emirates Group is reporting its first ever loss in over three decades, of AED 22.1 billion. Significant flight and travel restrictions across the globe throughout our entire 2020-21 financial year led to a 66% drop in revenue to AED 35.6 billion. Our Group's cash balance of AED 19.8 billion is also down 23%.

Preserving cash and strict cost controls were key focus areas for 2020-21. Across the Group, we restructured financial commitments, renegotiated contracts, examined processes and consolidated operations.

On the people side, we froze recruitment and promotions. UAE-based employees took a six-month salary cut, while other employees supported the company through a combination of pay cuts, furlough or job support programmes where available.

Our various cost reduction initiatives across the Group returned an estimated saving of AED 7.7 billion during the year.

As it became clear that recovery would take longer than initially projected, we made the difficult decision to resize our workforce by 31% in line with reduced operational requirements. This was the first time in our Group's history that we had to implement redundancies across all parts of the business.

Emirates received capital injections totalling AED 11.3 billion from our ultimate owner the Government of Dubai, enabling the airline to preserve most of its workforce, and sustain operations as we chart a path to recovery. dnata also tapped on various industry support and job saver programmes which provided an estimated total relief of nearly AED 800 million in 2020-21.

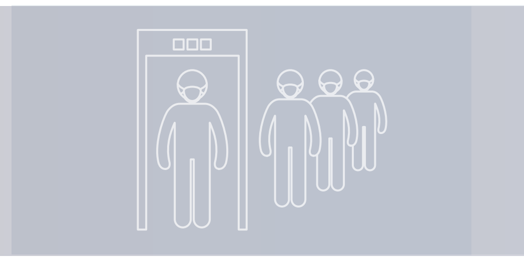
Across the Group, health and wellbeing remained a top priority throughout the year. As we began a phased return to the workplace and ramped up

operations, new guidelines and protocols were introduced to protect our people and customers. Our inhouse medical team continues to monitor the latest information on COVID-19 to provide the right support to our people. When COVID-19 vaccines became available in the UAE, we partnered with the health authorities to encourage and facilitate vaccinations. By March, just three months after starting our vaccination drive, 35,000 UAE-based employees had already been vaccinated at one of our vaccination centres.

Emirates' business response

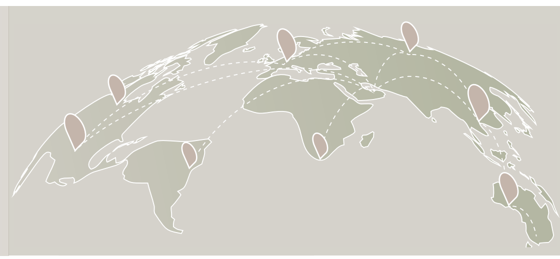
As many markets remain fully or partially closed to international travellers, Emirates had to ground a significant portion of our fleet this year, and re-design our operations.

Emirates' total passenger and cargo capacity in 2020-21 was 24.8 billion ATKMs, 42% of what it was in 2019-20. Our total revenue declined by 66% to AED 30.9 billion, as travel and flight restrictions capped demand and saw Emirates carrying just 6.6 million passengers during the year.



We began a gradual restoration of our network and hub connectivity from mid-June as the UAE re-opened - first for transit travellers and later for international arrivals. During the year, Emirates reactivated our codeshare partnership with flydubai, and entered into agreements with new partners TAP Air Portugal, FlySafair, and Airlink in South Africa, to expand connectivity for our customers.

From zero scheduled passenger flights at the start of the financial year, to operations in over 120 destinations by 31 March 2021, Emirates has shown its ability to



adapt and respond to challenges, and the resilience of its people and business model.

In a showcase of public and private sector partnership, Emirates worked closely with aviation and tourism stakeholders to safely re-open Dubai for international travellers by 7 July.

Placing the health and wellbeing of its workforce and customers first, Emirates led the industry in proactively developing new service and operating protocols. We launched initiatives that earned customer confidence, such as the industry's first complimentary COVID-19 medical cover for all passengers, and we fast-tracked biometric processing and other technology projects that enhanced customer experience while reducing contact at airport touchpoints.

Emirates also offered fee waivers so customers can rebook without penalty, extended Tier status and Miles validity for Emirates Skywards members, and expedited the processing of 3 million refund requests which returned AED 8.5 billion to customers.

Our cargo operations contributed 60% of the airline's total transport revenue this year with a strong performance.

Emirates SkyCargo rapidly scaled up operations and rebuilt our cargo network to meet strong demand from shippers who faced a capacity crunch when the pandemic forced airlines to drastically reduce flights.

In April, we consolidated our cargo operations at Dubai International to improve efficiency with reduced trucking between Dubai's two airports.

We modified 19 Boeing 777-300ER passenger aircraft by removing seats in the economy cabin to make room for more cargo and deployed these "mini freighters" to supplement our existing 777 freighter fleet. We also introduced new loading protocols to safely utilise the overhead bins and passenger seats to carry cargo.

Emirates SkyCargo's logistics capabilities and Dubai's world-class infrastructure put us in a strong position to support the urgent distribution of COVID-19 vaccines and other essential medical items.

In October, Emirates SkyCargo set up a dedicated GDP-certified airside hub in Dubai for COVID-19 vaccines. Later in February, we signed up to partner with UNICEF to facilitate the rapid transport of COVID-19 vaccines to developing nations through Dubai.

Despite the difficult business environment, Emirates has continued to invest in our future. In 2020-21, we retired 14 aircraft and received delivery of 3 new A380s. We elevated our signature Emirates A380 experience with the introduction of our new Premium Economy seats and product enhancements across all other cabins.

For our travel trade partners, we launched our Emirates Partners Portal and Emirates Gateway. Powered by the latest technology, these platforms mark a step-change in how we engage our partners and offer them better access to our products and services.

dnata's business response

The impact of COVID-19 was felt across all dnata businesses.

With reduced flight and travel activity across all markets, dnata's total revenue for 2020-21 dropped 62% to AED 5.5 billion. We recorded our first ever loss of AED 1.8 billion, which includes impairment charges of AED 766 million across all divisions.

During 2020-21, teams across our Airport Operations, Catering, and Travel divisions quickly adapted to the dynamic environment. From implementing new protocols to introducing innovative products and services, we responded to new customer expectations and business opportunities and made the health and wellbeing of our workforce a priority.

While keeping a tight grip on costs, dnata worked closely with customers to help adapt their operations and provide them with the latest travel information. dnata also pressed ahead with key strategic investments to strengthen the business for future growth. This included the opening of a new 150,000 sq ft, state-of-the-art cargo facility in Manchester; the introduction of high-tech cool dollies to enhance our pharma and perishables handling capabilities in Singapore and Australia; the setting up of a dedicated inflight retail centre of excellence; the opening of our second catering facility in Dublin; upgrades to leasure and corporate travel technology; and the achievement of various industry certifications which validate our capabilities and puts dnata in a competitive position to retain and win new contracts.

Our long-serving President Gary Chapman retired at the end the financial year, handing over the reins to Steve Allen who was appointed Executive Vice President responsible for all dnata's businesses globally.

dnata's Airport Operations remained the top contributor to dnata's revenue in 2020-21, even as we saw a 59% decline in aircraft turns handled in the UAE, and a 57% decline in our international business. With strong air freight demand across many markets, dnata saw only a minor 8% decline in cargo handled to 2.7 million tonnes.

Through the year, our Airport Operations teams around the world stepped up to support airline customers with new pandemic protocols. We also introduced innovative new products and services in response to market demand, such as thermal screening and baggage disinfection at various locations around the world.

dnata continued to win new contracts in 2020-21. Notably, in Australia dnata began ground handling for Qantas at most of its major airports and GTA dnata, our joint-venture company in Canada, was awarded a five-year ground handling license for ramp, passenger, and cargo warehousing services at Vancouver International Airport.

We also inked strategic partnerships to expand dnata's reach and capabilities. In Italy, our subsidiary, Airport Handling SpA, partnered with Beta Trans to provide full

cargo services to customers at Milan Malpensa Airport. dnata also entered the Indonesian aviation market through a partnership with PT UNEX Rajawali Indonesia (UNEX) where both entities will make joint investments in ground handling facilities, equipment, and training.

Our airport hospitality division marhaba opened a new airport lounge in Manila and formed a partnership with Plaza Premium Group to expand our airport lounges and meet and greet services around the world.

dnata's Catering business uplifted 16.9 million meals to airline customers during the year, a decline of 82% due to drastically decreased global passenger flight activity and significantly lower seat loads.

During the year, we adapted our products and services to meet new customer requirements. dnata was one of the first in the industry to adopt the new guidelines of

the International Flight Services Association (IFSA) and the Airline Catering Association (ACA), which provides standards for the industry's pandemic response.

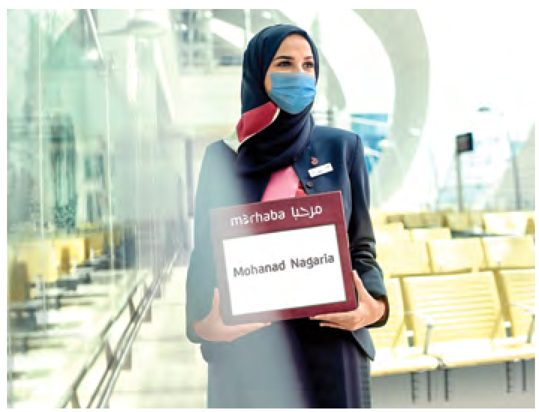
We recalibrated our operations to provide meals for quarantine facilities and worked with local organisations in Australia, Ireland, Italy and the UK to support communities in need.

In addition to setting up new inflight retail service capabilities, we also invested in initiatives to reduce our environmental footprint, including new bio-digesters to reduce food waste across our operations, and the installation of solar panels at our Singapore facility.

Similar to other parts of our business, **dnata's Travel** division was hit hard by a drastic drop in travel demand due to pandemic-related travel restrictions.

Revenue from our Travel division declined by 96% to AED 130 million, with the total underlying transaction value (TTV) dropping by 98% to AED 229 million.

In an environment of travel uncertainty, dnata focussed on initiatives to support customers and provide value. Across our travel brands, we helped customers rebuild traveller trust, by processing refunds and rebookings, and providing the latest travel information.



With Dubai's re-opening for tourism activity, dnata leveraged its strong presence in the UAE to promote staycations. In July, our tour operating division Arabian Adventures achieved the World Travel and Tourism Council 'Safe Travels' award for its high health and safety standards, and through the year it launched new UAE-based experiences for visitors and residents including an innovative

self-guided walking tour in partnership with technology and gaming experts at Questo.

dnata Travel Group continued to secure growth opportunities. During the year, we provided online booking capability for London City Airport in the UK, and we expanded our reach in Oman through a partnership with OUA Travel that enables Oman-based trade agents to promote and sell Gold Medal's wide range of travel products to their customers. dnata also concluded it's full acquisition of Destination Asia, which provides ground activity packages for visitors to 11 Asian countries.

Sustainability

Our environmental strategy focusses on three key areas: emissions reduction, responsible consumption, and wildlife and habitat conservation. At a corporate level, dnata this year began embedding our environmental framework across our broad-spanning Travel businesses, aiming to improve our own operational footprint, and empower customers to make better travel choices.

In an unusual year with reduced flight and ground operations, we saw a 68% drop in emissions for 2020-21. Emissions reduction remains a high priority for our environmental programme. While we continue efforts to improve fuel efficiency and reduce fuel burn, we are also exploring viable alternatives for cleaner fuel.

This year, Emirates operated flights powered by sustainable aviation fuel (SAF) from Sweden and Norway where local programmes made it accessible, and we received our first A380 delivery powered by SAF. Emirates also joined the World Economic Forum's Clean Skies for Tomorrow coalition, which supports a transition to SAF as part of a pathway towards carbon-neutral flying.

Our ambition to reduce the use of plastics across our operations was temporarily put on hold, as Emirates and dnata adapted to new COVID-19 protocols. However, we made solid progress to reduce our consumption of resources in other areas, notably with investments to reduce food waste in both Emirates and dnata's catering businesses.

We continued to support wildlife and habitat conservation efforts through employee education and training, participation in industry efforts to combat wildlife trafficking, as well as our ongoing investments in the Dubai Desert Conservation Reserve (DDCR) and Wolgan Valley. In July, the DDCR released its first annual report which outlines its future plans for desert and wildlife conservation.

The challenges of 2020-21 highlight the critical role that aviation plays in supporting economies and communities. Emirates and dnata stepped up to the plate to help ensure global supply chain continuity for medicines and medical items, food, humanitarian relief, and other essential trade commodities. Across our global operations, we also contributed to pandemic response initiatives at a community level where opportunities arose.

Following the devastating explosions in the Port of Beirut, Emirates Skycargo activated its expertise in humanitarian logistics to transport relief goods, and during the year, dnata donated cargo handling equipment to the International Humanitarian City (IHC), the largest humanitarian hub in the world, to support the organisation in facilitating rapid relief and first responses to crises at a global level.

Outlook for 2021-22

No one knows when this pandemic will be over, but one thing is certain - recovery will be patchy. Economies and companies that are better prepared, and those who entered pandemic times in a strong position, will be better placed to bounce back.

Until 2020-21, Emirates and dnata have had a track record of growth and profitability, based on solid business models, steady investments in capability and infrastructure, a strong drive for innovation, and a deep talent pool led by a stable leadership team. These fundamental ingredients of our success remain unchanged. Together with Dubai's undiminished ambitions to grow economic activity and build a city for the future, I am confident that Emirates and dnata will recover and be stronger than before.

In addition to the AED 14.5 billion financing that was raised for aircraft and general corporate purposes in 2020-21, Emirates has already received committed offers to finance two aircraft deliveries due in 2021-22 and continues to tap the financial market for further liquidity to provide a cushion for the potential impact of COVID-19 on the business cash flows in the near term. The Government of Dubai is also committed to supporting the Group through its recovery.

During the year, Emirates successfully restructured various aircraft leases and loans. The support from aviation lessors and financing partners during these challenging times is a testament to the financial community's confidence in Emirates' business model, and mid to longer term prospects.

dnata ends the year with a cash balance of AED 4.7 billion, ensuring sufficient liquidity for our operations as we restore capacity.

In the year ahead, we will continue to adopt an agile approach in responding to the dynamic marketplace. We aim to recover to our full operating capacity as quickly possible to serve our customers, and to continue contributing to the rebuilding of economies and communities impacted by the pandemic.

HH Sheikh Ahmed bin Saeed Al Maktoum
Chairman and Chief Executive
Emirates Airline & Group

Leadership

HH Sheikh Ahmed Bin Saeed al Maktoum

Chairman and Chief Executive
Emirates Airline & Group

Sir Tim Clark

President
Emirates Airline

Gary Chapman

President
Group Services & dnata

Retired from 01.04.2021

Adel Ahmad Al Redha
Chief Operating Officer
Emirates Airline

Adnan Kazim
Chief Commercial Officer
Emirates Airline

Abdulaziz Al Ali
Executive Vice President
Human Resources
Emirates Group

Ali Mubarak Al Soori
Executive Vice President
Chairman's Office,
Facilities & Project
Management and
Non-Aircraft P&L

Nigel Hopkins
Executive Vice President
Service Departments
Emirates Group

Steve Allen
Executive Vice President
dnata
Effective from 01.03.2021

Emirates highlights

Customer care and travel assurance

Emirates led the industry in responding to its customers' needs throughout the pandemic. It was one of the first airlines to proactively implement bio-safety measures onboard and on the ground to protect its customers and employees. These protocols were regularly reviewed and updated in line with the latest medical knowledge.

In addition, Emirates launched policies and initiatives that earn customer trust, and help restore travel confidence. These include the industry's first complimentary COVID-19 health cover, extended waivers for rebookings and refund administration fees, and the extension of benefits for loyal frequent flyers.

14 Apr

Emirates puts customers first with a simplified worldwide approach to its COVID-19 waivers and refunds policy, easing concerns about pre-booked travel and offering customers options to hold their tickets, exchange them for vouchers, or get full refunds.

15 Apr

Emirates becomes the first airline to offer onsite rapid COVID-19 tests for departing passengers at Dubai International (DXB).

21 Apr

Emirates steps up precautionary measures to protect customers and employees, with new PPE issued to all frontline employees, and service modifications to reduce contact and risk of transmission.

26 Apr

Emirates proactively commits to honour refunds to customers and trade partners, and ramps up processing capability by four-fold to expedite the clearing of an unprecedented volume of refund requests.

15 May

Emirates launches a COVID-19 travel information hub as a one-stop shop on emirates.com, to help customers navigate the varied and dynamic travel requirements around the world.

21 May

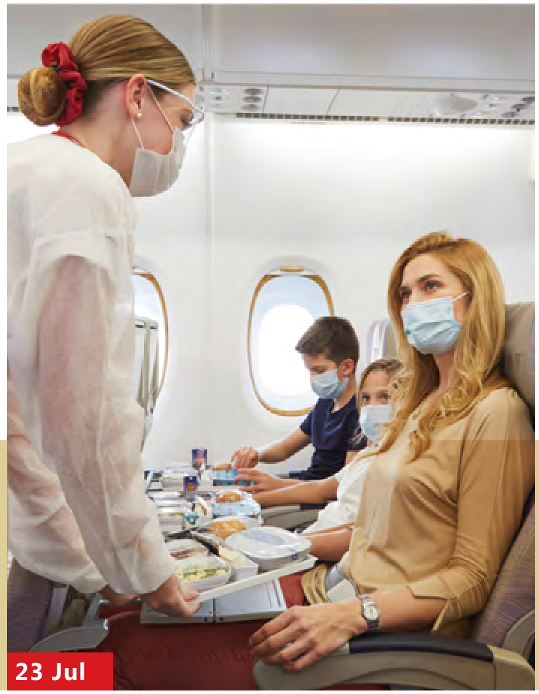
In tandem with the return of scheduled passenger flights, Emirates unveils a comprehensive set of bio-safety measures at all customer touchpoints on ground and in the air, updated in line with the latest medical knowledge and best practice.

09 Jun

Emirates Skywards expands options for its members to spend and earn Miles, with the addition of the Emirates Official Store online.

20 Jul

Emirates Holidays introduces video appointments to provide personalised travel support, and offers customers added flexibility to book packages with a nominal deposit.



23 Jul

Emirates introduces the industry's first complimentary COVID-19 cover for all its passengers, providing travel assurance and additional peace of mind.

06 Aug

Emirates Skywards launches skywardsmilesmall.com, introducing a thousand new ways for members to earn Miles while shopping online with popular UK and US retail brands.

09 Sep

Emirates collaborates with Huawei to bring the Emirates app and other benefits to Huawei phone users. The partnership will also help Emirates expand its reach in the Chinese market.

15 Sep

Emirates launches a bespoke offer for international students and their families to enjoy year-long travel benefits.

15 Sep

Emirates Skywards partners with Barclays to launch its first co-branded card in the US market.

23 Oct

Emirates launches an integrated biometric path at Dubai airport. It improves the customer experience with smooth processing at airport touchpoints via iris or facial recognition technologies; and provides a contactless airport experience that prioritises health and safety with reduced human interaction.

17 Nov

Emirates is rated the safest airline in the world in its response to the COVID-19 pandemic according to the Safe Travel Barometer.

23 Nov

Emirates provides an expanded global multi-risk travel insurance for all its passengers, including COVID-19 health cover, offering customers unmatched travel assurance and peace of mind.

24 Nov

Emirates re-launches its Dubai Connect offer which gives customers with long transit times a complimentary hotel stay in Dubai, ensuring that travelling through Emirates' hub is seamless despite altered flight schedules during the COVID-19 pandemic.

19 Jan

Emirates announces plans to trial the IATA Travel Pass, which will enable travellers to digitally manage and share their health documents for travel requirements.

28 Jan

Emirates Skywards leads the industry with a generous extension of Tier Status and Miles validity until 2022, offering loyalty programme members more flexibility and assurance.

03 Feb

Emirates launches touchless self-service check-in and baggage drop kiosks at Dubai airport, enhancing the smart contactless journey offered to customers.

21 Feb

Emirates operates its first flight with fully vaccinated employees onboard and across supporting ground operations, illustrating the progress of the UAE's vaccination drive including amongst essential aviation workers.

25 Feb

Emirates and the Dubai Health Authority sign an MoU to enable the seamless digital verification of COVID-19 medical records for travellers at Dubai airport.

29 Mar

Emirates announces the operation of a special flight EK2021 to highlight the UAE's impressive vaccination drive and readiness of its aviation industry for travel rebound. Proceeds from the flight will benefit the airline's charity, the Emirates Airline Foundation.

31 Mar

Emirates delivers on its commitment to customers, with AED 8.5 billion returned in COVID-19 related refunds from over 3 million requests.

Restoring Emirates' global network

With global connectivity at the heart of its business model, Emirates prioritised the rebuild and restoration of its network throughout the year. The airline closely monitored market conditions and adjusted its operations dynamically while governments tightened and relaxed travel restrictions to keep the pandemic in check.

It also re-started its strategic codeshare partnership with flydubai and entered into agreements with new partners TAP Air Portugal, FlySafair, and Airlink in South Africa, to expand connectivity for customers.

Emirates worked closely with all aviation stakeholders to safely restart its hub and network operations, supporting communities and economies by serving travel demand and ensuring the movement of essential goods.

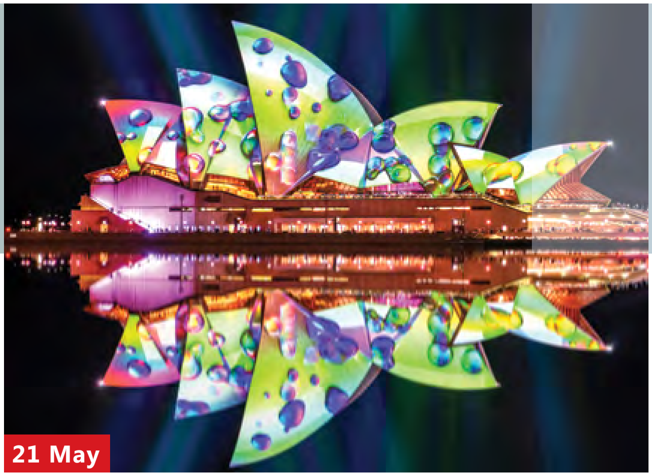
By 31 March 2021, Emirates had brought its global network back to 120+ passenger and cargo destinations, and restored 42% of its total capacity compared to 2019-20.

06 Apr

Emirates operates its first flights carrying passengers to London, Frankfurt, Brussels, Paris and Zurich, helping people get home after flights to and from the UAE were temporarily suspended on 25 March as part of the country's pandemic response.

03 May

Emirates operates repatriation flights during May, including to Frankfurt, London, Manila, Sao Paolo, and Shanghai.



21 May

Emirates begins scheduled passenger flight services to nine destinations, and offers passengers travelling between the UK and Australia the ability to connect in Dubai.

15 Jun

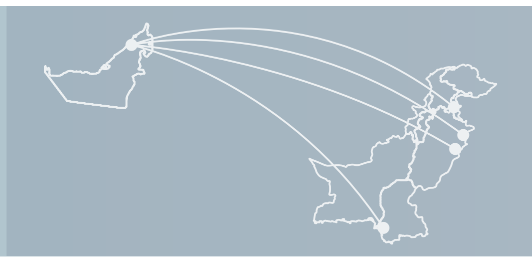
Following the UAE's lifting of restrictions on transit passengers, Emirates resumes passenger services to 16 more cities.

29 Jun

Emirates announces the restart of services to more cities which will restore its passenger network to over 50 destinations in July.

09 Aug

Emirates ramps up services to Pakistan offering 60 flights per week from Karachi, Islamabad, Lahore, and Sialkot to Dubai.



31 Aug

Emirates and flydubai reactivate their strategic partnership to offer customers seamless access to over 100 destinations via Dubai, following the progressive restoration of services across both airlines' networks.

29 Sep

Emirates restores passenger services to Entebbe and Muscat, taking its network to 94 destinations.

05 Oct

Emirates expands its European network with the announcement of operations restarting to Budapest, Bologna, Lyon, Dusseldorf and Hamburg.

20 Oct

Emirates signs an interline agreement with Airlink to provide customers with enhanced connectivity from its gateways in Johannesburg and Cape Town to over 25 new domestic destinations in South Africa and 20 regional destinations in Southern Africa.

15 Nov

Emirates inks an interline agreement with FlySafair, extending its reach in South Africa to domestic points operated by FlySafair.

12 Jan

Emirates expands its operations in the Americas with passenger services resuming to Seattle, Dallas and San Francisco, and the addition of flights to New York, Los Angeles and Sao Paolo. By January, the airline had restored its passenger network to more than 100 destinations.

15 Mar

Emirates and TAP Air Portugal sign an MoU to expand their strategic partnership, and offer customers of both airlines access to more destinations and benefits.

Moving essential supplies to the world through Dubai

During 2020-21, Emirates rapidly scaled up its cargo operations and network to meet strong demand across markets.

Emirates SkyCargo added 19 “mini freighters” to its operations using modified 777-300ER passenger aircraft, and introduced new loading protocols to safely carry cargo using overhead bins and passenger seats.

Tapping on its pharma transport expertise and capabilities, Emirates SkyCargo set up a dedicated GDP-certified airside hub in Dubai for COVID-19 vaccines, and partnered with UNICEF and leading entities to facilitate the rapid transport of COVID-19 vaccines to developing nations through Dubai. In October, Emirates SkyCargo began transporting COVID-19 vaccines on its flights.

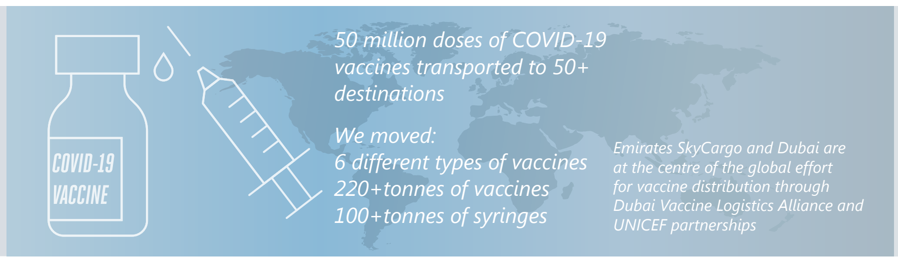
Throughout 2020-21, Emirates SkyCargo continued to deliver innovative and bespoke solutions for its customers, supporting the food industry, animal transport, sporting events, and other critical economic activity. Emirates SkyCargo’s flights have helped maintain food security in a number of import reliant markets while also providing an income stream to communities dependent on agricultural exports. It also played a key role in distributing relief supplies following the devastating Port of Beirut explosions in August.

09 Apr

Emirates scales up its cargo network and operations to transport food, medicines, and other essential commodities, with increased charter and flight operations to over 50 destinations using SkyCargo's dedicated freighters as well as the bellyhold of wide-bodied passenger aircraft.

25 Jun

Emirates introduces the first of its 19 Boeing 777-300ER "mini freighters". These are passenger aircraft used to operate cargo missions with modified Economy class cabins that provide an additional 132m³ of cargo volume per flight.



06 May

Emirates SkyCargo optimises capacity on flights to meet demand from main global production markets, by carrying cargo in the overhead bins and seats of flights operated using passenger aircraft, following a full safety and operational review and approvals.

14 May

Emirates SkyCargo reconnects six continents with scheduled cargo flights to 75 global destinations across the Middle East, Africa, Asia, Australasia, Europe and the Americas; in addition to charter operations to other cities.

21 Jul

Emirates SkyCargo marks the operation of 10,000 cargo flights in just three months, keeping the world connected and the flow of essential goods uninterrupted with the rapid restoration and expansion of its network to 100 destinations on six continents by July.

23 Sep

Emirates SkyCargo signs an MoU with International Humanitarian City to co-develop solutions for humanitarian logistics and crisis relief operations, share expertise, and appoint Emirates SkyCargo as the carrier of first-choice for crisis relief efforts.

29 Sep

Emirates Skycargo launches scheduled freighter operations to Guadalajara, Mexico's technology hub.

15 Oct

Emirates SkyCargo expands network to over 130 destinations, works with partners to maintain supply chains for food and other perishables during COVID-19.

22 Oct

Emirates SkyCargo sets up world's largest Good Distribution Practices (GDP)-compliant cargo hub in Dubai to handle COVID-19 vaccines.

15 Nov

Emirates introduces A380 operations for select cargo charters, with the aircraft carefully and safely optimised to transport around 50 tonnes of cargo per flight. Its first mission transported medical supplies between Seoul and Amsterdam via Dubai.

31 Jan

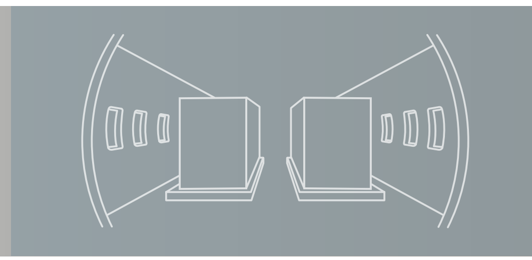
Emirates SkyCargo is a launch partner of the Dubai Vaccine Logistics Alliance, which was formed to expedite the distribution of COVID-19 vaccines through Dubai to developing countries.

16 Feb

Emirates SkyCargo partners with UNICEF on COVID-19 vaccine distribution. Under the Humanitarian Airfreight Initiative, Emirates will prioritise the transport of vaccines, essential medicines, medical devices and other critical supplies to help fight the COVID-19 pandemic.

23 Feb

Emirates SkyCargo showcases its bespoke transport solutions for fresh produce at Gulfood 2021, an important tradeshow for the food industry, and one of the first significant in-person tradeshows held in the region since the COVID-19 pandemic.



04 Mar

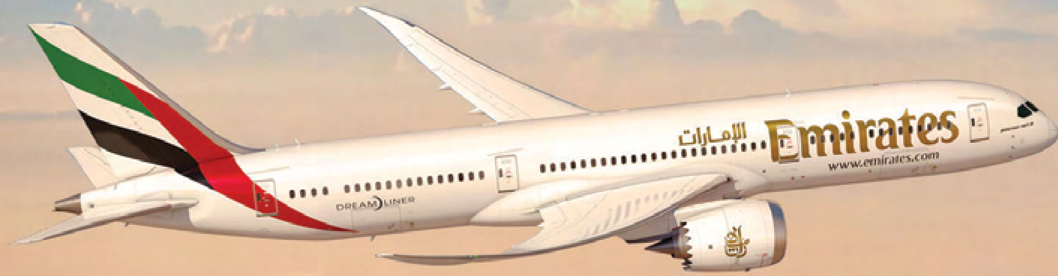
Emirates SkyCargo gallops to a strong finish for horse transport in 2020, transporting over 1,100 of these magnificent animals in safety and comfort for various sports and equine events over the year with its bespoke facilities and services.

14 Mar

Emirates SkyCargo and Dubai Civil Aviation Authority sign an MoU to streamline processes, reduce wait times and create better efficiency in the transport of Dangerous Goods.

16 Mar

Emirates SkyCargo marks one year of passenger freighter operations, with over 27,800 cargo missions completed on passenger aircraft over the past 12 months, carrying 100,000 tonnes of essential supplies to customers around the world.



Fleet and product

By April, Emirates had swiftly implemented an aircraft parking and reactivation programme to protect and maintain its fleet and ensure that aircraft can be readied for service at short notice. This contributed to Emirates' agility and ability to quickly scale up capacity for cargo missions and deploy operations to markets dynamically.

With strong customer demand observed wherever travel restrictions are eased, Emirates was also able to quickly return its A380 to the skies.

During 2020-21, Emirates retired 9 Boeing 777s and 5 A380s. It also received delivery of 3 new A380 aircraft including one with its latest enhanced cabin interiors and the airline's much anticipated Premium Economy cabin. Emirates also gradually restored its signature inflight services over the year, following constant updates and reviews of the latest pandemic control protocols.

01 Jul

Emirates re-starts its complimentary Chauffeur drive service in Dubai for its premium customers. Through the year, as Emirates resumed regular scheduled flight operations across its network, it worked closely with service partners to reinstate this signature service and put in place enhanced COVID-19 measures as required by the various local health authorities.

15 Jul

Emirates' A380s return to the skies with scheduled operations to London Heathrow and Paris. By August, scheduled A380 operations had resumed to Guangzhou and Toronto, and a special one-off A380 service was operated to Clark.

18 Oct

Emirates re-starts its A380 Onboard Lounge and Shower Spa services, redesigning its signature onboard experiences in line with the latest bio-safety measures.

08 Dec

Emirates receives its 116th A380, the first of three A380 aircraft to join its fleet in 2020. It was also the first A380 delivery powered by sustainable aviation fuel (SAF). Emirates' 117th A380 was subsequently delivered on 11 December.

16 Dec

Emirates re-opens its dedicated airport lounge in New York JFK airport for its premium customers and frequent flyers, with revised service protocols and bio-safety measures in place. By December Emirates had re-opened its airport lounges in Dubai, Cairo, Manchester and New York, in line with the recovery of its network operations.

22 Dec

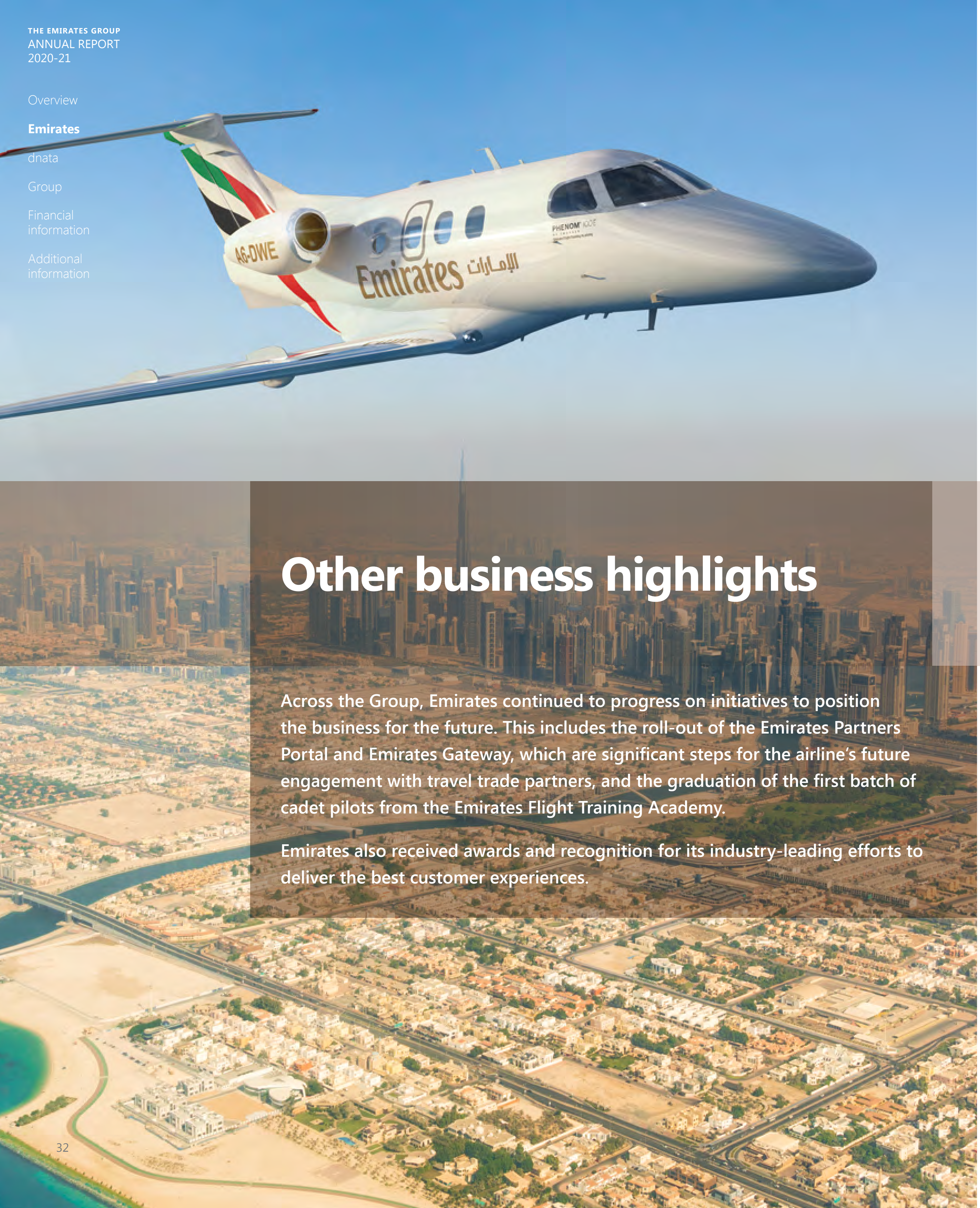
Emirates receives its 118th A380. This latest aircraft takes Emirates' signature A380 experience to new heights with the unveil of Emirates' new Premium Economy seats as well as enhancements across all cabins.

01 Mar

Emirates introduces a new option for customers flying in Economy Class to purchase empty adjoining seats, offering them the ability to purchase more space and privacy.

30 Mar

Emirates becomes the first airline to operate an A380 to the new Terminal 1 at King Abdulaziz International Airport in Jeddah.



Other business highlights

Across the Group, Emirates continued to progress on initiatives to position the business for the future. This includes the roll-out of the Emirates Partners Portal and Emirates Gateway, which are significant steps for the airline's future engagement with travel trade partners, and the graduation of the first batch of cadet pilots from the Emirates Flight Training Academy.

Emirates also received awards and recognition for its industry-leading efforts to deliver the best customer experiences.

10 Apr

Emirates Flight Catering launches a new innovative food delivery product, Foodcraft.

01 Jun

Emirates Aviation University introduces Virtual Open Days, and live consultations for prospective students and their parents to connect with the faculty and obtain information on admissions.

23 Jun

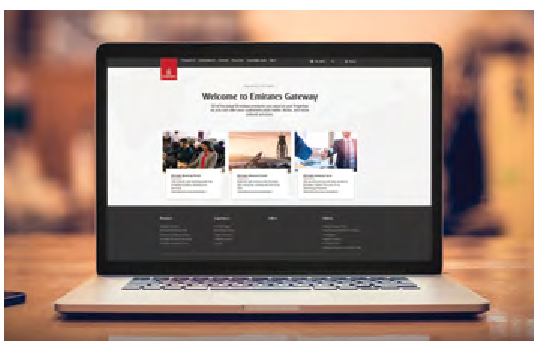
Emirates launches its "Dubai is Open" advertising campaign and demonstrates its readiness to support the latest protocols announced by the Dubai authorities to enable the city's safe re-opening to business and leisure visitors from 7 July.

04 Jul

Emirates' newest sponsorship partner, French football club Olympique Lyonnais, play their debut match in special one-off jerseys with the message "Dubai is Open".

27 Jul

Emirates launches its Emirates Partners Portal, a one-stop shop tailored for each market, allowing travel industry partners to access the full range of information on Emirates' latest products, services and policies, and obtain technical support.



28 Jul

Emirates' First Class tops the Tripadvisor Travelers Choice Awards for the 4th consecutive year, winning the *World's Best First Class* and *Middle East Best First Class*. Emirates was also recognised as one of the Top 10 airlines in the world, in addition to winning *Best Economy Class - Middle East* and the overall *Travelers' Choice Major Airline* honour for the Middle East.

17 Sep

Emirates Flight Catering announces its partnership with CCL Holdings to form Kosher Arabia, a dedicated production facility for kosher food expected to begin operations in early 2021.

28 Sep

Emirates introduces its Dubai Experience product in 14 markets which lets customers build personalised itineraries on emirates.com around their flight booking, tapping into a selection of over 120 hotels and more than 200 tourism activities around their flight bookings to Dubai.

06 Oct

Emirates advances its distribution capabilities with the launch of its new, NDC-powered Emirates Gateway for trade partners.

11 Oct

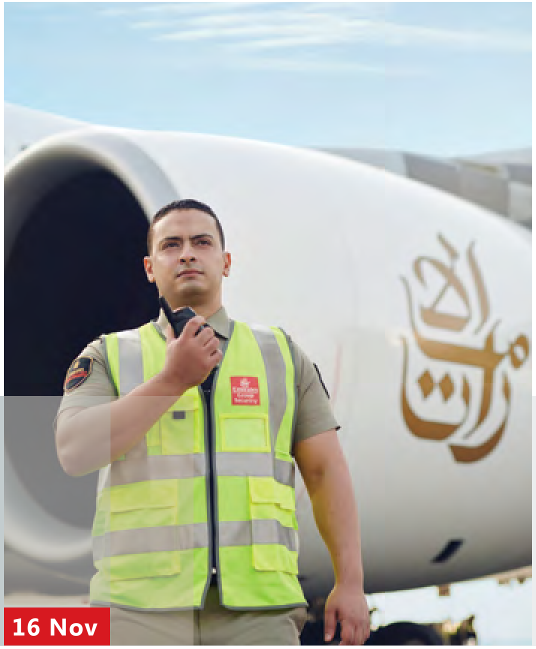
Emirates Skywards, the loyalty programme of Emirates and flydubai, marks 20 years of excellence, innovation and rewards, with 27 million enrolled members.

21 Oct

Emirates wins *Best Airline* at the Business Traveller Middle East Awards 2020 for the 7th consecutive year, in addition to awards for Airline with the *Best First Class, Airline with Best Cabin Crew* and *Best Airport Lounge in the Middle East*.

05 Nov

Emirates Group Security's X-ray training, conducted by the Centre of Aviation and Security Studies (CASS), was certified by the Pakistan Civil Aviation Authorities, enabling the Group to conduct its own training for security staff based in Pakistan.



16 Nov

Emirates Group Security receives the prestigious Dubai Quality Gold Award (DQA), the city's top accolade for excellence, cementing its position as a role model organisation that meets and exceeds world-class standards across its business areas, systems and practices.

18 Nov

Emirates wins Best Airline and Best Long Haul Airline at the UK Travel Awards 2020.

29 Nov

Emirates is named the World's Leading Airline in three categories at the World Travel Awards 2020: *World's Leading Economy Class, Airline Rewards Programme, and Airline Lounge - Business Class.*

17 Dec

Emirates Flight Training Academy celebrates the graduation of its first batch of cadets from its training programme.

20 Dec

Emirates wins *Airline of the Year 2020* at the Aviation Business Awards for its resilience, agility and industry-leading initiatives to boost traveller confidence and customer experience during the pandemic. Airline President Sir Tim Clark was also honoured with the Lifetime Achievement Award for his contributions to the aviation industry over the course of his career.

22 Dec

Emirates earns the *APEX 2021 Five Star Global Official Airline Rating™* based on passenger feedback independently collected by APEX via its partnership with TripIt and validated and certified by an external auditor.

18 Feb

Emirates announces plans to offer exclusive content for travel agents on Emirates Gateway from July, marking a significant milestone in its distribution approach.

dnata highlights


Ruth

Airport operations

In line with the global industry, dnata's Airport Operations were dramatically affected by the impact of the pandemic.

dnata suffered a 59% decline in the number of aircraft turns handled in the UAE and a similar 57% decline in its international operations. In contrast, cargo tonnage handled only saw a minor decline of 8%, reflecting the strength of the markets for health products and e-commerce.

Our teams around the world had to rapidly adjust their processes to cope with the new operating environment. This included passenger aircraft being used for cargo-only loads both in the belly and the passenger cabin. At the same time, we adapted quickly to safeguard our workforce with the provision of PPE, training, and revised operating procedures to reflect social distancing.

dnata continued to invest in its product and in new facilities. This included the opening of a new state-of-the-art cargo facility in Manchester, and additional cargo capacity and infrastructure in Sydney, Brussels and Toronto. We also continued with building new cargo facilities in London Heathrow and Lahore, which are due to open in 2021.

dnata continued to invest in innovative products and new technology and digitalisation, as well as achieving industry certifications which validate its capabilities and places the business in a competitive position to retain and win new contracts.

01 Apr

dnata continues to support airlines in maintaining global trade and the flow of essential goods by delivering best-in-class cargo services amid the pandemic. dnata teams handle tens of thousands of PPE, life-saving medical supplies and pharmaceuticals.

15 Apr

dnata enhances services, improves processes, and trains employees to safely and efficiently handle passenger planes carrying cargo only. The company's professionally trained staff achieve remarkable milestones by loading record amounts of up to 71 tonnes of cargo per flight onto airline customers' passenger aircraft.

01 May

dnata's skilled workforce take on new roles to support communities. In Singapore and Australia, dnata partners with authorities and companies to temporarily redeploy employees to organisations in industries facing a labour shortage. Over 400 dnata employees are trained and start working in other organisations.

15 May

dnata completes a mass disinfection programme of all ground support equipment (GSE) in the UAE to protect its employees and travellers. More than 11,500 pieces of GSE including busses, passenger steps, baggage dollies, and pushback tractors are disinfected at the two Dubai airports.

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dnata
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01 Jun

dnata launches innovative new products and services across its global operations to help airlines and passengers navigate the new normal. The company adds thermal screening and baggage disinfection to its offering at various locations around the world.

22 Jun

The International Air Transport Association (IATA) awards dnata the IATA Safety Audit for Ground Operations (ISAGO) Registration in Iraq and the US.

01 Jul

dnata's ground and passenger handling teams help airline partners deliver on special missions across the globe. From London to Manila and Dubai, dnata's dedicated employees help thousands of families reunite by handling more than 2,600 repatriation flights between March-July.

06 Jul

DUBZ, dnata's leading baggage technology and logistics company, adds home COVID-19 testing to its offering, enabling customers to safely and quickly complete the flight check-in process, and obtain a medical certificate within 24 to 48 hours of testing, from any location in Dubai.

25 Aug

GTA dnata, dnata's joint-venture company in Canada, is awarded a 5-year ground handling license at Vancouver International Airport. The company will provide quality and safe ramp, passenger and cargo warehousing services to airlines with a team of highly trained, customer-oriented aviation professionals.

07 Oct

marhaba expands its global network with the opening of a new airport lounge at Ninoy Aquino International Airport in Manila. Located at Terminal 1, the newest marhaba lounge features comfortable seating for over 85 guests, a prayer room, a private meeting room and shower facilities.

08 Oct

dnata becomes the first ground handler to launch cool dollies in its operations at Singapore Changi Airport. Its new, high-tech containers are specially designed to serve the pharmaceutical industry with a closed temperature-controlled system for the seamless delivery of temperature-sensitive goods between cargo warehouses and aircraft.

20 Oct

dnata enters the Indonesian aviation market through a partnership with PT UNEX Rajawali Indonesia (UNEX). The partners will enhance ground handling capacity in Indonesia by making joint investments in facilities, equipment and training. The collaboration launches in Jakarta with future expansion plans to other Indonesian airports.

02 Nov

For the 6th consecutive year, dnata is named *Ground Handler of the Year* at the 2020 Air Cargo News Awards. The recognition is a testament to the dnata teams' relentless commitment to safety, innovation and service excellence in the industry's most challenging year on record.

26 Nov

dnata becomes the first ground handler to complete a green aircraft turnaround in the United States. The milestone was accomplished with VivaAerobus, using only zero-emission ramp ground support equipment at New York-JFK Airport's Terminal 1.

30 Nov

dnata launches a smart, just-in-time freight handling platform across its Dubai operations. A cloud-based platform, Appointment and Dock Management (ADM) provides improved planning, efficient processing and end-to-end transparency of the entire cargo journey, delivering significant benefits for all freight forwarders.

14 Dec

In partnership with Uveya and Helvetic Airways in Switzerland, dnata successfully trials ultraviolet (UV) technology to sanitise aircraft cabins. During the cleaning process, an autonomous sterilisation robot emits concentrated UV-C light across the cabin, killing over 99% of bacteria and pathogens in the air and on all surfaces in a few minutes, without using any chemicals.

16 Dec

marhaba and Plaza Premium Group form a strategic partnership to enhance their offering of airport lounges and meet and greet services around the world. The partnership will see the two companies jointly engage new and existing customers, enhance their product and service offering and increase their global footprint.

17 Dec

For the 10th time, dnata is named *Ground Support Services Provider of the Year* at the 2020 Aviation Business Awards. dnata also receives a commendation for a 'green turnaround' which it completed in partnership with flydubai in 2019.

21 Jan

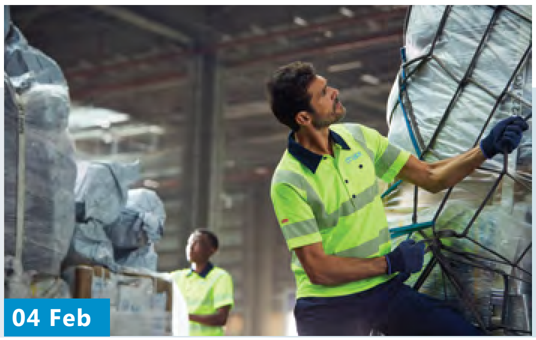
dnata opens a new, state-of-the art cargo complex, dnata City North, at Manchester Airport. Representing an investment of over GBP 30 million, the 150,000 sq ft facility allows the company to significantly expand and consolidate its Manchester operations.

26 Jan

dnata is awarded Qantas' ground handling contracts in Sydney, Melbourne, Brisbane and Townsville.

02 Feb

Airport Handling SpA, dnata's subsidiary in Italy, and Beta Trans ink a strategic partnership to provide a full range of cargo services to customers at Milan Malpensa Airport (MXP). The two companies' joint offering includes high quality and safe ramp and cargo handling, warehousing and road feeder services.



04 Feb

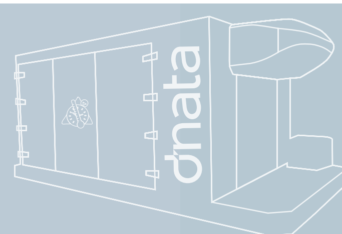
dnata becomes the first global air services provider to adopt the International Air Transport Association's (IATA) Dangerous Goods AutoCheck (DG AutoCheck) platform for the acceptance of dangerous goods shipments. IATA's innovative solution helps dnata further enhance safety and improve efficiency in the handling of dangerous goods at over 20 airports globally.

16 Feb

dnata adds four high-tech 'cool dollies' to its Australian cargo fleet, becoming the first air services provider to offer a fully integrated, temperature-controlled cool chain for pharma and perishable shipments in the country. The specialised containers ensure the safe delivery of temperature-sensitive goods at Sydney Airport and Melbourne Airport.

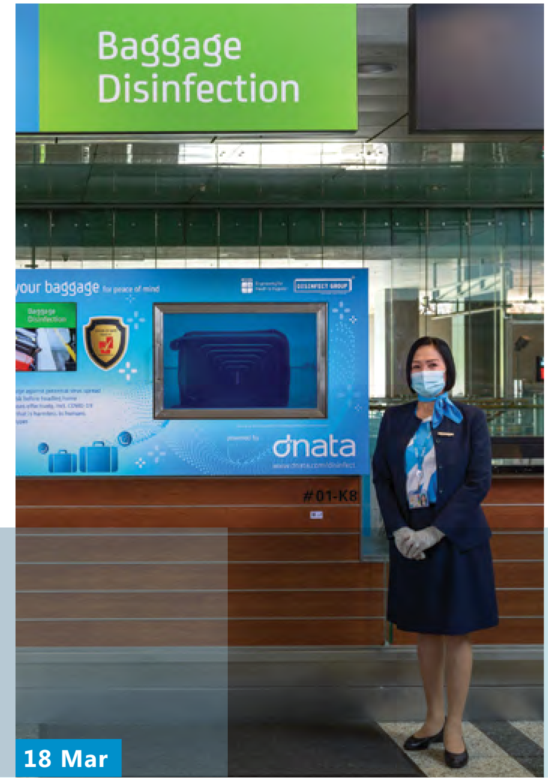
01 Mar

The Emirates Group announces the appointment of Steve Allen as the Executive Vice President of dnata, responsible for all dnata's businesses covering airport operations, catering and retail and travel across six continents. He will report to Emirates Group Chairman and Chief Executive HH Sheikh Ahmed bin Saaed Al Maktoum after the retirement of dnata President Gary Chapman.



08 Mar

dnata's teams handle the 5,000th cargo-in-cabin flight in the UAE in 12 months. dnata trained more than 500 Dubai-based employees to safely and efficiently handle passenger planes carrying cargo only.



18 Mar

dnata launches safe, efficient and environment-friendly baggage disinfection service at Singapore Changi Airport. The company's advanced equipment creates an almost invisible mist that is 100% natural, non-toxic, bio-degradable and can effectively kill over 99.99% of bacteria and pathogens on all types of baggage.

Catering & retail

dnata's Catering division saw a drastic drop of 82% in meals uplifted in 2020-21 due to the pandemic. Despite the dramatic decrease in flight activity, dnata's teams continued to deliver quality services to customers across various industries.

Through the year, the Catering division adapted its products and services to meet new customer requirements, including the provision of meals for quarantine facilities. It also worked with local organisations in Australia, Ireland, Italy and the UK to support communities in need.

It continued to build the business with strategic investments including the launch of a dedicated inflight retail centre of excellence, and the opening of a second state-of-the-art catering facility in Dublin. dnata introduced new bio-digesters to reduce food waste across its operations, and solar panels at its Singapore facility as part of its commitment to reduce its environmental footprint.

01 Apr

dnata adapts its catering products and services in line with demand, and increases its capability to serve health and aged-care industries to support relief efforts alongside local authorities. In several countries, dnata delivers meals for COVID-19 quarantine facilities, looking after those in compulsory isolation.

15 Jun

dnata's Australian catering team rolls out bio-digesters across its facilities to further reduce food waste across the operations. The company's equipment is capable of diverting 730 tonnes of food waste from landfills annually.

28 Jul

dnata signs a ten-year airport concession agreement with Sharjah International Airport (UAE), expanding its remit to include relaunching and operating the airport's transit hotel and adding more F&B outlets in the airport's new terminal.

15 Sep

dnata commences operations at its new, second catering unit in Dublin. The state-of-the art facility quadruples dnata's catering capacity in the Irish capital, enabling the company to deliver 40,000 quality inflight meals a day for customers.

12 Oct

dnata joins forces with iFLEAT and Thuisbezorgd.nl to trial a revolutionary pre-order inflight retail initiative in the Netherlands. The three companies' innovative solution brings high-end, creative meals and snacks to airline passengers around the world.

25 Nov

dnata launches a dedicated inflight retail centre of excellence. The new specialist unit delivers tailor-made onboard retail programmes and innovative solutions for airline customers, supporting them to maximise onboard ancillary revenue and enhance passenger satisfaction.

01 Feb

dnata Singapore signs an agreement to install more than 7,600 solar panels across its facilities, capable of delivering enough renewable energy to power 1,100 four bedroom flats for a year and reducing our carbon dioxide emissions by over two million kilograms annually.

10 Feb

dnata underscores its commitment to the consistent delivery of the highest health and safety standards across its global catering operations, by adopting the new industry guidelines of the International Flight Services Association (IFSA) and the Airline Catering Association (ACA). The guidelines support the airline and airline catering industries worldwide as they take actions in response to the COVID-19 pandemic.

31 Mar

dnata launches a state-of-the-art inflight retail technology solution in Sharjah, UAE, delivering a more efficient, customer-centric retail journey for Air Arabia's passengers.

Travel

dnata's Travel division saw a revenue decline by 96% to AED 130 million, with the total underlying transaction value (TTV) dropping by 98% to AED 229 million. This was due to low travel demand and bookings caused by severe travel restrictions around the globe, in addition to unprecedented volumes of customer refunds.

Throughout an incredibly tough year with a fast-changing global travel environment, dnata's Travel division focussed on investing in technology, streamlining operations and initiatives to support its customers. Across its travel brands, dnata helped its customers rebuild traveller trust by processing refunds and rebookings, and providing the latest travel information.

Leveraging its established UAE presence and the re-opening of Dubai for international travel, dnata launched initiatives to promote staycations, and its UAE-based tour operating division Arabian Adventures started new experiences.

07 Jul

dnata Travel Attractions launches, enabling customers to book on dnataTravel.com a wide range of UAE attractions to enhance their staycations or create itineraries from some of the best local experiences as demand for domestic travel increases.

14 Jul

The World Travel and Tourism Council (WTTC) awards Arabian Adventures the 'Safe Travels' stamp, recognising the company for achieving high health and safety standards across its operations. The 'Safe Travels' stamp was created to help travellers identify companies and destinations around the world that follow WTTC's standardised health and hygiene protocols.

01 Oct

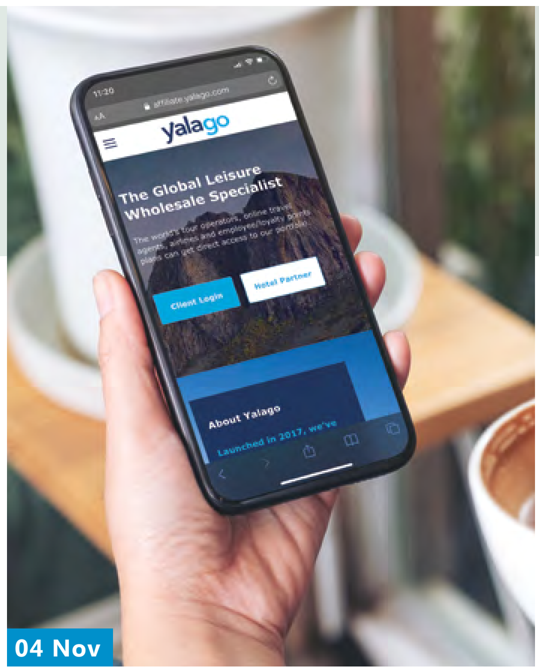
dnata Travel commences a partnership with Visit Maldives to promote smooth and safe travel to its private island destinations with holiday packages including PCR testing, resort transfers, all-inclusive meal plans, added extras and exclusives. dnata also made it possible for customers to directly book their transfers in the Maldives via dnataTravel.com.

26 Oct

In partnership with sports brand ASICS, Arabian Adventures joins the Dubai Fitness Challenge (DFC) and offers free, guided sightseeing runs across the city. The runs offer a unique experience for all fitness levels and abilities.

04 Nov

dnata Travel wins four accolades at the 2020 World Travel Awards Middle East, including the *Middle East's Leading Airline GSA 2020, Middle East's Leading Corporate Travel Company 2020, Bahrain's Leading Travel Management Company 2020*, and *Saudi Arabia's Leading Travel Agency 2020* awards.



04 Nov

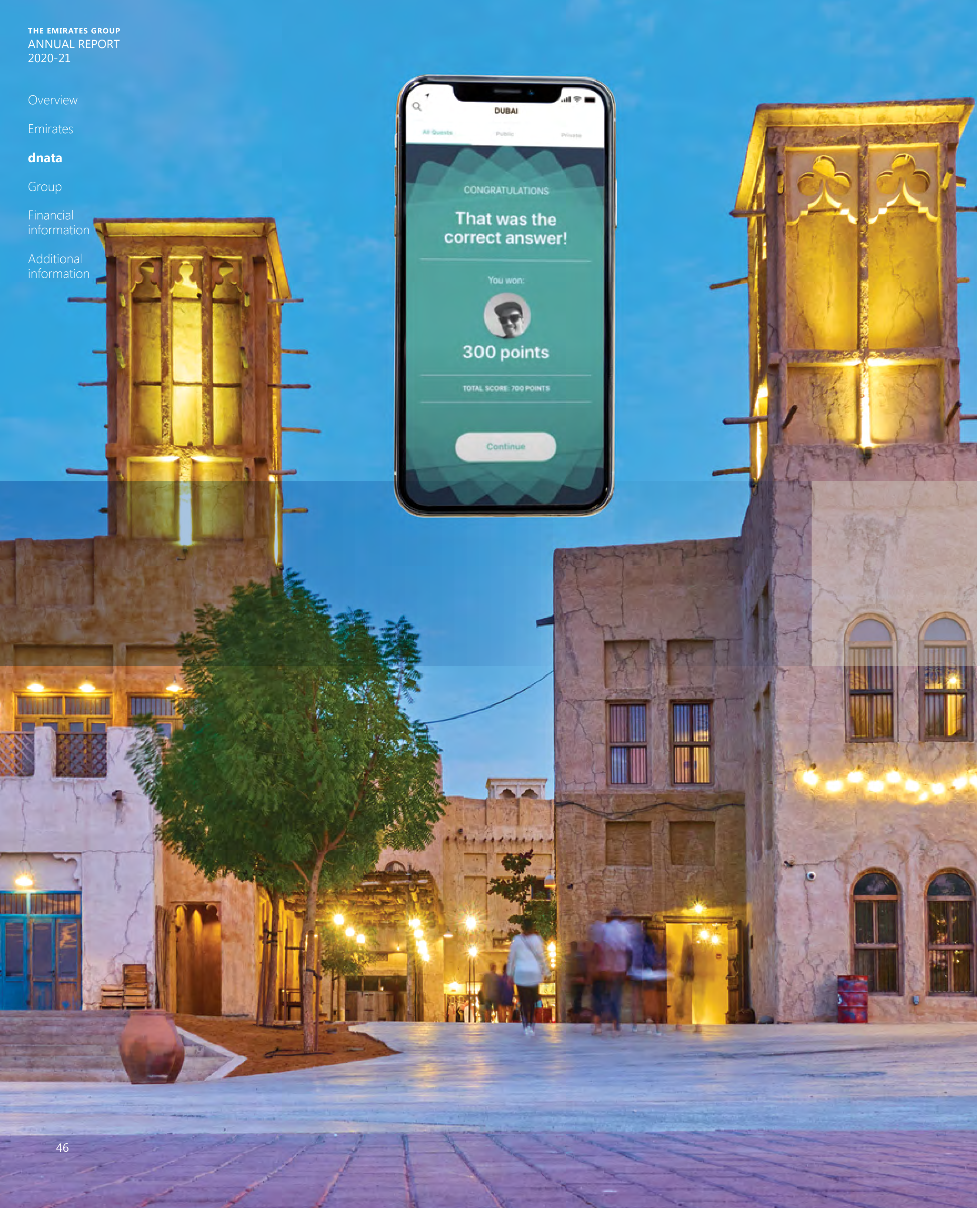
yalago is named the *Middle East's Leading Hotel Booking Solutions Provider 2020* at the 2020 World Travel Awards Middle East.

04 Nov

Arabian Adventures picks up three awards at the 2020 World Travel Awards Middle East becoming the *UAE's Leading Destination Management Company 2020, UAE's Leading Desert Safari Company 2020* and *UAE's Leading Tour Operator 2020*.

22 Nov

Gold Medal expands its operations into Oman through a partnership with OUA Travel. Oman-based trade agents are now able to promote and sell Gold Medal's wide range of travel products, offering a new world of options to their customers.



27 Nov

Destination Asia, a leading DMC with presence across 11 South Asian countries, comes fully under the dnata Travel Group umbrella with the acquisition of the remaining stake.

30 Nov

Arabian Adventures partners with the technology and gaming experts at Questo to launch Historical Dubai, an innovative self-guided walking tour. Combining gaming with city sightseeing, the tour teleports users inside a fictional story where they are the main character, giving hints in order to solve riddles and move around a city whilst finding out its hidden stories.

14 Dec

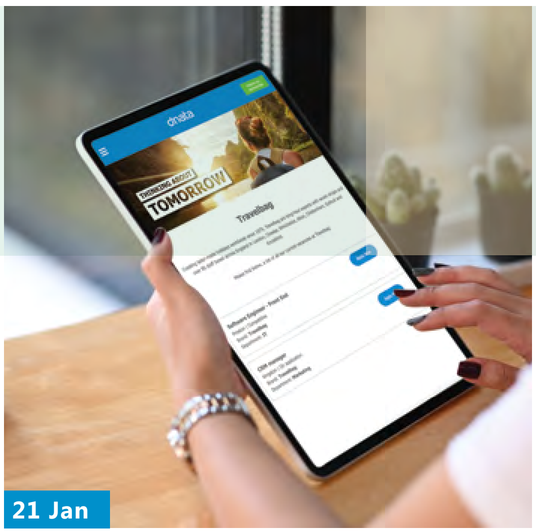
Travelbag wins seven awards at the British Travel Awards 2020: *Best Luxury Holiday Company, Best Family Holiday Company, Best Holiday Company to the Middle East, Best Holiday Company to Australasia, Best Holiday Company to the Indian Ocean, Best Holiday Company to Southeast Asia,* and *Best Holiday Company to Canada*.

01 Jan

dnata Travel launches a new blog with content from its travel experts to support customers with extensive COVID-19 travel information and destination inspiration. This includes a new online resource "Where can I travel to from the UAE" that provides UAE travellers with daily-updated information on travel requirements to plan their journeys to popular destinations.

07 Mar

Arabian Adventures receives the Travelife Partner award, the leading international sustainability certification in the travel industry. The global recognition demonstrates Arabian Adventures' commitment to service excellence and sustainable tourism.

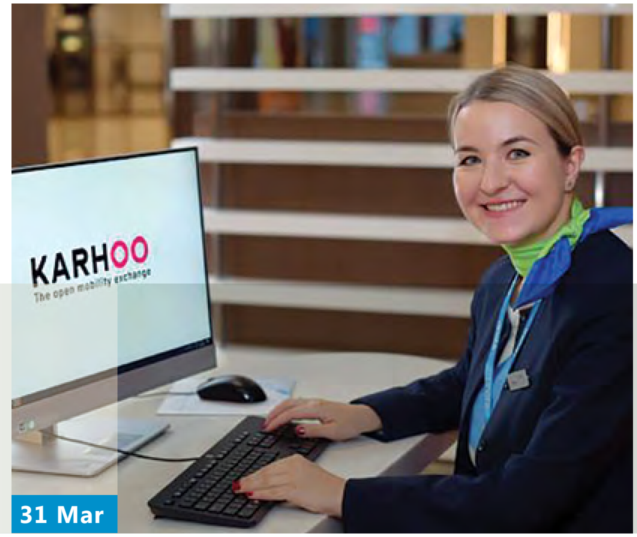


21 Jan

Travelbag and Sunmaster are recognised by customer review platform Feefo. Sunmaster retained its Trusted Service Award, while Travelbag improved its status from Gold to Platinum, the highest level.

30 Mar

Arabian Adventures launches 'The Perfect Evening by Arabian Adventures', a new, high-end dining experience in the Dubai Desert Conservation Reserve (DDCR). The experience includes sundowners with canapes at a perfect sunset stop, and premium dining at the newly-designed camp with a private chef and waiter, with some traditional Arabian surprises for guests along the way.



31 Mar

dnata Representation Services announces its appointment as the exclusive representation partner for the mobility solutions platform, Karhoo across the United Arab Emirates, Saudi Arabia, Kuwait, Bahrain, Oman and Qatar. The partnership sees dnata Representation Services offer travel agents access to Karhoo's innovative services, enabling them to seamlessly book reliable airport transfers and offer travellers a truly door-to-door experience.

The COVID-19 pandemic led to a drastic and unprecedented reduction of flights, travel demand and airport operations, which had a profound effect on our business and our people. During 2020-21, the Emirates Group had to implement redundancies across all parts of the business for the first time in its history.

Prior to the redundancies, the Group initially took other cost-saving measures aimed at preserving our financial position and mitigating the risk to our workforce.

Our people

However, as it became clear that recovery would take much longer than initially projected, the Group had to resize its workforce in line with reduced operational requirements. This was a very difficult decision, but a necessary one to address the critical immediate challenge and maintain the future viability of our Group.

Even with the significant headcount reductions, the Group was able to retain the vast majority of its employees and talent across the entire organisation. Impacted employees were provided with assistance and support, particularly those who were unable to repatriate to their home countries due to travel restrictions.

During this time, our colleagues showed remarkable resilience, humility and flexibility; supporting each other and the organisation in overcoming the unprecedented and dynamic challenges presented by the pandemic and its impact on our industry.

Health and wellbeing

Through the year, health and wellbeing remained a top priority for Emirates and dnata as the COVID-19 pandemic ravaged communities and lives around the world.

A special taskforce was set up to regularly review workplace and operational protocols as new medical information on COVID-19 became available. This taskforce included in-house physical and mental health specialists, as well as representatives from HR, Communications, Training and Operations.

This group met daily for the first four months of the pandemic, and continues to meet regularly to ensure the health and wellbeing needs of the work population are being met.

During the height of lockdown in the UAE, the taskforce organised volunteer teams to support employees impacted by COVID-19 – from simple calls to check on colleagues' wellbeing and assistance with groceries, to providing dedicated hotel capacity for those unable to self-isolate in their homes.

For most of the first quarter, non-operational employees were required to work from home to protect themselves, their families, their colleagues and the wider community. Employees in frontline operations also had to quickly adapt to new protocols including regular PCR testing and periods of home quarantine. Recognising the strain these rapid changes may have on our people, additional support systems were quickly deployed to supplement our established Employee Assistance Programme, and more coaching and information on topics such as mental and financial wellbeing were made available to our people.

Our Group Medical team quickly reoriented operations to move 60% of medical consultations for our workforce and their dependants onto telemedicine consultations, supporting the stay at home and COVID-19 risk reduction agenda. It also set up response units to operate two call centres for our workforce: one to provide direct phone support to those medically at risk from COVID-19 which also included our Med Assist inflight support service; and a second one as an online information service to address questions related to COVID-19, supported by volunteers.

At the start of 2020-21, Group employees were being cared for under a system of welfare cells, who would track and trace positive COVID-19 cases and close contacts and ensure they were being well looked after in quarantine and isolation facilities.

In April, the Group started a daily email outreach to its operational employees, many of whom were not only grounded but also in strict isolation or lockdown. These emails gave employees pointers on self-development, tips for physical and mental health and regular industry updates to ensure they stayed connected. Similar assistance was also offered to those employees stranded in overseas destinations. Over the year, we delivered a program of initiatives under our "Sehaty" wellbeing programme covering mental and physical health, for pandemic as well as non-COVID-19 related health risks and conditions.

In October, the Emirates Group got behind the annual Dubai Fitness Challenge, which encourages participants to engage in at least 30 minutes of physical activity each day over the 30-day campaign. Recognising that the ongoing pandemic may have a negative physical and mental health impact, the Group conducted mindfulness workshops to support the resilience of its workforce.

In June, as the first employees who had recovered from COVID-19 began to return to work, the Group initiated a 'welcome back' campaign aimed at reducing stigma around COVID-19 and ensuring that returning colleagues were assimilated back into the workforce quickly.

In July, the company introduced new protocols and policies for safe and phased return of UAE-based employees to the workplace, and produced a comprehensive 'Return to Work' framework including a series of risk assessments and health guidelines. Employees were also offered flexibility to work from home to enable social distancing in the workspace.

In January, the Emirates Group set up COVID-19 vaccination centres, providing its UAE-based workforce with convenient access to vaccines that the UAE government has made available for free to UAE citizens and residents. By end of March, over 35,000 employees had opted to vaccinate at one of the Group's vaccination centres.

In February, Emirates operates its first flight with fully vaccinated employees onboard and across supporting ground operations, illustrating the progress of the UAE's vaccination drive including amongst essential aviation workers.

Learning and development

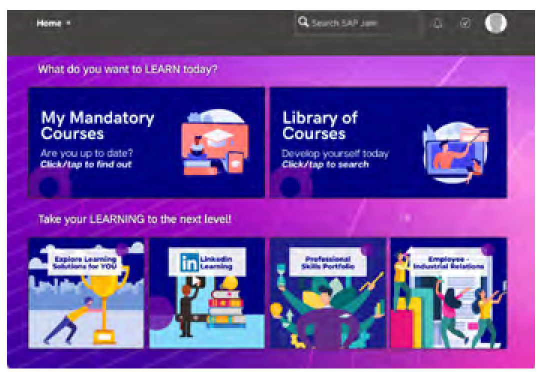
Reflecting our culture of continuous learning, many employees who were temporarily stood down, or unable to return to regular duties during COVID-19 lockdowns, took up self-development opportunities made available by the Group.

During 2020-21, employees undertook over 10,700 hours of facilitated learning, utilised resources such as LinkedIn Learning with nearly 5.5 million videos viewed, and completed 785,000 modules on our inhouse training portal, My Learning Zone.

In April, 36 digital training modules were developed and rolled-out to help our cabin crew comply and maintain their knowledge in Safety & Emergency Procedures.

In June, we launched a Role Resumption Learning Site for Emirates Airport Service teams in Dubai and around our network, as well as Ground Handling Agents, to ensure our frontline teams are ready to restart operations with over 8,000 knowledge checks completed.

In September, we launched our Group Learning & Talent (L&T) Portal which is a one-stop shop for employees to easily access the suite of L&T solutions designed to support their development



In October, Emirates Group wins the *'Best Nationalization Initiative in the Private Sector'* award at the GCC GOV HR Awards 2020, for its efforts in expanding the range of internal and external learning and development programmes for UAE Nationals.

In February, the Group launched a Learning and Talent Professional Skills Portfolio, a collection of programmes and virtual workshops to help employees achieve success at work.

Making our world better

We aim to make a positive impact on our industry and communities. We engage in programmes that support entrepreneurship and innovation in aviation, travel and tourism. Through our sponsorship of world-class events around the world, we bring our customers and fans closer to their passion, and help inspire young people in their pursuit of sports or culture.

Our communities

Through the Emirates Airline Foundation and dnata4good, we work with community organisations to make our world better. The airline foundation is a non-profit charity organisation that aims to improve the quality of life for underprivileged children, and dnata4good brings people from across the Group to help build schools, protect wildlife and provide humanitarian aid.

13 Aug

Emirates launched an airbridge between Dubai and Lebanon and dedicated over 50 flights to deliver emergency relief supplies in the aftermath of devastating explosions at the Port of Beirut.

27 Sep

Emirates continues its Beirut relief efforts through the generosity of its customers, with the transport of over 160 tonnes of vital aid supplies. Over 12,000 donations from 140 countries enabled the airline to uplift even more humanitarian cargo into Lebanon.

01 Apr

dnata adapts its catering products and services in line with demand and increases its capability to serve health and aged-care industries to support relief efforts alongside local authorities. In several countries, dnata delivers meals for COVID-19 quarantine facilities, looking after those in compulsory isolation.

01 May

dnata teams up with authorities, organisations and partners to provide ingredients, meals and packaged goods to local communities in need. More than 200,000 wholesome meals are donated to various organisations in Australia, Ireland, Italy and the UK to enable them to support those who need it the most.

07 Jul

dnata donates three pieces of cargo handling equipment to Dubai-based International Humanitarian City (IHC), the largest humanitarian hub in the world, to support the organisation in facilitating rapid relief and first responses to crises at a global level. The equipment is deployed at IHC's Dubai warehouses.

27 Sep

Emirates partners with "It's a Penalty" campaign, to shine a spotlight on the issue of human trafficking.

22 Nov

The Emirates Airline Foundation marks UN World Children's Day by highlighting the work and achievements of NGO partners who are dedicated to helping disadvantaged children live better through access to education and safe shelter.

12 May

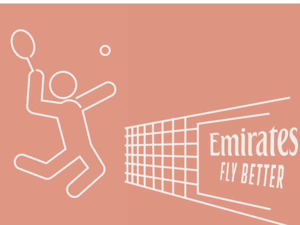
Emirates releases its brand video "When this is over" featuring its cabin crew delivering positive and inspiring messages of their travel aspirations and personal goals after the pandemic lockdown.

31 Aug

Emirates gets "Back in the Game" with brand presence at the US Open and the French Open, two of the four Grand Slams in world tennis.

07 Mar

Emirates Team New Zealand wins the 36th America's Cup. The team, sponsored by Emirates since 2004, successfully defended sailing's oldest and most prestigious trophy in Auckland.



Sponsorships

Emirates' long-standing investment in sponsorships around the world stems from its belief that sports and the arts are vital to vibrant societies, and have the power to inspire, and bring people and communities together.

During year, Emirates worked with its sponsorship partners to support the safe restart of sporting events, and on initiatives to motivate and encourage communities impacted by lockdowns.

15 Dec

Emirates supports the safe restart of global sporting events in the UAE with the provision of brand sponsorship and air transportation services for high profile competitions including the DP World Tour Championship and 'Race to Dubai', the European Tour's season ending finales.

30 Dec

Emirates teamed up with its key football sponsorship partners, Arsenal, Real Madrid and AC Milan, on a campaign to surprise deserving fans and reconnect them with their favourite clubs.

27 Mar

The Dubai World Cup meeting is successfully held at Meydan Racecourse with 117 horses from 11 countries competing for titles and a total prize pool of US$ 26.5 million. Through its long-standing sponsorship of the event, Emirates has helped the Dubai World Cup evolve into one of the world's top racing challenges that draw the attention of millions of enthusiasts around the globe.

The Group's Environmental Framework and Strategy focusses resources on three key areas: emissions reduction, responsible consumption, and wildlife and habitat conservation.

This year, dnata began embedding the environmental framework across its broad-spanning Travel businesses. It aims to continue improving its own operational footprint, and also to provide dnata Travel customers with environmental information, products and services, to make better travel choices.

Our planet

Two of its tour operating businesses, Arabian Adventures and Destination Asia achieved recognition for their sustainable tourism efforts. Destination Asia Indonesia achieved the Travelife certified award. The Travelife standard covers the ISO 26000 Corporate Social Responsibility themes, including environment, biodiversity, human rights and labour relations; and is in full compliance with the UN supported Global Sustainable Tourism Criteria. Arabian Adventures, located in the UAE, achieved Travelife Partner level, bringing the number of businesses across the dnata Travel Group to five who have achieved Travelife Partner level or above.

Reducing emissions

Emirates and dnata saw significant drops in flight and ground operations due to the COVID-19 pandemic, particularly in the first half of the year. This is reflected in the 2020-21 environmental data which shows a 67.9% drop in fuel burn and emissions from aircraft operations, but a 6.5% drop in overall fuel efficiency due to reduced loads compared to 2019-20.

Reduced handling activity on the ground led to a 54.1% reduction in emissions from UAE based ground operations.

Through the year, Emirates continued to explore and implement initiatives to improve fuel efficiency and reduce emissions across its operations where operationally feasible. Some of its most significant initiatives in this regard include: its long-standing operation of flexible routings in partnership with air navigation service providers to create the most efficient flight plan for each flight; and the use of advanced data analytics, machine learning and AI in its fuel monitoring and aircraft weight management programmes.

This year, Emirates received its first A380 powered by sustainable aviation fuel (SAF) in December, and earlier in August it uplifted 32 tonnes of SAF for its flights from Stockholm, with the support of Swedavia's Biofuel Incentive Programme. Flights from Oslo also began operating on SAF under the Norwegian government SAF mandate policy.

In 2020-21, Emirates joined the World Economic Forum's Clean Skies for Tomorrow coalition, which is supporting a transition to sustainable aviation fuels as part of a pathway towards carbon-neutral flying.

SAF is one of the main opportunities to reduce aviation's carbon footprint in the longer term, along with aircraft and engine technology, and Emirates supports the development of a commercially viable supply chain for SAF. The airline continues to explore partnership opportunities in the few destinations on its network where SAF is being made available, and is reviewing longer-term prospects for technologies such as power-to-liquid fuels.

Well-maintained aircraft also contribute to efficient flight operations. Emirates uses a dry wash technique to clean its aircraft – a method which saves 11 million litres of water annually, and keeps its aircraft cleaner for longer, reducing fuel consumption because of less accumulation of dirt, and reduces the number of times the aircraft has to be washed annually.

Emirates is also one of the first airlines to utilise GE's 360 Foam Wash system for its engines, with the first trials and subsequent roll-out of the programme in 2017. To date, over 200 engines have been washed with this innovative system, delivering fuel savings and an estimated reduction of CO_2 emissions by 61,400 tonnes.

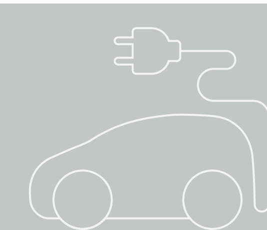
Emirates completed its first audited annual emissions report for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), covering all of its international emissions for the year 2019, and at the end of this financial year was finalising the audited report for 2020. CORSIA is an integral part of the aviation industry's global approach to reducing emissions, alongside technology, sustainable aviation fuel, infrastructure enhancements, and operational efficiency.

Emirates complies with all regulatory obligations, which for carbon emissions now include CORSIA, the European Union Emissions Trading System (EU ETS), Swiss ETS, and UK ETS. However, Emirates strongly advocates that there should be no overlap between these and other schemes or charges addressing emissions from international aviation.

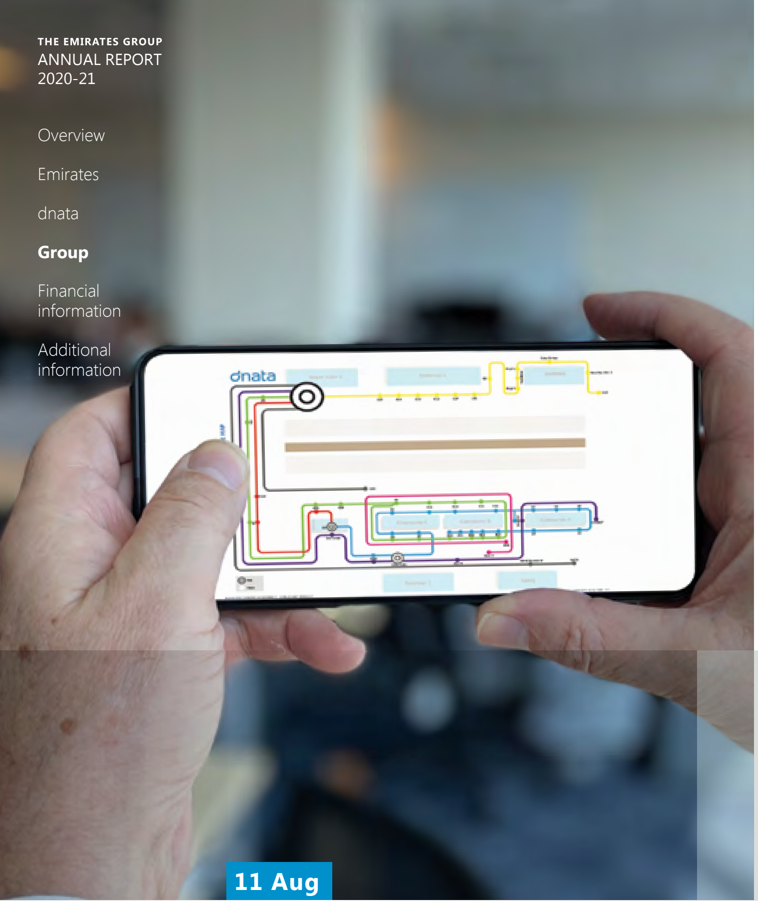
dnata's commitment to utilising electric ground support equipment (GSE) in its operations where possible, has driven its GSE investments in recent years particularly at its busiest hubs such as Dubai International, New York JFK, and Malpensa in Milan. This year, dnata marked

a new milestone, by successfully completing the first green aircraft turnaround in the US, utilising its zero-emission ramp GSEs at New York JFK airport.

In Dubai, dnata's airport operations began planning for the electrification of ramp operations at Al Maktoum International airport (DWC) by installing charging infrastructure. This is part of a broader initiative to make DWC an environmentally-friendly ground handling operation airport.



In response to the reduced flight operations over the past year dnata used the opportunity to retire its older, less efficient GSEs, representing approximately 10% of its fleet. dnata also rolled out a telematics system across its Dubai-based operations. The system will track equipment deployment and driver behaviour, which will aid improvements in fleet management, and reduce fuel consumption and associated emissions.

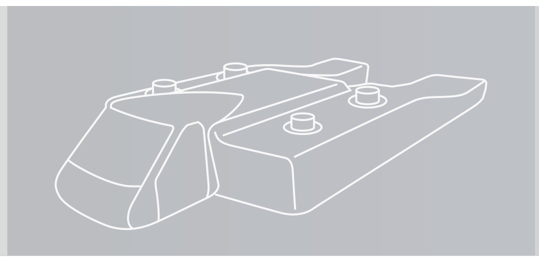


11 Aug

dnata airport operations in Dubai launches a new ride-hailing app "Moove" for its airside employees to easily shuttle between facilities using shared vehicles, improving asset utilisation and its environmental footprint.

01 Sep

dnata became the first Middle East ground handler to operate a 'fully electric' A380 capable pushback tractor. The tractor was dispatched to two Emirates aircraft as part of a successful trial to assess its suitability for deployment in Dubai. Once deployed on a permanent basis the tractor will deliver significant reductions in carbon emissions and noise.



01 Oct

Emirates starts on greener road journeys in Dubai with biofuel-powered crew transport buses.

26 Nov

dnata becomes the first ground handler to complete a green aircraft turnaround in the United States. The company's dedicated team ensures a smooth and safe turnaround of a VivaAerobus Airbus A320 aircraft using only zero-emission ramp GSE at New York-JFK Airport's (JFK) Terminal 1.

08 Dec

Emirates receives its 116th A380, the first of three A380 aircraft to join its fleet in 2020. It was also the first A380 delivery powered by sustainable aviation fuel (SAF), uplifted in Hamburg.

01 Feb

dnata Singapore signs an agreement to install more than 7,600 solar panels across its facilities, capable of delivering enough renewable energy to power 1,100 four bedroom flats for a year and reducing our carbon dioxide emissions by over two million kilograms per year.

Consuming responsibly

Pandemic containment measures unfortunately regressed efforts to reduce single-use plastic across Emirates and dnata's operations, however this remains an area of focus for the medium to longer term and many waste and plastic reduction measures put in place before the pandemic continue.

COVID-19 accelerated the digitisation of processes at customer touchpoints and also within the business, reducing paper consumption and waste. In addition, significant investments in new technology systems were made by both Emirates Flight Catering and dnata Catering this year, to reduce food waste across their operations.

15 Jun

dnata's Australian catering team rolls out bio-digesters across its facilities to further reduce food waste across the operations. The company's equipment is capable of diverting 730 tonnes of food waste from landfills.

15 Oct

Emirates Flight Catering rolls out advanced food waste management system, leveraging artificial intelligence and machine learning to monitor and control food waste, and meet its target of reducing food waste by 35% in its central operations.

Wildlife and habitat conservation

Emirates and dnata continued efforts to support the conservation of wildlife and habitats, and protect the biodiversity of our planet for future generations.

28 Jul

Dubai Desert Conservation Reserve, supported by the Emirates Group since its establishment more than 20 years ago, releases its first annual report for 2019-20.

03 Mar

On World Wildlife Day, the Emirates Group held an online employee event to promote awareness and share updates on its efforts in the area of wildlife and habitat conservation. Experts from the Dubai Desert Conservation Reserve (DDCR), and Wolgan Valley provided updates on their respective flora and fauna rehabilitation programmes. The Wolgan Valley wildlife and habitat restoration story is a particular achievement, following the bushfires which devastated many areas of Australia in the early part of 2020. Emirates SkyCargo also provided an update on its anti-wildlife trafficking initiatives.

15 Mar

Emirates marks 5 years of engagement with The Royal Foundation on the United for Wildlife initiative, being one of the first signatories of the Buckingham Palace Declaration in 2016. dnata became the first air services provider to sign the declaration in 2019.

Overview
Emirates
dnata
Group
Financial information
Additional information

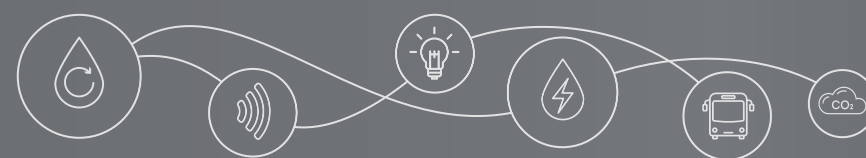
The performance indicators below cover the Group's business operations from its hub, Dubai including Emirates Flight Catering operations and other Group entities registered in the UAE and where Emirates or dnata have management control during the financial year ended 31 March 2021. It does not include our hotel operations, retail operations under Emirates Leisure Retail, operations of our Group entities (fully or partially owned) registered outside the UAE or ground operations at locations outside the UAE. References to Scope 1 and 2 emissions below are based on definitions from the Greenhouse Gas Protocol – revised edition

Priority	Performance indicator	Unit	2020-21	2019-20	% change
Aircraft fuel consumption, fuel efficiency, and CO_2 efficiency [1, 2]	Fleet age	years	7.3	6.8	7.4
	Jet fuel (total fleet including training aircraft and wet-leased freighters)	tonnes	3,494,233	10,879,616	-67.9
	Aviation gasoline (training aircraft)	tonnes	231	165	40.0
	Sustainable aviation fuel	tonnes	77	-	-
	Combined fuel efficiency (total fleet excluding training aircraft and wet-leased freighters)	L/tk	0.346	0.325	6.5
	Combined CO_2 efficiency (total fleet excluding training aircraft and wet-leased freighters)	kg CO_2 / tk	0.858	0.805	6.6

Sustainability performance

Priority	Performance indicator	Unit	2020-21	2019-20	% change
Aircraft noise and local air quality	Fleet cumulative margin to Chapter 4 noise standards	EPNdB	-11.80	-11.71	-0.8
	Fleet cumulative margin to Chapter 4 noise standards	%	-7.00	-6.98	-0.02 % points
	Nitrogen oxide (NOx) emissions (landing and take-off cycle)	tonnes < 3,000 ft	5,379	13,126	-59.0
	Carbon monoxide (CO) emissions (landing and take-off cycle)	tonnes < 3,000 ft	3,027	8,913	-66.0
	Unburnt hydrocarbons (UHC) emissions (landing and take-off cycle)	tonnes < 3,000 ft	309	955	-67.6
	Fleet margins below regulatory limits for NOx	%	-10.68	-10.52	-0.16 % points
	Fleet margins below regulatory limits for CO	%	-57.26	-57.03	-0.23 % points
	Fleet margins below regulatory limits for UHC	%	-65.61	-65.27	-0.34 % points
	Fuel Jettison Events [3]				
	Total events		3	10	-70.0
	Jettisoned fuel	tonnes	94	328	-71.3

Priority	Performance indicator	Unit	2020-21	2019-20	% change
Vehicle and ground service equipment fuel consumption	Diesel	litres	19,521,565	39,622,561	-50.7
	Petrol	litres	4,838,615	13,943,692	-65.3
Electricity and water [4]	Electricity consumption	MWh	366,525	460,321	-20.4
	Water consumption	ML	1,661	2,352	-29.4
Materials and waste	Waste (landfill)	tonnes	10,636	69,304	-84.7
	Material recycled	tonnes	3,885	7,555	-48.6



CO_2 emissions [5]	*Scope 1*				
	Aircraft operations	tonnes	11,042,736	34,380,099	-67.9
	Ground operations	tonnes	63,934	139,330	-54.1
	Total Scope 1 emissions	tonnes	11,106,670	34,519,429	-67.8
	Scope 2				
	Electricity	tonnes	153,940	193,335	-20.4
	Total Scope 2 emissions	tonnes	153,940	193,335	-20.4
	Total CO_2 emissions	tonnes	11,260,610	34,712,764	-67.6
Energy consumption	Energy from fuel consumption	TJ	154,357	479,756	-67.8
	Energy from electricity consumption	TJ	1,319	1,657	-20.4
	Total energy consumption	TJ	155,676	481,413	-67.7

1 Passengers carried includes actual uplift excluding crew on duty. Kilometres flown is the planned actual ground distance from the Emirates flight planning system, corrected for the effect of wind.
2 Passenger and Freighter fuel and CO_2 efficiency not reported this year as a result of the impacts of the pandemic on operations, e.g. use of passenger aircraft as freighters, repatriation flights, etc.
3 Fuel is only jettisoned in an in-flight emergency situation when it is necessary to lower the aircraft weight to ensure a safe landing.
4 Excludes some facilities located within Dubai airports due to lack of metered data.
5 CO_2 emissions are calculated using the US Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories, the ICAO standard CO_2 emissions factor for jet fuel (3.16 kg CO_2 per kg of Jet A/Jet A-1 fuel), and the DEWA grid emissions factor for electricity in Dubai.

Emirates network

Emirates operates flights to 157* destinations in 82 countries, offering industry-leading passenger and cargo air transport services.

We connect the world to, and through, our hub in Dubai.

*includes temporary suspensions due to COVID-19 pandemic.

Emirates destinations ●

NORTH AMERICA
AGUADILLA
BOSTON
CHICAGO
COLUMBUS
DALLAS/FORT WORTH
FORT LAUDERDALE
GUADALAJARA
HOUSTON
LOS ANGELES
MEXICO CITY
NEWARK
NEW YORK
ORLANDO
SAN FRANCISCO
SEATTLE
TORONTO
WASHINGTON

SOUTH AMERICA
BOGOTA
BUENOS AIRES
QUITO
RIO DE JANEIRO
SANTIAGO
SAO PAULO
VIRACOPOS

EUROPE
AMSTERDAM
ATHENS
BARCELONA
BIRMINGHAM
BOLOGNA
BRUSSELS
BUDAPEST
COPENHAGEN
DUBLIN
DÜSSELDORF
EDINBURGH
FRANKFURT
GENEVA
GLASGOW
HAMBURG
ISTANBUL
ISTANBUL - SABIHA GOKCEN
LARNACA
LIEGE
LISBON
LONDON GATWICK
LONDON HEATHROW
LONDON STANSTED
LYON
MADRID
MALTA
MANCHESTER
MAASTRICHT
MILAN
MOSCOW
MUNICH
NEWCASTLE
NICE
OSLO
PARIS
PORTO
PRAGUE
ROME
SHEREMETYEVO
ST. PETERSBURG
STOCKHOLM
VENICE
VIENNA
WARSAW
ZARAGOZA
ZURICH

AFRICA
ABIDJAN
ABUJA
ACCRA
ADDIS ABABA
ALGIERS
CAIRO
CAPE TOWN
CASABLANCA
CONAKRY
DAKAR
DAR EL SALAAM
DURBAN
ELDORET
ENTEBBE
HARARE
JOHANNESBURG
KHARTOUM
LAGOS
LILONGWE
LUANDA
LUSAKA
MAURITIUS
NAIROBI
OUAGADOUGOU
SEYCHELLES
TUNIS

MIDDLE EAST
AMMAN
BAGHDAD
BAHRAIN
BASRA
BEIRUT
DAMMAM
DUBAI INTERNATIONAL
DUBAI WORLD CENTRAL
ERBIL
JEDDAH
KUWAIT
MEDINA
MUSCAT
RIYADH
TEHRAN

ASIA
AHMEDABAD
BALI
BANGKOK
BEIJING
BENGALURU
CEBU
CHENNAI
CLARK
COLOMBO
DHAKA
GUANGZHOU
HANOI
HO CHI MINH CITY
HONG KONG
HYDERABAD
ISLAMABAD
JAKARTA
KABUL
KARACHI
KOCHI
KOLKATA
KUALA LUMPUR
LAHORE
MALE
MANILA
MUMBAI
NEW DELHI
OSAKA
PESHAWAR
PHNOM PENH
PHUKET
SEOUL
SHANGHAI
SIALKOT
SINGAPORE
TAIPEI
THIRUVANANTHAPURAM
TOKYO HANEDA
TOKYO NARITA

AUSTRALASIA
ADELAIDE
AUCKLAND
BRISBANE
CHRISTCHURCH
MELBOURNE
PERTH
SYDNEY

Emirates presence ●

NORTH AMERICA
BOSTON
CLEVELAND
NASHVILLE
NEW YORK
PITSBURGH
WASHINGTON

EUROPE
COPENHAGEN
FRANKFURT
KINGSTON
NICOSIA

AFRICA
ARUSHA
CAPE TOWN
DAR ES SALAAM
JOHANNESBURG
MWANZA CITY
SEYCHELLES

MIDDLE EAST
ABU DHABI
AJMAN
AL AIN
DUBAI
FUJAIRAH
MUSCAT
RAS AL KHAIMAH
SALALAH
SOHAR
SHARJAH
UMM AL QUWAIN

ASIA
BANGKOK
COLOMBO
GALLE
HUA HIN
KRABI
MALE
PHUKET
SAMUI
SINGAPORE

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ADELAIDE
AUCKLAND
BRISBANE
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dnata network

dnata's business footprint in airport operations, catering and travel services, span 184 cities and airports across the globe.

We aim to be the world's most admired air services provider.

dnata presence ●

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GENOA
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HALIFAX
KINGSTON
KNUTSFORD
LAMEZIA TERME
LEEDS
LONDON GATWICK
LONDON HEATHROW
LONDON STANSTED
LUTON
MADRID
MANCHESTER
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NEWCASTLE
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PISA
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PRESTON
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ROME FIUMICINO
SANDYCROFT
SHANNON
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HONG KONG
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MULTAN
MUMBAI
PATTAYA
PENANG
PESHAWAR
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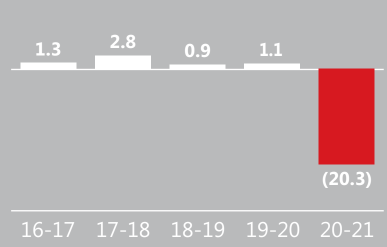
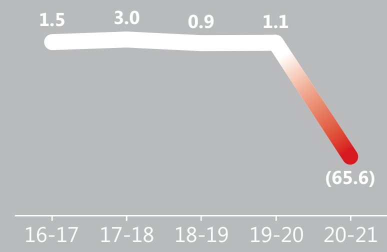
D2

Emirates financial commentary

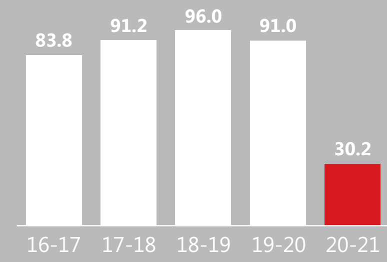
(Loss)/profit attributable to the Owner in AED bn



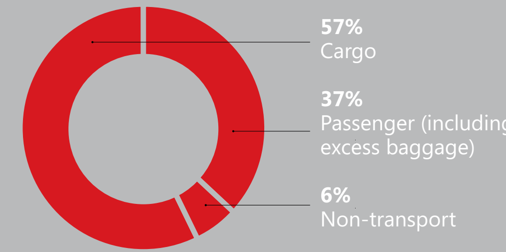
(Loss)/profit margin in %



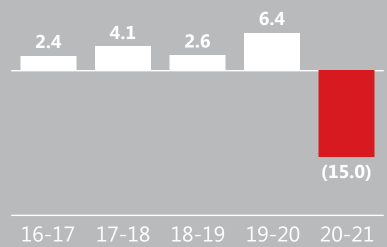
Revenue in AED bn



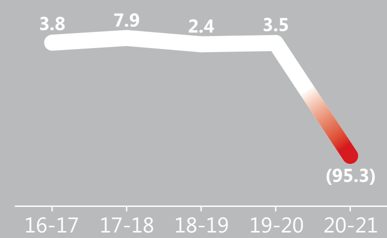
Revenue split in %



Operating (loss)/profit in AED bn



Return on Owner's funds in %



Revenue in AED m	**2020-21**	**2019-20**	**% change**	**2020-21 as % of revenue**
Passenger	11,012	75,587	(85.4)	36.4
Cargo	17,106	11,207	52.6	56.6
Excess baggage	218	478	(54.4)	0.7
Transport revenue	**28,336**	**87,272**	**(67.5)**	**93.7**
Sale of goods	1,334	2,745	(51.4)	4.4
Hotel operations	296	584	(49.3)	1.0
Others	264	394	(33.0)	0.9
Non-transport revenue	**1,894**	**3,723**	**(49.1)**	**6.3**
Total	**30,230**	**90,995**	**(66.8)**	**100.0**

The impact of the COVID-19 pandemic on the global economy and travel industry has been unprecedented. Governments worldwide enforced travel restrictions, lockdowns and quarantine measures to curb the spread of the virus, causing a steep drop in demand for air travel. 2020-21 was by far the worst year in the history of the aviation and travel industries. The future also remains uncertain, with most analysts suggesting that it will take years to recover to pre-crisis levels.

Without a shadow of doubt, and similar to industry trend, this was the most challenging year in Emirates' operating history. Although we are not new to crises, and our endurance has been sound to challenges and shocks, it is the sheer duration and uncertainty surrounding the containment of the virus that had a severe impact on our operations this year. As a result, Emirates recorded a loss of AED 20.3bn, its first in the last 33 years.

The top priorities for the management during this fragile environment have been to preserve cash, reduce costs and maximise revenue through innovative products and services.

We took various measures to navigate through this difficult period, which included; availing various relief and support schemes throughout our network, implementing numerous cost saving measures, delivering efficiencies across operational areas, reducing discretionary capital expenditure, securing additional working capital facilities and negotiating waivers & deferral of payments for liabilities. Regrettably, and despite our best efforts to cut costs and preserve cash, we had to take the decision to right-size our workforce and let people go, for the first time in our history.

During this time of crisis, our ultimate Owner, the Government of Dubai, injected an equity of AED 11.3bn which helped us meet all our financial obligations.

Despite being financially onerous, we delivered on our commitment to customers and AED 8.5bn worth of pandemic-driven refund requests were honoured.

Being an international airline with no domestic network, passenger capacity measured in ASKMs dropped by 82.6% compared to the prior year – the airline's steepest decline ever. In contrast, SkyCargo - our cargo division - performed better and responded to global demand by ensuring international connectivity for essential goods and supplies such as PPE, medical equipment, pharmaceuticals and food items.

Our emphasis on operating a young fleet continued with 3 new A380s delivered this year. We also unveiled our Premium Economy product to our customers through our latest A380 aircraft.

By the end of the year, we had reconnected the world with over 120 destinations. We welcomed 6.6 million passengers on-board our flights, one-ninth of our normal passenger numbers, and carried 1.9 million tonnes of cargo.

Profitability

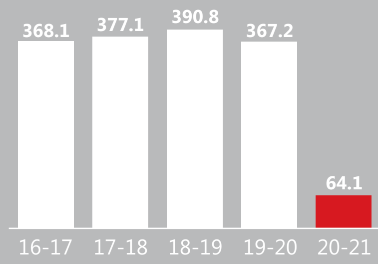
Emirates' financial results nose-dived this year and we reported a loss of AED 20.3bn (2019-20: profit of AED 1.1bn). This was due to operating losses of AED 15bn (2019-20: operating profit of AED 6.4bn) caused by the diminished revenue line and high fixed costs.

Revenue

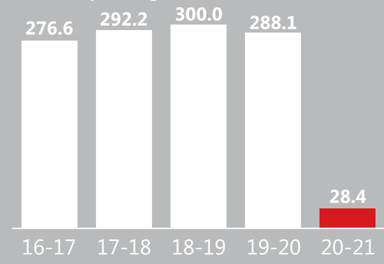
Due to the limited operating capacity, our revenues plummeted by 66.8% to AED 30.2bn (2019-20: AED 91.0bn). Transport revenue, which forms nearly 94% (2019-20: 96%) of Emirates' revenue, dropped by 67.5% to AED 28.3bn (2019-20: AED 87.3bn).

Non-transport revenue, comprising sale of consumer goods, catering operations, sale at F&B outlets and hotel operations, contributed 6.3% (2019-20: 4.1%) of our revenue and dropped to AED 1.9bn (2019-20: AED 3.7bn) due to lower, pandemic-ravaged trading activity this year.

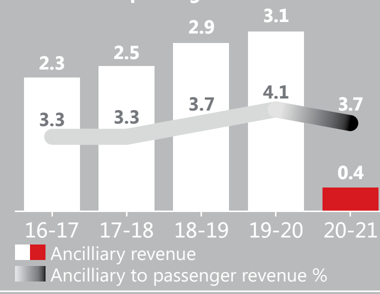
Available seat kilometres (ASKM) in bn



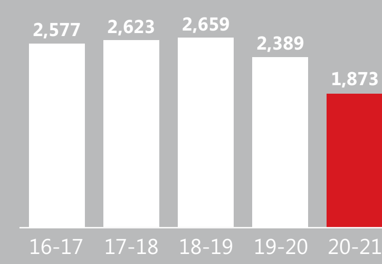
Revenue passenger kilometres (RPKM) in bn



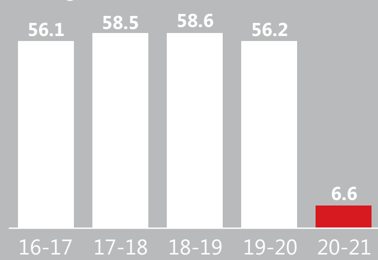
Ancilliary revenue in AED bn
and as a **% of passenger revenue**



Cargo carried in tonnes'000



Passenger numbers in millions

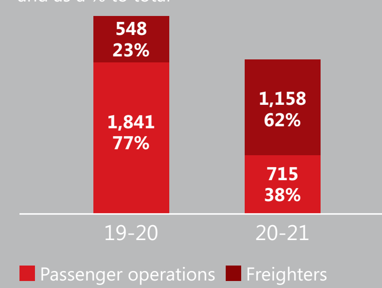


Passenger seat factor in %

Aircraft departures* in thousands

*includes both passenger and cargo flights.

Cargo carried in tonnes'000
and as a % to total

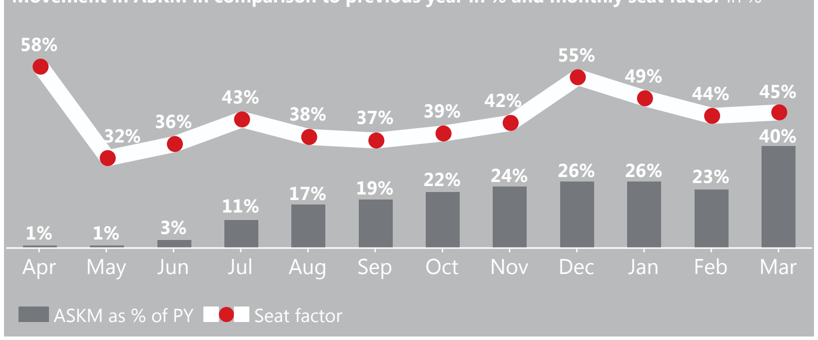


Passenger revenue

The COVID-19 outbreak forced the airline to temporarily suspend several routes across the network. The result was a drop of 82.6% in our passenger capacity (measured in ASKMs) and 76.3% in passenger flights compared to 2019-20. Further, low travel confidence and the prevailing hassle-bound travel environment impacted RPKMs which plunged 90.2% and stood at 28.4bn (2019-20: 288.1bn).

As a result, our core passenger revenue (including excess baggage) reduced by 85.2% to AED 11.2bn (2019-20: AED 76.1bn).

Movement in ASKM in comparison to previous year in % and monthly seat factor in %



Air service connections completely collapsed in April and May of 2020 when Dubai International Airport ("DXB") was under an 8-week lockdown subject only to repatriation flights being operated to assist UAE's expat community move back safely to their home countries.

Q2 saw a gradual opening of borders and destinations started being operated, albeit with limited capacity, and under a New Normal travel experience – in which creating a safe travel environment for our customers was the utmost priority.

The positive news of vaccine development and testing spurred bookings for the holiday season in December and we saw capacity go up to 26% by the end of Q3, compared to the same period last year, and an accelerated recovery was being forecasted. However, the discovery of new virus strains dampened travel demand again in Q4. ASKMs for Mar'21 were almost 40% of Mar'20 (start of pandemic) but remained in line with Jan and Feb'21 in absolute terms. The annual seat factor of 44.3% (2019-20: 78.5%) constantly remained under pressure. Our premium class seat factor was healthy at 42.8%.

Prioritising customer convenience during this year of crisis, decisions were taken to provide; flexible options on our ticket validity and refund policies, low-cost PCR tests and global cover for COVID-19 related medical costs, amongst others.

Our customer loyalty programme, Skywards, pioneered new ways to offer incremental benefits to its members, such as allowing a longer duration to retain elite tier status.

Our ancillary offerings, including in-flight upgrades and paid seats, generated revenue of AED 0.4bn (2019-20: AED 3.1bn).

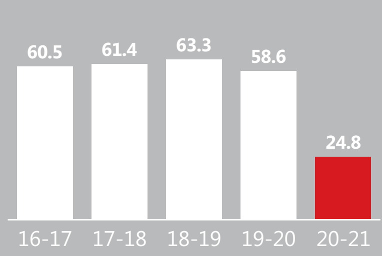
Cargo revenue

SkyCargo exhibited strong performance as revenue increased by 52.6% to AED 17.1bn (2019-20: AED 11.2bn), resulting from the pandemic induced global demand for essential goods and medical supplies that was met by our high quality product offerings. Cargo volumes in tonnes decreased by 21.6% and stood at 1,873 thousand (2019-20: 2,389 thousand) while yield per FTKM nearly doubled compared to last year to 175 fils per FTKM (2019-20: 94 fils per FTKM).

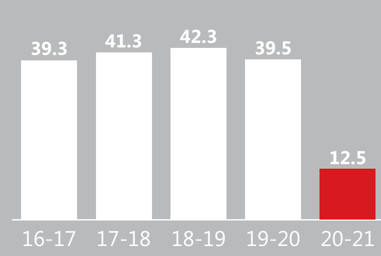
Strategically, cargo operations were consolidated at DXB from the start of the year as we temporarily ceased operations at our previous hub at the Al Maktoum International Airport ("DWC") to optimise logistics.

To cater to the increased cargo demand, we transformed 19 of our B777 passenger aircraft to mini-freighters and introduced new loading protocols to safely carry cargo using the overhead bins and passenger seats. One-third of our passenger aircraft were used for cargo operations this year.

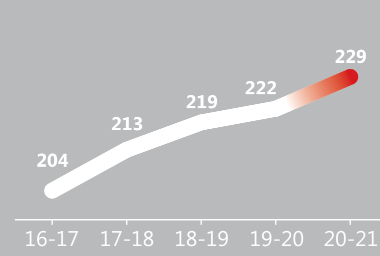
Available tonne kilometres (ATKM) in bn



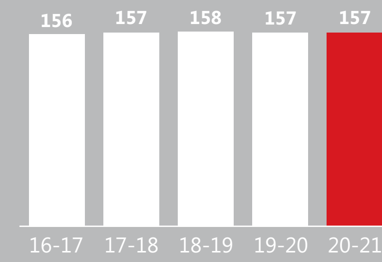
Revenue tonne kilometres (RTKM) in bn



Yield in fils per RTKM

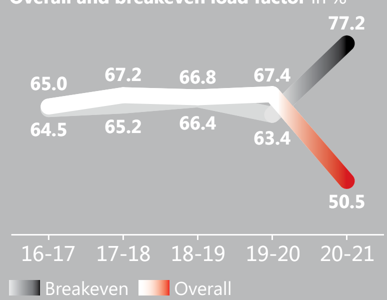


Destinations in numbers*

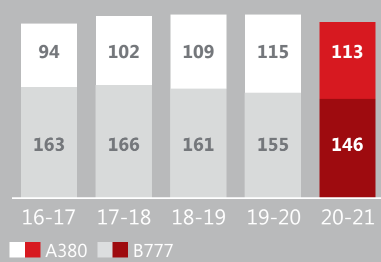


*includes temporary suspensions due to COVID-19 pandemic.

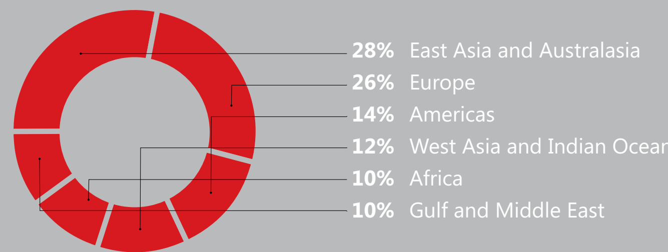
Overall and breakeven load factor in %



Number of aircraft



Geographical revenue in %



Cargo revenue (continued)

Our freighter network, served by dedicated wide-body freighters, passenger-freighters and mini-freighters reached over 120 touchpoints globally. We increased our presence in South America and Russia through the introduction of new destinations; Guadalajara, Bogota and Sheremetyevo.

Cargo carried by freighters was 62% (2019-20: 23%) of the total weight carried, an increase of 39% pts. from last year. ATKMs and FTKMs for freighter operations almost doubled compared to previous year. However, belly capacity was down on account of a reduced passenger network, resulting in a decrease of 18.6% in total cargo FTKMs.

Being a key player in the secure and rapid global distribution of COVID-19 vaccines, our readiness to handle the logistical complexities of distributing the vaccine globally was demonstrated by creating a dedicated airside cargo hub in Dubai. More than 50 million vaccine doses were transported by us during the year.

SkyCargo continued to deliver innovative and bespoke solutions for its customers, supporting the food industry, animal transport, sporting events, and other critical economic activity. It also played a key role in distributing relief supplies following the devastating Beirut Port explosions in August.

		2020-21	2019-20	% change
Cargo capacity	FTKM million	9,758	11,986	(18.6)
Cargo yield	fils per FTKM	175	94	87.5
Cargo carried	tonnes'000	1,873	2,389	(21.6)
Passenger operations		715	1,841	(61.1)
Freighters		1,158	548	111.1

Total capacity and load factor

With global connectivity at the heart of our business model, we prioritised the rebuild and restoration of our network throughout the year. The airline closely monitored market conditions and adjusted its operations dynamically while governments tightened and relaxed travel restrictions to keep the pandemic in check.

The pandemic significantly impacted our overall capacity and flown numbers this year. Overall capacity, measured in ATKMs, rested at 24.8bn (2019-20: 58.6bn) for this year, a significant decline of 57.7% - impacted by lower passenger activity partly made good by enhanced cargo operations run through transformed passenger and mini freighters. Revenue generating load measured in RTKMs stood at 12.5bn (2019-20: 39.5bn), a slump of 68.3%. Overall load factor was at 50.5% (2019-20: 67.4%) and our break-even load factor jumped to 77.2% (2019-20: 63.4%), due to high fixed costs and significant reduction in revenues.

The highly unpredictable and volatile environment meant we connected with a reduced number of destinations this year, and that too with a limited capacity, as other destinations remained temporarily suspended following the restrictions put in place by the respective countries.

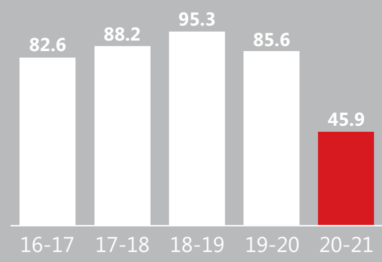
Overall yield

With optimum pricing of the limited capacity flown supported by excellent cargo performance, overall yield improved to 229 fils per RTKM (2019-20: 222 fils per RTKM).

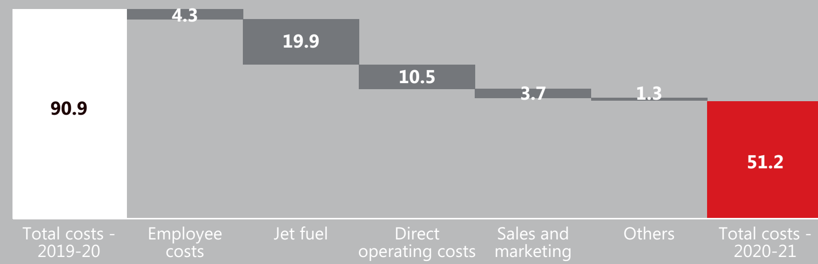
Revenue distribution

Transport revenue declined in all our markets in line with the overall drop in revenue. However, country-wide lockdowns and travel restrictions impacted Europe and Americas more severely and their contributions to our geographically diverse revenue base fell by 2.7% pts. and 2.5% pts. respectively. Drops in revenue share of these regions were compensated by increases elsewhere, mainly East Asia and Australasia, due to increased cargo operations in response to market demand.

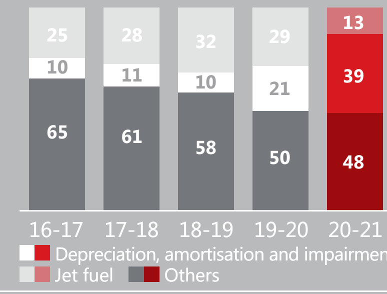
Total operating costs in AED bn



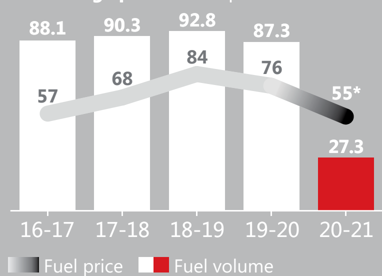
Total cost movement in AED bn



Key operating costs as % of total costs



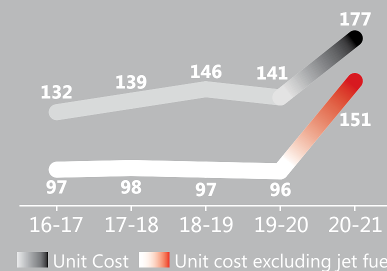
Fuel volume in million barrels
and **average price** in USD per barrel



*hedged price

Total costs in AED bn	**2020-21**	**2019-20**	**% change**	**2020-21 as % of total cost**
Depreciation, amortisation and impairment	19.7	19.4	1.5	38.5
Employee costs	7.8	12.1	(35.5)	15.2
Jet fuel	6.4	26.3	(75.7)	12.5
Direct operating costs	5.9	16.4	(64.0)	11.5
Sales and marketing	1.8	5.5	(67.3)	3.5
Other operating costs	4.3	5.9	(27.1)	8.4
Total operating costs	**45.9**	**85.6**	**(46.4)**	**89.6**
Net finance costs	**4.2**	**4.8**	**(12.5)**	**8.2**
Other financial losses	**1.1**	**0.5**	**120.0**	**2.2**
Total costs	**51.2**	**90.9**	**(43.7)**	**100.0**

Unit cost in fils per ATKM



Total costs

Our total costs for the year were AED 51.2bn (2019-20: AED 90.9bn), showing a sizeable reduction of 43.7% from the previous year.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment charges now form 38.5% - the largest component – of our total costs (2019-20: 21.4%). The marginal increase in expense this year reflects the net impact of; a) depreciation on 3 A380 aircraft delivered this year and the full year impact of 6 aircraft delivered last year, b) reduced charge due to 14 aircraft retired this year, and c) impairments of AED 710m. Included in this charge is AED 500m of specific impairment pertaining to certain aircraft and related assets. These aircraft are not expected to return to service before the end of their useful life or lease term within the next financial year. The remaining charge of AED 210m is on the property, plant and equipment, right-of-use and intangible assets, primarily belonging to our Australian group entities.

Employee costs

Employee costs at AED 7.8bn (2019-20: AED 12.1bn) were down 35.5%. Various cost control measures were initiated this year to curb the impact of the pandemic. These measures included; rightsizing the workforce in line with demand projections (our employee count was down 32.0% as at the year end as compared to previous year), imposing salary cuts, enforcing a recruitment freeze and offering unpaid leave to staff. Employee costs are presented net of AED 105m worth of credits received from various government-run support schemes across our network.

Jet fuel and hedge ineffectiveness

Jet fuel costs decreased to AED 6.4bn (2019-20: AED 26.3bn), a drop of 75.7%. Fuel uplifts were down 68.8% due to reduced operations. Further, fuel hedged at USD 55 per barrel limited the impact of drop in prices to 6.9%. The longer than expected duration of the pandemic environment resulted in lower fuel uplifts compared to our forecasts and hence, hedge ineffectiveness of AED 1.1bn was recognised in the consolidated income statement and disclosed under 'Other financial (losses)/ gains - net'.

Direct operating costs

Direct operating costs include aircraft related handling, in-flight catering, overflying, landing & parking, crew layover and aircraft maintenance expenses which reduced by 64.0%, in line with the decrease in overall capacity.

Employee strength (in numbers)	**2020-21**	**2019-20**	**% change**	**2020-21 as % of total**
UAE				
Cabin crew	14,372	21,821	(34.1)	35.2
Flight deck crew	2,964	4,461	(33.6)	7.3
Engineering	2,289	3,284	(30.3)	5.6
Others	9,510	12,711	(25.2)	23.3
Total - UAE	**29,135**	**42,277**	**(31.1)**	**71.4**
Overseas stations	4,169	5,241	(20.5)	10.2
Total - airline	**33,304**	**47,518**	**(29.9)**	**81.6**
Subsidiary companies	**7,497**	**12,515**	**(40.1)**	**18.4**
Closing employee strength	**40,801**	**60,033**	**(32.0)**	**100.0**

Sales and marketing

Sales and marketing costs reduced by 67.3% to AED 1.8bn (2019-20: AED 5.5bn) due to decrease in volume-driven costs, cuts on discretionary advertisement spend and the cancellation/postponement of various events as part of COVID-19 containment measures.

Other operating costs

Other operating costs comprise facilities related spend, IT costs and corporate overheads, which dropped by 27.1% to AED 4.3bn (2019-20: AED 5.9bn). These costs were managed through various cost-saving measures.

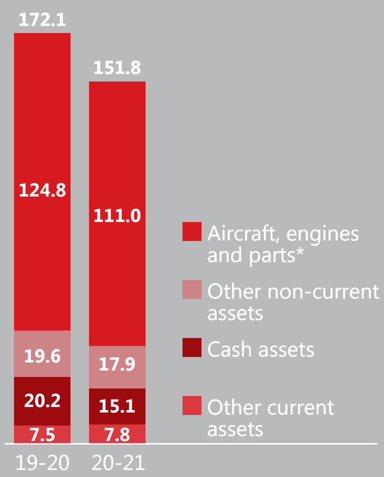
Unit cost per ATKM

Our unit cost per ATKM increased to 177 fils (2019-20: 141 fils) due to a more pronounced drop in ATKMs compared to operating costs, part of which are fixed in nature, mainly fleet related depreciation and amortisation.

Net finance costs

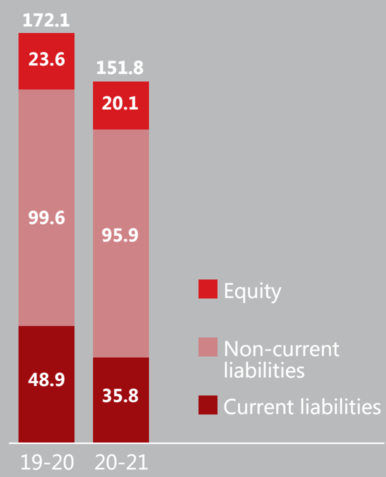
Net finance costs reduced by 12.5% to AED 4.2bn (2019-20: AED 4.8bn) primarily on account of a drop in benchmark interest rates and a reduction in total borrowings and lease liabilities.

Assets in AED bn

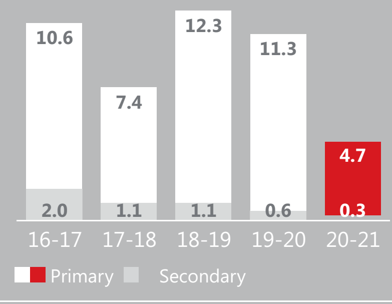


* includes aircraft and engine related overhaul events and pre-delivery payments.

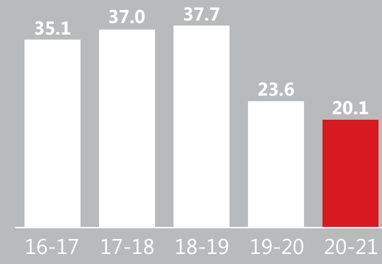
Equity and liabilities in AED bn



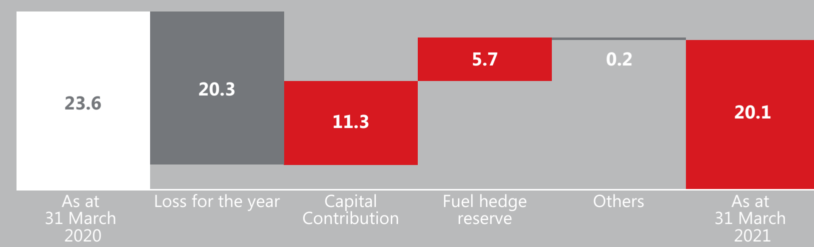
Capital expenditure in AED bn



Total equity in AED bn



Total equity movement in AED bn



Statement of financial position

Emirates' balance sheet stood strong with total assets of AED 151.8bn (2019-20: AED 172.1 bn), although reduced by 11.8% compared to last year.

Assets

Non-current assets of AED 128.9bn (2019-20: AED 144.4bn) were down 10.7% or AED 15.5bn due to depreciation, amortisation and impairment charges of AED 19.7bn partly offset by additions of AED 5.5bn in property, plant and equipment, right-of-use and intangible assets.

Current assets, excluding cash assets, improved to AED 7.8bn from AED 7.5bn due to a positive movement in MTM of fuel derivatives by the year end. Cash assets remained healthy at AED 15.1bn (2019-20: AED 20.2bn) but dropped from last year due to significant ticket refund payments made to customers this year and minimal cash inflows from operating activities due to highly depressed trading activity.

Capital expenditure

Robust cost control measures on capital expenditure resulted in a curtailed investment in our fleet and customer focused initiatives for the year. Capital intensive spend amounted to AED 5.0bn (2019-20: AED 11.9bn).

Primary capital expenditure comprising aircraft spend (including pre-delivery payments, aircraft, engines and parts), major aircraft & engine maintenance costs and spare engines represented 93.3% or AED 4.7bn of the annual capital spend (2019-20: 95.0% or AED 11.3bn). This spend includes addition of 3 A380s delivered this year. Our Premium Economy product was unveiled through the A380 delivered in December.

Investments were also made on incremental safety requirements to rebuild travel confidence. We continued to enhance our digital capabilities to refine customers' experience and improve connectivity with our travel trade partners. This year we launched the Emirates Partner Portal - a one-stopshop for industry partners to gain access to Emirates products.

Equity

Due to the reduction in demand, a highly diminished revenue line and significant operating losses, our bottom line plummeted to a loss of AED 20.3bn. 86.0% of our opening equity was eroded as a consequence.

Given the severity of the pandemic which far exceeded any other economic downturn faced by the airline, our ultimate Owner - the Government of Dubai - injected equity of AED 11.3bn to assist the airline sustain operations and meet its financial obligations. With this support, Emirates' equity stood at AED 20.1bn (2019-20: AED 23.6bn) by the end of the year. Other significant movements in equity included a fuel hedge reserve credit of AED 5.7bn owing to the increase in fuel prices and the recognition of hedge losses in the consolidated income statement.

Liabilities

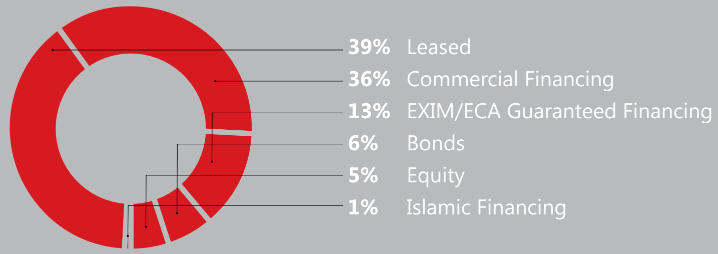
Total liabilities reduced by 11.3% to AED 131.7bn (2019-20: AED 148.5bn).

Derivative mark-to-market exposures swung by AED 7.2bn, of which fuel derivatives comprised AED 6.8bn. This reduction was due to gains of AED 3.5bn recorded as fuel prices continued to inch closer to our hedged prices throughout the year (and exceeded by year end) and settlements of AED 3.3bn made on maturity dates. Deferred revenue dropped by AED 4.3bn, a result of COVID-19 related refunds made to customers and lower sales.

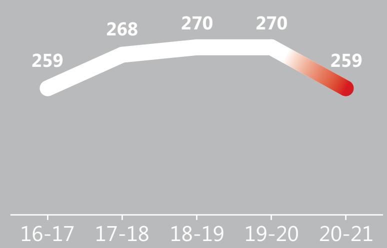
Borrowings and lease liabilities were down by AED 2.6bn on account of repayments, and lease re-measurements due to reduced interest rates offset by draw downs of credit lines and additional financing obtained for new aircraft deliveries.

Other liabilities decreased by AED 3.4bn as a result of the decline in operating activity.

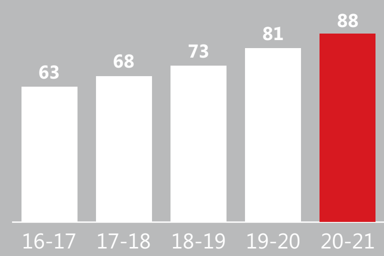
Sources of funding over last 10 years in %



Number of aircraft



Average fleet age in months



Fleet information

Aircraft	Total as at 31 March 2021	Owned*	Leased	Total as at 31 March 2020	Change since 31 March 2020	Future deliveries	Options
A 380-800	113	56	57	115	(2)	5	-
B 777-300ER	125	66	59	134	(9)	-	-
B 777-200LR	10	6	4	10	-	-	-
B 787-9	-	-	-	-	-	30	-
B 777-X	-	-	-	-	-	115	61
A 350-900	-	-	-	-	-	50	-
Passenger	**248**	**128**	**120**	**259**	**(11)**	**200**	**61**
B777-200LRF	11	-	11	11	-	-	-
Freighters	**11**	**-**	**11**	**11**	**-**	**-**	**-**
Total aircraft	**259**	**128**	**131**	**270**	**(11)**	**200**	**61**

Note: One A319 aircraft is used for Executive jet charters.
*Includes aircraft acquired on secured financing.

Fleet acquisition and financing

We started the financial year under COVID-19 restrictions on air travel at their peak with passenger services suspended, and only cargo operations generating positive cash flows. In order to manage the significant cash burn and mitigate the impact on liquidity, management implemented several strategies to save costs, reduce discretionary capital expenditure, improve the working capital cycle and raise additional funding from diverse geographical sources.

With robust cash reserves at the beginning of the financial year, an equity injection of AED 11.3bn by the Government of Dubai, and various cost saving & liquidity improvement measures, we were able to meet all our financial obligations on time.

Although the future outlook is uncertain, Emirates remains optimistic about long term travel demand. Our order book has 200 aircraft – 5 A380s, 50 A350-900s, 115 B777-8x/9x and 30 B787-9, excluding options and purchase rights.

The airline took delivery of 3 A380s and simultaneously retired 10 of its older aircraft during the financial year (9 B777-300ER and 1 A380). Further, 4 A380s were taken out of operations as they are currently grounded and not expected to be used before their scheduled retirement dates within the next financial year. Emirates continues to maintain a young fleet age of 7.3 years (88 months) (2019-20: 6.8 years (81 months)), substantially lower than the industry average, consisting of 146 Boeing aircraft and 113 twin-deck A380 aircraft.

During the year, Emirates raised a total of AED 14.5bn in financing for aircraft and general corporate purposes funded through term loans, revolving credit and short term trade facilities.

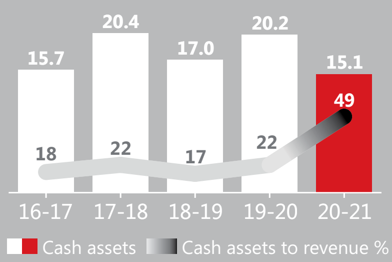
Emirates has already received committed offers to finance through Export Credit Agency backed term loans, two aircraft deliveries due in the forthcoming year and will continue to tap the bank market for further liquidity in 2021-22 to provide a cushion against the potential impact of COVID-19 on cash flows in the near term. Notable support from aviation lessors and financing partners has been a testament to the financial community's confidence in the strength of the airline's business model, and mid to longer term prospects.

Having raised more than AED 200bn over the last 10 years, Emirates continues to maintain a well-diversified and evenly spread financing portfolio. Tapping into various sources of funding, both in terms of structure and geography, Emirates remains on track with its long term financing strategy.

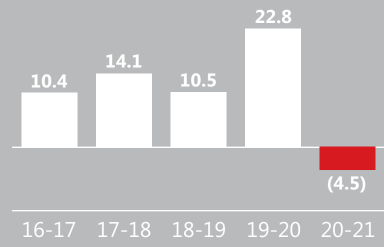
There is an on-going and unrelenting focus on working capital optimisation and plans have been put in place to manage the refinancing and repayment of funding taken at the start of the crisis. Additionally, new credit lines and facilities have been set up to ensure appropriate liquidity is maintained to mitigate any short term shocks in case the crisis continues for longer.

To further bolster the liquidity, management is in regular discussions with various counterparties in exploring a mix of financing structures which provide funding from diverse sources, maintain a balanced maturity profile and optimise overall borrowing costs.

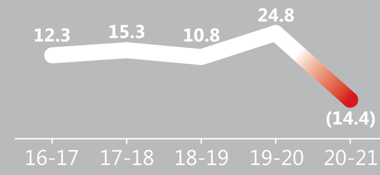
Cash assets in AED bn **and Cash assets to total revenue** in %



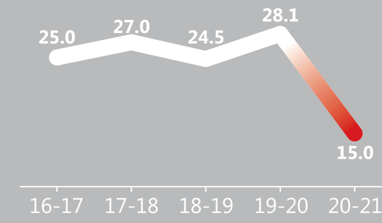
Cash (used in)/generated from operating activities in AED bn



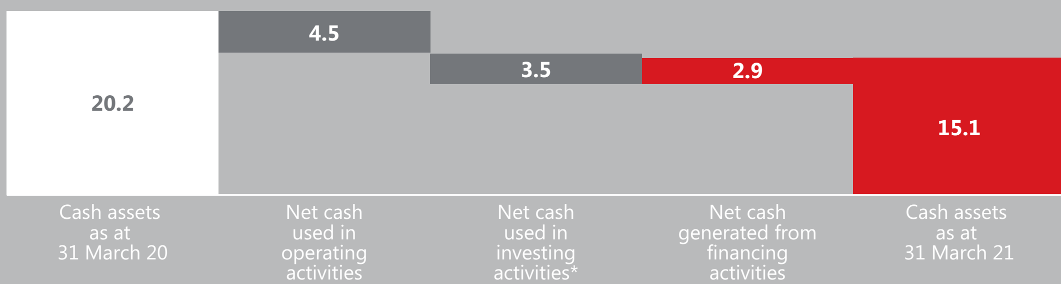
Operating cash margin in %



EBITDA margin in %

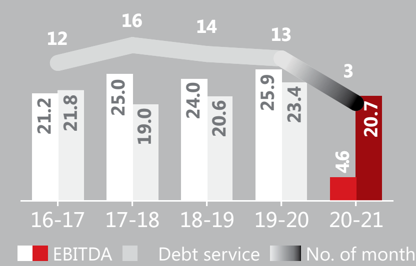


Cash flow in AED bn



*net of movement in short-term bank deposits.

EBITDA and debt service in AED bn



Cash position

Cash assets

Our cash assets which include short term bank deposits closed at AED 15.1bn (2019-20: AED 20.2bn), down by 25.4%. Our cash reserves will continue to remain under pressure given the current business environment and unpredictable global economic comeback.

The cash assets to total revenue percentage increased to 48.9% (2019-20: 22.0%). However, this was due to lower revenues and hence is not comparable to prior years. While this is outside of our target range of 25% +/- 5%, we expect to stabilise this as soon as the demand returns to normal.

Cash flow movement

Our efforts in managing working capital helped us restrict the cash used in operating activities to AED 4.5bn (2019-20: inflows of AED 22.8bn), a much better position from what we anticipated at the beginning of the year.

Negative cash flows from operating activities also led to worsening of our operating cash margin to negative 14.4%, a drop of 39.2% pts. from last year.

Excluding the impact of AED 8.5bn of pandemic-driven refunds made to customers (which were largely funded through strong opening cash reserves), cash from operating activities was AED 4.0bn positive.

Cash used in investing activities of AED 3.5bn primarily relate to additions of aircraft, engines and parts.

Supported by the equity injection of AED 11.3bn, we generated a net cash surplus of AED 2.9bn from financing activities after meeting all our debt obligations on time.

	2020-21	2019-20	2018-19	2017-18	2016-17
EBITDA in AED bn	**4.6**	**25.9**	**24.0**	**25.0**	**21.2**
Less: Debt service					
Repayment of borrowings and lease liabilities	(16.6)	(18.5)	(7.0)	(6.0)	(10.0)
Repayment of operating lease rentals	-	-	(11.7)	(11.7)	(10.5)
Interest paid	(4.1)	(4.9)	(1.9)	(1.3)	(1.3)
Total	**(20.7)**	**(23.4)**	**(20.6)**	**(19.0)**	**(21.8)**
EBITDA after debt service in AED bn	**(16.1)**	**2.5**	**3.4**	**6.0**	**(0.6)**

EBITDA and debt service

Cash profit from operations, excluding working capital movements (EBITDA) at AED 4.6bn (2019-20: AED 25.9bn) was 82.2% lower compared to last year as the drop in revenues outpaced the decrease in costs.

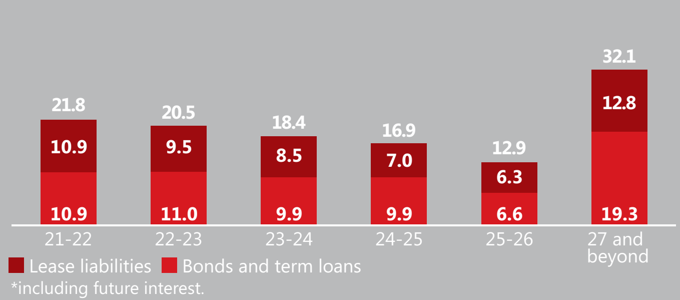
Despite a significant strain on cash assets, we continued to honour all our financial obligations. Debt service payments amounted to AED 20.7bn (2019-20: AED 23.4bn), a drop of 11.6% compared to previous year. This was due to; i) decrease in lease liabilities with 9 tails returned and the associated liabilities fully paid off, and ii) lower interest rates this year. EBITDA after debt service payments was AED 16.1bn (negative), however, the equity injection and term loans enabled us to service our debt.

EBITDA equated to 3 months (2019-20: 13 months) of payments for this pandemic-stricken year. We remain confident to meet our financial commitments as they fall due in the coming year and beyond through proactive working capital management and utilisation of available credit lines and facilities.

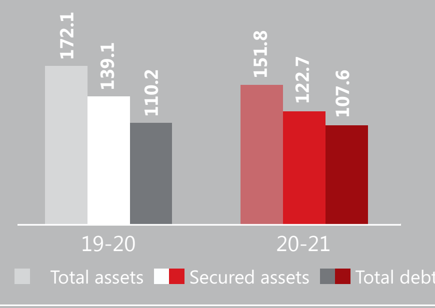
Lower EBITDA and a reduced top line resulted in the drop of EBITDA margin to 15.0% (2019-20: 28.1%), a 13.1% pts. decline from last year.

The payments shown in the table (including those of previous years) exclude refinancing of certain borrowings and lease liabilities at commercially better rates. The related cash inflows and outflows are reported at their gross values in the consolidated statement of cash flows and in the relevant notes to the consolidated financial statements.

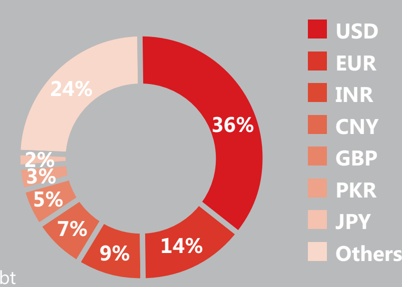
Debt repayment profile* in AED bn



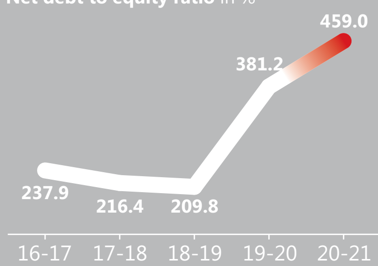
Debt collateralisation in AED bn



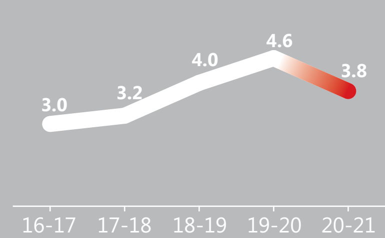
Revenue by currency in %



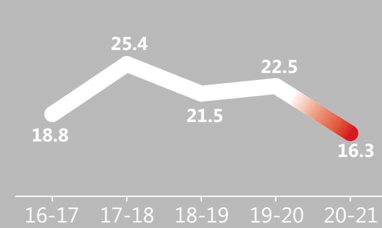
Net debt to equity ratio in %



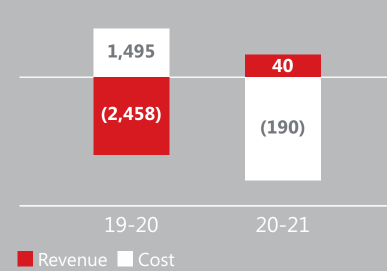
Effective interest rate on borrowings and lease liabilities in %



Cash asset to net debt in %



Currency impact in AED m



Debt

Emirates' borrowings and lease liabilities reduced by AED 2.6bn to AED 107.6bn (2019-20: AED 110.2bn). This was primarily due to repayments of AED 19.3bn for amortising bonds, lease liabilities and term loans, partially offset by; a) drawdowns of committed credit lines for working capital and loans taken on delivery of 3 new aircraft, amounting in total to AED 14.5bn, and b) interest expense and lease additions of AED 3.2bn. Further, favourable movements in benchmark interest rates and COVID-19 related lease waivers reduced our lease liabilities by AED 1.4bn, whereas unfavourable currency and other movements pushed the liabilities up by AED 0.4bn.

Net debt to equity ratio

Our net debt to equity ratio increased to 459.0% (2019-20: 381.2%) due to lower equity and cash assets compared to last year.

Debt repayment profile

As part of our strategy, we strive to achieve a stable repayment profile by obtaining debt with periodic instalments as opposed to bullet payments. This enables us to service our debt through operating cash flows and the surplus cash is used for investment purposes. This year, however, was an anomaly as we relied on an equity injection and drawdowns of credit lines to meet our debt obligations. As at the reporting date, almost 91% of our debt was amortising in nature.

Cash assets to net debt ratio

A reduction in cash reserves led to worsening of our cash assets to net debt ratio to 16.3% (2019-20: 22.5%).

Debt collateralisation

Of the total debt of AED 107.6bn, AED 46.6bn represents lease liabilities which are supported by right-of-use assets. From the remaining debt, 73.5% or AED 44.8bn is secured against property, plant and equipment while the balance AED 16.2bn is adequately covered against the carrying value of unencumbered assets, mainly property, plant and equipment.

Financial risk management

Jet fuel price risk

We are exposed to volatility in the price of jet fuel. To manage this risk, we hedge part of our highly probable forecast purchases of jet fuel up to 24 months in advance using commodity futures, options and swaps, as and when opportunity arises and depending on the market conditions.

Interest rate risk

Emirates is exposed to the effects of fluctuations in the prevailing interest rates on borrowings and investments. In order to manage interest rate risk, we target a balanced portfolio approach and use prudent hedging solutions such as interest rate swaps. After taking into account the impact of interest rate swaps, almost 62% of our net debt was on fixed interest rate basis with the balance 38% being on floating interest rates.

The effective interest rate for borrowings and lease liabilities reduced to 3.8% (2019-20: 4.6%) due to lower benchmark interest rates.

Currency risk

We proactively manage currency exposures generally over a period of up to 12 months depending on market conditions by using various hedging solutions including forward contracts, currency swaps and natural hedges. Nearly 36% of our transport revenues and over 92% of our total costs this year were denominated in US Dollar or currencies pegged to USD.

Due to reduced operations, the movements in exchange rates had an insignificant adverse impact of AED 150m on Emirates' operating results (2019-20: adverse impact of AED 1bn).

The following six currencies accounted for close to 40% (2019-20: 38%) of our transport revenue this financial year:

Currency average rate (in AED)

	2020-21	2019-20	% change
EUR	4.301	4.077	5.5
INR	0.050	0.052	(4.1)
CNY	0.544	0.526	3.3
GBP	4.830	4.658	3.7
PKR	0.024	0.023	3.8
JPY	0.035	0.034	2.7

dnata financial commentary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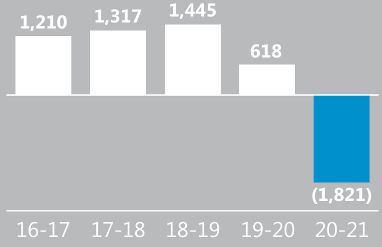
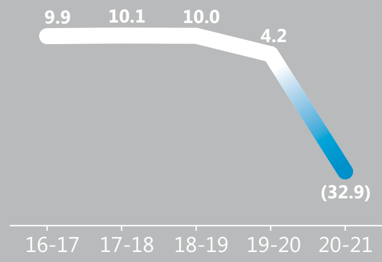
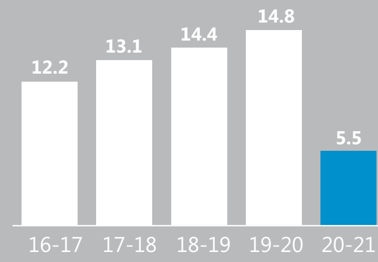
(Loss)/profit attributable to the Owner in AED m



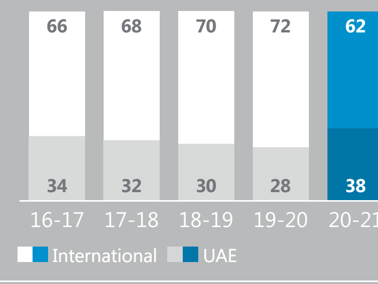
(Loss)/profit margin in %



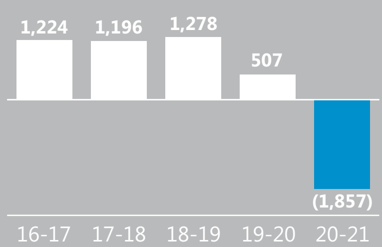
Total revenue in AED bn



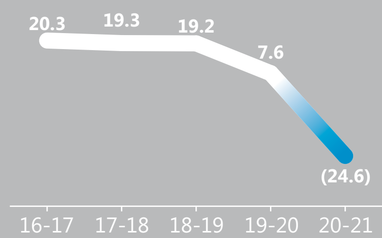
Geographical revenue in %



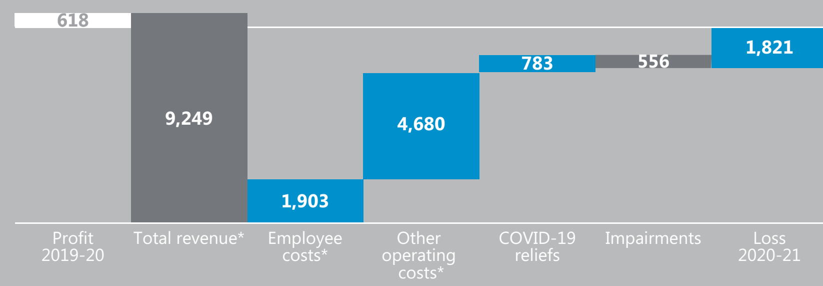
Operating (loss)/profit in AED m



Return on Owner's funds in %



Profit/(loss) movement in AED m



*adjusted for the impact of COVID-19 reliefs and impairments, as applicable.

Following the declaration of COVID-19 as a global pandemic in March 2020, the travel industry came to a standstill and was pushed into a crisis never witnessed before. Governments worldwide enforced travel restrictions, lockdowns and quarantine measures to curb the spread of the virus, causing demand for air travel and associated services to plunge to new lows. 2020-21 ended up being the worst year in the history of the aviation and travel industries.

As a global air and travel services provider, dnata too was seriously impacted and could not escape the financial devastation caused by the pandemic. All four core lines of business – international airport operations, UAE airport operations, inflight catering and travel services – saw significant decline in revenues leading to an unprecedented fall of 62.5% in total revenue for dnata.

With such a material drop in the top line, we took extraordinary steps to protect our balance sheet, preserve cash and reduce costs. Non-critical expenditure (both capital and operating) was suspended. Active steps were taken to recover outstanding debt while suppliers were engaged with to reschedule payments. Strategic reviews of various businesses were conducted and, where necessary, steps were taken to either restructure certain businesses or exit them completely.

We also took measures to reduce employee costs - the most significant component of our operating costs. Regrettably, numerous positions had to be made redundant. Where possible, staff were put on furlough in line with relevant local regulations. A general recruitment freeze was implemented, and employment rewards were cut. We also utilised financial support schemes, introduced by various governments, to mitigate the impact of the COVID-19 outbreak on our bottom line and cash assets.

Our nimble response to the pandemic has helped us maintain adequate cash reserves at the year-end which will, to an extent, see us through the ongoing challenges. We firmly believe that we have laid a good foundation for a profitable growth path as soon as the demand recovers.

While the crisis undoubtedly pushed our operations and finances to the limit, it also brought to the fore our resilience and true spirit. We remained undeterred in our focus on quality, safety, people and customers. We went above and beyond to offer refunds (or re-bookings) to our travel customers. Across other lines of business, we adapted to the dynamic environment by implementing new protocols and introduced innovative products and services in response to new customer expectations and business opportunities. We continued to drive efficiencies across all businesses in processes and resources.

Despite the progress on vaccination programs, the market outlook remains challenging and unpredictable. Significant risks remain around new variants of the virus, future plans of governments to open for travel, and the restoration of travellers' confidence. However, we will remain steadfast and agile to get through this period of uncertainty and deliver for our customers, people and shareholder for years to come.

Profitability

dnata registered a loss attributable to the Owner of AED 1,821m, a swing of AED 2,439m from last year's profit of AED 618m. This was driven by weaker operating performance (loss of AED 1,857m against a profit of AED 507m in the prior year) as COVID-19 ravaged trading activity. These losses were aggravated by impairments of; a) AED 766m recognised on goodwill & other intangible assets (2019-20: AED 193m), and b) AED 122m on trade and other receivables (2019-20: AED 139m). The cost reduction measures taken in response to the fall in revenue are gradually filtering through to the bottom line.

Total revenue (including other operating income)

Our total revenue declined by AED 9.3bn to AED 5.5bn (2019-20: AED 14.8bn) as COVID-19 choked demand across all our lines of business.

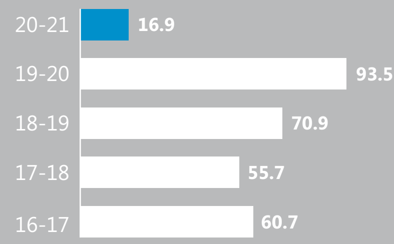
Other operating income decreased by AED 337m to AED 200m (2019-20: AED 537m) as the prior year numbers included the one-time gains from the divestment of Accelya and the recovery of a legal claim in the US.

Overall, the share of geographical revenue from operations outside the UAE decreased by 10% pts. to 62.0% as COVID-19 impacted international businesses more severely than the UAE.

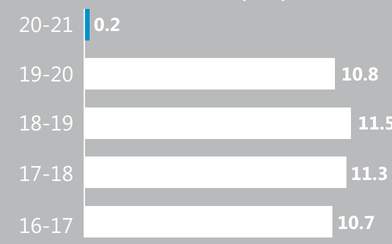
Revenue by Line of Business

Revenue in AED m	2021-21	2019-20	% change	% of total
International airport operations	2,263	3,940	(42.6)	42.4
UAE airport operations	1,671	3,171	(47.3)	31.3
Inflight catering	1,046	3,313	(68.4)	19.6
Travel services	130	3,537	(96.3)	2.4
Other services	231	262	(11.8)	4.3
Total	**5,341**	**14,223**	**(62.4)**	**100.0**

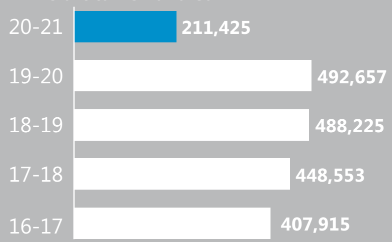
Inflight catering - Meals uplifted number in millions



Travel services - Total Transaction Value (TTV) in AED bn

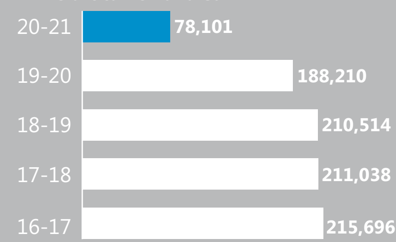


International airport operations - Aircraft turns handled

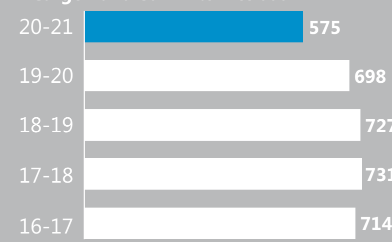


International airport operations - Cargo handled - in tonnes'000

UAE airport operations - Aircraft turns handled



UAE airport operations - Cargo handled - in tonnes'000



International airport operations

International airport operations continues to be the largest business segment of dnata by revenue. The segment's revenue dropped by 42.6% to AED 2.3bn (2019-20: AED 3.9bn) as COVID-19 triggered the closure of international borders and restricted aircraft movements. Cargo volumes, although down by 5.4%, were more resilient than aircraft turns handled – reduced by 57.1%. This was due to significant growth in freighter activity this year (including cargo-in-cabin operations) in our businesses in the Netherlands, Singapore, US and Australia. Our quality of service and high safety standards helped us win or retain over 100 contracts with key accounts across our network.

Continuing our investment in critical cargo infrastructure, we opened dnata City North in Manchester and broke ground on the second phase of the dnata City East project at London Heathrow. We also invested in new technology and innovative products in response to the market demand, including; cool dollies in Australia and Singapore, UV cabin cleaning in Switzerland, a baggage disinfection station in Singapore, and IATA Dangerous Goods AutoCheck platform installations across the network.

UAE airport operations

UAE airport operations revenue decreased by 47.3% to AED 1.7bn (2019-20: AED 3.2bn) due to the decline in volumes driven by the COVID-19 outbreak. A significant reduction was experienced in ground handling operations at both Dubai International Airport (DXB) and Al Maktoum International Airport (DWC) which suspended its passenger terminal operations for most part of the financial year. Flight cancellations throughout the year affected our operations severely. As a result, there was a sharp decrease of 110,109 or 58.5% in the number of aircraft turns handled while cargo volumes dropped by 17.6% to 575 thousand tonnes (2019-20: 698 thousand tonnes). Due to increased freighter operations, and similar to the trend in our international businesses, the reduction in cargo volumes was not as steep as aircraft turns handled. Our marhaba business suffered as well and registered a 66.7% decrease in guests at its lounges in Dubai.

Watchful of market demand, we introduced new products and services this year, including disinfection services and specialised handling of medical supplies.

Inflight catering

The inflight catering business was also severely impacted by the pandemic, as our customers across the globe were forced to either reduce operations or stop flying completely. Revenue fell by 68.4% to AED 1.0bn (2019-20: AED 3.3bn), while meals uplifted dropped by 81.9% to 16.9m (2019-20: 93.5m).

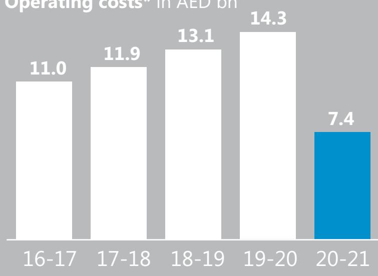
The focus for 2020-21 was on preserving cash and resizing the business in light of current and forecasted demand. Cash collection improved by diligent work and supplier payment terms were optimised through intensive negotiations. Capital expenditure was kept to a minimum as several projects were suspended, workforce was reduced by 37.4% compared to the prior year and furlough schemes were availed where possible. We also commenced operations at the second catering unit in Dublin and added new F&B outlets at Sharjah International Airport. As a result of these measures, the business is now operating in an agile and efficient manner and is well-placed to capture volume growth as travel restrictions ease.

Travel services

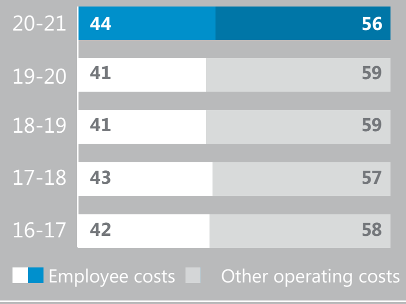
Travel services revenue plunged 96.3% to AED 130m (2019-20: AED 3.5bn) as the pandemic affected all key markets and business lines. The UK business, which is the biggest market for dnata travel services, was hit the hardest. Demand completely collapsed due to prolonged and stop/start lockdowns, while the cancellations and refunds relating to prior year bookings also negatively impacted revenue for 2020-21.

During the year, we conducted a strategic review of our brand portfolio and competitive positioning. This led to our exit from our corporate travel business in India, liquidation of Tropo (B2B tour operator in Germany), disposal of The Global Travel Group in the UK, and merger of Gold Medal and Travel 2 brands to create the UK's largest B2B operator. Further, to manage the cash outflow, several cost saving initiatives were undertaken, resulting in sustainable savings of more than AED 400m, primarily due to staff reductions. We also completed the purchase of the remaining equity stake in Destination Asia, a destination management company, with businesses spread across seven countries in South East Asia.

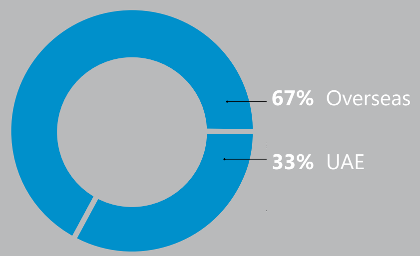
Operating costs* in AED bn



Employee costs as % of total operating costs



Geographical workforce in %



Operating costs in AED m	**2020-21**	**2019-20**	**% change**	**% of total**
Employee costs	3,290	5,875	(44.0)	44.5
Depreciation, amortisation and impairment	1,662	1,046	58.9	22.5
Direct costs	1,096	5,282	(79.3)	14.8
- Airport operations	715	1,364	(47.6)	9.7
- Inflight catering	326	1,352	(75.9)	4.4
- Travel services	53	2,534	(97.9)	0.7
- Others	2	32	(93.8)	0.0
Facilities related expenditure	325	501	(35.1)	4.4
Information technology costs	270	320	(15.6)	3.6
Sales and marketing expenses	35	321	(89.1)	0.5
Corporate overheads*	720	908	(20.7)	9.7
Total operating costs	**7,398**	**14,253**	**(48.1)**	**100.0**

* Includes net impairment loss on trade and other receivables.

Operating costs

dnata's total operating costs, including the provision for impairment of trade and other receivables, decreased by 48.1% or AED 6.9bn to AED 7.4bn (2019-20: AED 14.3bn). This was primarily due to the drop in employee expenses and direct costs – owing to reduced operations. Moreover, numerous cost-cutting measures initiated by the business and the COVID-19 related reliefs of AED 783m received from various governments and suppliers against specific expenditure (particularly employee costs) also helped trim down total operating costs. These savings were partly offset by impairment charges recognised on financial and non-financial assets.

Employee costs

Employee costs fell 44.0% or AED 2.6bn against last year and stood at AED 3.3bn (2019-20: AED 5.9bn). This was on account of savings from reduced workforce, AED 682m worth of COVID-related payroll grants received from various governments, reduction in working hours and overtime payments, and cuts imposed on salaries. These decreases were partly offset by one-off redundancy payments.

After exhausting all options to reduce costs and preserve cash, we made the difficult decision to resize our workforce in line with reduced operational requirements. Overall, employee strength as at March 2021 was down 29.2% compared to last year.

Employee strength (in numbers)	**2020-21**	**2019-20**	**% change**	**% of total**
International airport operations	14,857	19,550	(24.0)	43.2
UAE airport operations	8,643	12,233	(29.3)	25.2
Inflight catering	6,175	9,861	(37.4)	18.0
Travel services	3,118	4,966	(37.2)	9.1
Others	1,551	1,893	(18.1)	4.5
Closing employee strength	**34,344**	**48,503**	**(29.2)**	**100.0**

Direct costs

Direct costs fell by 79.3% or AED 4.2bn year-on-year to AED 1.1bn (2019-20: AED 5.3bn).

Direct costs for travel services reduced by 97.9% to AED 53m (2019-20: AED 2.5bn), mirroring the plunge in revenue, as demand for travel completely dried up across all markets, particularly in our biggest market in the UK which suffered from successive and extended lockdowns.

Airport operations pertaining costs were 47.6% lower at AED 715m (2019-20: AED 1.4bn) in line with the reduction in ground handling activity across our network, and consequently, lower costs were incurred for contract labour, fuel and spares, passenger transport, amongst others.

Inflight catering related direct costs decreased by 75.9% or AED 1.0bn to AED 326m (2019-20: AED 1.4bn) consistent with the decline in revenue as a limited number of meals were uplifted this year. Volumes in our key markets in Australia, Italy and Romania witnessed a precipitous drop of 87% as lockdowns wreaked havoc on trading.

Other operating costs

Depreciation, amortisation and impairment charges increased by AED 616m or 58.9%. This was mainly due to impairments recognised on intangible assets of AED 766m (2019-20: 193m) as cessation of certain operations, a decline in general demand, increased risks and continued uncertainty due to COVID-19 pandemic adversely impacted expected future cash flows. Impairments on goodwill and other intangible assets were recognised across all lines of business.

Facilities related expenditure dropped by 35.1% to AED 325m primarily due to COVID-19 related reliefs received from various suppliers and also because of a reduction in utility charges.

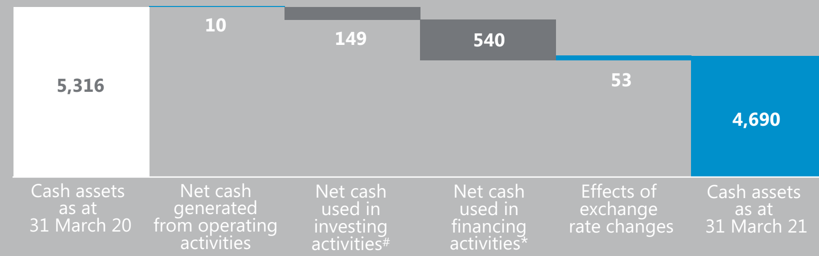
Sales and marketing expenses showed a decrease of 89.1% to AED 35m as the travel businesses suspended marketing activities. In addition, the lack of trade wiped out sales commission and associated incentive costs for travel services.

Corporate overheads were down 20.7% to AED 720m in line with reduced operations and various cost-saving initiatives taken across dnata businesses.

Assets in AED m	**2020-21**	**2019-20**	**% change**	**% of total**
PPE, ROU assets, investment property & intangible assets	6,632	7,297	(9.1)	46.4
Investment accounted for using the equity method	455	551	(17.4)	3.2
Trade and other receivables	2,195	3,033	(27.6)	15.4
Cash assets	4,690	5,316	(11.8)	32.9
Other assets	302	506	(40.3)	2.1
Total	**14,274**	**16,703**	**(14.5)**	**100.0**

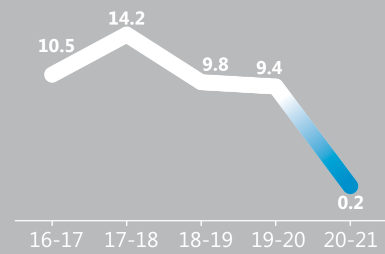
Equity and liabilities in AED m	**2020-21**	**2019-20**	**% change**	**% of total**
Equity	6,535	8,302	(21.3)	45.8
Borrowings and lease liabilities	4,058	3,918	3.6	28.4
Trade and other payables	2,845	3,468	(18.0)	19.9
Other liabilities	836	1,015	(17.6)	5.9
Total	**14,274**	**16,703**	**(14.5)**	**100.0**

Cash flow in AED m

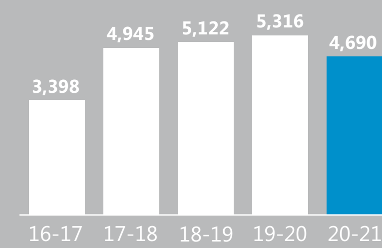


#net of movement in short term bank deposits.
*net of movement in bank overdrafts.

Operating cash margin in %



Cash assets in AED m



Statement of financial position

Assets

Total assets decreased by 14.5% to AED 14.3bn (2019-20: AED 16.7bn).

Property, plant and equipment ('PPE'), Right-of-use ('ROU') assets, investment property and intangible assets combined were down 9.1% to AED 6.6bn (2019-20: AED 7.3bn). A weak US Dollar increased the value of these assets by AED 488m.

PPE remained consistent at AED 2.1bn (2019-20: AED 2.2bn) as the reduction in assets due to depreciation charge of AED 389m was largely offset by additions of AED 192m and a forex impact of AED 127m. Key investments made this year included the City North cargo complex at Manchester Airport, catering high-loaders in Australia and a state-of-the-art kitchen facility in Dublin.

ROU assets were also in line with last year at AED 2.0bn (2019-20: AED 2.0bn). The impact of depreciation was compensated by new leases taken in Manchester, Sharjah and Dublin and a favourable foreign exchange movement.

Intangible assets of AED 2.1bn (2019-20: AED 2.8bn) form 29.0% (2019-20: 34.2%) of dnata's non-current assets. Goodwill continues to be the largest portion of the intangible asset portfolio at 69.5% (2019-20: 69.4%) which is validated on an annual basis through impairment testing. As future cash flows of various businesses struggled to support the underlying carrying values, impairments of AED 766m were recognised across all lines of business; AED 255m in travel services, AED 208m in airport operations, AED 232m in inflight catering and AED 71m on corporate assets.

Investments accounted for using the equity method slid by 17.4% to AED 455m (2019-20: AED 551m) owing to; a) reduced profits and losses recognised in our security and travel business respectively, and b) dividends of AED 70m.

Trade and other receivables reduced by 27.6% to AED 2.2bn (2019-20: AED 3.0bn) as a result of impairments of AED 122m, better cash collection and a general reduction in business activity.

Equity

Total equity at AED 6.5bn (2019-20: AED 8.3bn) reflects a fall of 21.3% or AED 1.8bn, mainly attributable to losses for the year.

Liabilities

Total liabilities showed a reduction of AED 662m and stood at AED 7.7bn (2019-20: AED 8.4bn). Borrowings and lease liabilities increased marginally to AED 4.1bn (2019-20: AED 3.9bn). Term loans were unchanged at AED 1.5bn as repayments of AED 229m in the year were offset by; a) additional loans of AED 82m to fund working capital requirements in our catering and airport operations in the US, and b) negative foreign exchange impact of AED 116m due to deterioration in the value of US Dollar.

Lease liabilities increased by 7.2% to AED 2.4bn (2019-20: AED 2.2bn) due to; i) new leases of AED 297m entered into for kitchens in Sharjah and Dublin and cargo buildings in Dubai and Manchester, ii) currency translation differences of AED 213m, and iii) interest expense of AED 86m. These increases were partly offset by repayments of AED 373m.

Trade and other payables declined by 18.0% to AED 2.8bn (2019-20: AED 3.5bn) driven by diminished business activity in 2020-21 because of the COVID-19 pandemic.

Cash position

Cash assets reduced to AED 4.7bn (2019-20: AED 5.3bn), a drop of 11.8% from last year. With a significant decline in trading activity, cash generated from operating activities and operating cash margin plummeted to AED 10m (2019-20: AED 1.4bn) and 0.2% (2019-20: 9.4%) respectively. This reflects that the loss before tax for the year of AED 1.9bn was largely due to depreciation, amortisation and impairment charges of AED 1.8bn on financial and non-financial assets, which are non-cash in nature. With operating cash inflows close to nil, opening reserves were utilised to fund investing activities of AED 149m, which related to additions to non-current assets, and financing activities of AED 0.5bn comprising net payments for term loans and lease liabilities totalling to AED 0.4bn, and interest costs of AED 0.1bn.

Our net assets continue to remain under pressure due to a severely depressed trading environment and ongoing uncertainty. We have taken various measures to navigate our business through this crisis, including compensating cost saving measures, reductions in discretionary capital expenditure and availing support from governments and other bodies, where available. As soon as demand recovers, we aim to restore to our full operating capacity to serve our customers and to further strengthen our brand.

Independent Auditor's Report to the Owner of Emirates

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Emirates and its subsidiaries (together referred to as "Emirates") as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

Emirates' consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 March 2021;
- the consolidated statement of comprehensive income for the year ended 31 March 2021;
- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of changes in equity for the year ended 31 March 2021;
- the consolidated statement of cash flows for the year ended 31 March 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Emirates in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key audit matters	• Passenger and cargo revenue recognition • Accounting for the "Skywards" frequent flyer programme • Impairment of the airline cash generating unit (CGU) • Provision for aircraft return conditions

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of Emirates, the accounting processes and controls, and the industry in which Emirates operates.

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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Passenger and cargo revenue recognition When a flight booking is made, passenger and cargo revenue is measured based on the sales price to the customer and allocated to each performance obligation under the contract. Revenue is initially deferred on the consolidated statement of financial position and subsequently recognised in the consolidated income statement when the related performance obligation has been fulfilled (typically when a passenger or the cargo has flown) (refer to notes 2, 3, 5 and 23 to the consolidated financial statements). The determination of the revenue to be recognised for each flight requires complex IT systems and involves the exchange of information with industry systems and other airlines for a high volume of transactions. The accounting for passenger and cargo revenue is susceptible to management override of controls through the recording of manual journals in the accounting records, the override of IT systems to accelerate revenue recognition, or the manipulation of inputs used to calculate revenue recorded in respect of unused revenue documents. The timing of revenue recognition for unused revenue documents requires judgement due to the timeframe over which revenue documents can be utilised and the large number of fare types sold by Emirates. Management has determined the value of unused revenue documents that will not be utilised based on their terms and conditions and historical expiry trends. We focused on this area as a result of the complexity of the related IT systems, the potential for management override of controls and the level of judgement required by management in determining the timing of recognition of unused revenue documents.	We performed detailed end-to-end walkthroughs of the finance and operational processes surrounding the revenue systems, utilising our understanding of the industry and Emirates, to assess the design effectiveness of the related key internal controls and identify changes, if any, that have occurred during the current year. We tested the operating effectiveness of these key controls to obtain sufficient, appropriate evidence that they operated throughout the year as intended. We also tested the key IT systems, including interfaces that impact the recognition of revenue from passenger and cargo sales along with the IT change control procedures and related application controls. We performed computer assisted audit techniques over passenger and cargo revenue to identify and test unexpected entries and correlate revenue movements during the year to accounts receivable and cash. We substantively tested a sample of revenue from passenger and cargo sales at a booking and flight level to validate occurrence and cut-off of revenue. We tested manual journal entries posted into relevant revenue accounts in the sub-ledgers and the general ledger. We obtained data supporting Emirates' historical expiry trend in respect of unused revenue documents. In addition to performing controls based testing as described above, we tested the accuracy of historical expiry data and compared this data to that used by Emirates in their calculation of the amount of revenue to recognise from unused revenue documents. We assessed whether the related disclosures in notes 2, 3, 5 and 23 to the consolidated financial statements are consistent with the requirements of IFRS.

Key audit matter	How our audit addressed the Key audit matter
Accounting for the "Skywards" frequent flyer programme Emirates operates frequent flyer programmes in order to encourage and incentivise loyalty from its customers, with "Skywards" being the biggest programme of this type. Skywards members either earn Skywards miles after a flight has been paid for and flown or from Skywards partners who purchase miles from Emirates to issue to their customers. Skywards miles can be redeemed for reductions in airfares as well as being used towards free flights, cabin class upgrades and other non-airline rewards. The consideration in respect of the value of unused miles issued to Skywards members when flights are flown and for miles issued to Skywards members from sales to partners with a total value of AED 1,789 million as at 31 March 2021 is recognised in the consolidated statement of financial position as deferred revenue (refer to notes 2, 3 and 23 to the consolidated financial statements). Revenue is recognised in the consolidated income statement when the miles are redeemed by a customer and the underlying performance obligation relating to the redeemed miles is fulfilled. The consideration for each mile is based on a relative standalone selling price calculated using a model incorporating a number of factors including historical sector average fares, historical fares for upgrades, ticket and upgrade availability and redemption patterns. An estimate is also made of the number of miles that will expire based on historical expiry patterns and any known future changes to the Skywards programme. We focused on this area because of the significant level of judgement exercised by management in determining the underlying assumptions within the model.	We tested management's model supporting the calculation of Skywards deferred revenue as follows: • we updated our understanding of the process and related controls by which deferred revenue is calculated; • we tested automated controls and key interfaces between the IT systems used to initially accrue and subsequently redeem the Skywards miles for each member; • we reconciled the Skywards miles issued and redeemed during the year, and the closing miles balance in the model to the underlying IT systems; • we tested the mathematical accuracy of management's model; • we tested the key assumptions within management's model, including agreeing historical expiry trends supporting the expiry percentage, historical sector average fares and historical fares for upgrades to underlying reports, discussing anticipated future changes to the Skywards programme that may impact expiry trends with appropriate senior management and testing ticket and upgrade availability to internal supporting evidence; and • we tested the sensitivity analysis on the key assumptions and variables used in management's model. We assessed whether the related disclosures in notes 2, 3 and 23 to the consolidated financial statements are consistent with the requirements of IFRS.

Key audit matter	How our audit addressed the Key audit matter

Impairment of the airline cash generating unit (CGU)
 	
Given the existence of COVID-19 and the significant impact the pandemic has on the airline industry, management has performed an impairment assessment at the airline CGU level. With the exception of specific asset impairments of AED 500 million, no impairment was recognised in respect of the airline CGU (refer to notes 2, 3, 12 and 13 to the consolidated financial statements).
 	
An assessment of the recoverable amount of the airline CGU compared to its carrying value was performed based on cash flow projections prepared taking into account the current COVID-19 pandemic. Management has estimated the recoverable amount of the airline CGU based on its value in use, using a discounted cash flow model. The cash flow projections are based on current and anticipated market conditions covering the period to 2024-25. The projections are inherently uncertain due to the fluidity of the impact of COVID-19 pandemic.
 	
The key assumptions applied by management in estimating the recoverable amount of the CGU included:
• an anticipated gradual recovery of airline operations to 90% of pre-COVID-19 revenues by financial year 2023-24;
• cost expectations in line with expected operational capacity, known cost savings and future market prices, where applicable;
• capital expenditure based on estimated aircraft replacement timing at contracted values;
• the long-term growth rate of 1.5% after the four-year period; and
• the pre-tax discount rate of 7.5% used in the impairment model.
 	
We focused on this area because of the significant level of judgement exercised by management in determining the underlying assumptions and estimating the recoverable amount of the airline CGU.
	We obtained management's impairment model and discussed the key assumptions with senior management.
	
	We evaluated the appropriateness of the key assumptions within the model as follows:
	• using a variety of available internal and external analyses, we assessed whether management's cash flow projections were reasonable, including:
	  • comparing the anticipated recovery timeline of airline revenues to published views of market commentators, and publicly available aviation industry reports;
	  • comparing the cost estimates to management forecasts and future market prices where applicable; and
	  • comparing planned capital expenditure to management's forecast of aircraft delivery timing and contractually agreed aircraft values;
	• we compared the long-term growth rates to external airline industry economic data and economic forecasts; and
	• we utilised our internal valuation specialists to perform an independent calculation of the discount rate, with particular reference to comparable companies and compared this calculation to the rate used by management.
	
	We tested the mathematical accuracy of the impairment model.
	
	We tested the sensitivity analyses over each of the significant assumptions within the impairment model.
	
	We assessed whether the related disclosures in notes 2, 3, 12 and 13 to the consolidated financial statements are consistent with the requirements of IFRS.

Key audit matter	How our audit addressed the Key audit matter
Provision for aircraft return conditions Emirates operated 131 aircraft under lease arrangements at 31 March 2021 (2020: 142). Under the terms of the lease arrangements with the lessors, Emirates is contractually committed to either return the aircraft and/or engines in a certain condition or to compensate the lessor based on the actual condition of the aircraft and/or engines at the date of return. Accordingly, a provision of AED 5,759 million is recorded for the present value of the expected cost associated with these contractual return conditions and is recognised in the consolidated statement of financial position within provisions (refer to notes 2, 3 and 22 to the consolidated financial statements). The provision is calculated using a model which incorporates a number of assumptions, requiring significant judgement, including the: • past and expected future utilisation and maintenance patterns of the aircraft and engines; • expected cost of the maintenance at the time it is estimated to occur; and • discount rate applied to calculate the present value of the future liability. We focused on this area because of the significant level of judgement exercised by management in determining the underlying assumptions within the model and the sensitivity of the amounts recorded in the consolidated financial statements from changes in these assumptions.	We obtained the aircraft return provision model prepared by management, together with a summary of the underlying assumptions. We tested the completeness of the provision by ensuring that all significant return condition obligations included in aircraft lease contracts were included in the model. We reperformed the calculations within the model to test the mathematical accuracy. To understand the methodology used by management, the following key assumptions were discussed with senior engineering and finance personnel: • the past and expected future utilisation and maintenance patterns of the aircraft; • the expected cost of each maintenance event at the time it is expected to occur; and • the discount rate applied to calculate the present value of the future liability. We compared historical utilisation of the aircraft to flying records and assessed if the future utilisation assumptions were considered reasonable in light of past experience. Assumed maintenance costs were assessed against historical actual costs incurred and existing long term maintenance agreements. Future maintenance patterns were assessed against internal maintenance plans. We verified that the discount rate applied by management to the future liability was within an acceptable range with reference to the time value of money applicable to Emirates and the risks specific to the liability. Along with testing management's sensitivity analysis on reasonably possible changes in assumptions, we also compared provisions held for aircraft and engines returned during the year to the compensation paid out to the lessors or actual costs incurred to establish if past provisions were reasonable. We assessed whether the related disclosures in notes 2, 3 and 22 to the consolidated financial statements are consistent with the requirements of IFRS.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing Emirates' financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the Key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers
6 May 2021

Douglas O'Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

Consolidated Income Statement for the year ended 31 March 2021

	Note	2021 AED m	2020 AED m
Revenue	5	30,230	90,995
Other operating income	6	697	977
Operating costs	7	(45,948)	(85,564)
Operating (loss) / profit		**(15,021)**	**6,408**
Finance income	8	288	592
Finance costs	8	(4,514)	(5,361)
Other financial (losses) / gains - net	9	(1,088)	(497)
Share of results of investments accounted for using the equity method	15	35	112
(Loss) / profit before tax		**(20,300)**	**1,254**
Income tax expense - net	10	(10)	(66)
(Loss) / profit for the year		**(20,310)**	**1,188**
(Loss) / profit attributable to non-controlling interests		(31)	132
(Loss) / profit attributable to Emirates' Owner		**(20,279)**	**1,056**

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

(Loss) / profit for the year		**(20,310)**	**1,188**
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit obligations	22 (a)	(6)	55
Items that are or may be reclassified subsequently to the consolidated income statement			
Currency translation differences	20	(3)	(11)
Cash flow hedges	20	5,645	(5,630)
Other comprehensive income for the year		**5,636**	**(5,586)**
Total comprehensive income for the year		**(14,674)**	**(4,398)**
Total comprehensive income attributable to non-controlling interests		(31)	132
Total comprehensive income attributable to Emirates' Owner		**(14,643)**	**(4,530)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position as at 31 March 2021

	Note	2021 AED m	2020 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	12	79,258	86,084
Right-of-use assets	13	43,486	52,992
Intangible assets	14	5,266	4,373
Investments accounted for using the equity method	15	660	691
Trade and other receivables	17	163	192
Deferred tax assets	24	53	25
		128,886	**144,357**
Current assets			
Inventories	16	2,322	2,670
Trade and other receivables	17	4,763	4,783
Derivative financial instruments	28	698	3
Short term bank deposits	18	11,063	12,017
Cash and cash equivalents	18	4,045	8,232
		22,891	**27,705**
Total assets		**151,777**	**172,062**

	Note	2021 AED m	2020 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	19	12,147	801
Other reserves	20	(143)	(5,701)
Retained earnings		7,593	27,878
Attributable to Emirates' Owner		**19,597**	**22,978**
Non-controlling interests		550	609
Total equity		**20,147**	**23,587**
Non-current liabilities			
Trade and other payables	25	187	116
Borrowings and lease liabilities	21	89,637	90,728
Derivative financial instruments	28	216	1,697
Provisions	22	5,883	7,039
Deferred tax liabilities	24	2	3
		95,925	**99,583**
Current liabilities			
Trade and other payables	25	10,199	12,880
Deferred revenue	23	6,347	10,672
Borrowings and lease liabilities	21	17,939	19,429
Derivative financial instruments	28	91	5,067
Provisions	22	1,098	786
Current tax liabilities		31	58
		35,705	**48,892**
Total liabilities		**131,630**	**148,475**
Total equity and liabilities		**151,777**	**172,062**

The consolidated financial statements were approved on 6 May 2021 and signed by:

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman and Chief Executive

Timothy Clark
President

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

	Attributable to Emirates' Owner					
	Capital AED m	**Other reserves** AED m	**Retained earnings** AED m	**Total** AED m	**Non-controlling interests** AED m	**Total equity** AED m
1 April 2019	801	(60)	36,408	37,149	594	37,743
Impact on adoption of IFRS 16	-	-	(9,641)	(9,641)	(3)	(9,644)
Adjusted 1 April 2019	**801**	**(60)**	**26,767**	**27,508**	**591**	**28,099**
Profit for the year	-	-	1,056	1,056	132	1,188
Other comprehensive income for the year	-	(5,641)	55	(5,586)	-	(5,586)
Total comprehensive income for the year	**-**	**(5,641)**	**1,111**	**(4,530)**	**132**	**(4,398)**
Capital contributions	-	-	-	-	6	6
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	4	4
Dividends	-	-	-	-	(124)	(124)
Transactions with Owners	**-**	**-**	**-**	**-**	**(114)**	**(114)**
31 March 2020	**801**	**(5,701)**	**27,878**	**22,978**	**609**	**23,587**
Loss for the year	-	-	(20,279)	(20,279)	(31)	(20,310)
Other comprehensive income for the year	-	5,642	(6)	5,636	-	5,636
Total comprehensive income for the year	**-**	**5,642**	**(20,285)**	**(14,643)**	**(31)**	**(14,674)**
Capital contribution by Emirates' Owner (Note 19)	11,346	-	-	11,346	-	11,346
Other capital contributions	-	-	-	-	18	18
Option to acquire non-controlling interest (Note 32)	-	(84)	-	(84)	-	(84)
Non-controlling interests on acquisition of subsidiaries (Note 32)	-	-	-	-	29	29
Dividends	-	-	-	-	(75)	(75)
Transactions with Owners	**11,346**	**(84)**	**-**	**11,262**	**(28)**	**11,234**
31 March 2021	**12,147**	**(143)**	**7,593**	**19,597**	**550**	**20,147**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 AED m	2020 AED m
Operating activities			
(Loss) / profit before tax		(20,300)	1,254
Adjustments for:			
Lease rental waivers	6	(283)	-
Depreciation, amortisation and impairment	7	19,665	19,444
Provision for retirement benefit obligations	7	579	762
Net provision for impairment of trade receivables	7	35	41
Finance costs - net	8	4,226	4,769
Other financial losses - net	9	1,088	497
Net loss on disposals / write-offs of property, plant & equipment and intangible assets		57	115
Unrealised exchange losses / (gains)		78	(250)
Share of results of investments accounted for using the equity method	15	(35)	(112)
Payments of retirement benefit obligations		(977)	(665)
Income tax paid		(57)	(59)
Change in inventories		348	(145)
Change in trade and other receivables		(162)	4,219
Change in trade and other payables, deferred revenue and provisions		(8,716)	(7,072)
Net cash (used in) / generated from operating activities		**(4,454)**	**22,798**

	Note	2021 AED m	2020 AED m
Investing activities			
Additions to property, plant and equipment		(3,502)	(8,921)
Additions to intangible assets		(827)	(1,749)
Proceeds from sale of property, plant and equipment		191	36
Acquisition of subsidiaries		-	(167)
Investments in associates and joint ventures	15	-	(21)
Movement in short term bank deposits		954	(43)
Interest received		482	521
Dividends from investments accounted for using the equity method	15	58	113
Net cash used in investing activities		**(2,644)**	**(10,231)**
Financing activities			
Capital contributed by Emirates' Owner	19	11,346	-
Proceeds from term loans	21 (b)	14,469	14,116
Repayment of bonds and term loans	21 (b),(c)	(8,640)	(10,381)
Principal element of lease payments		(7,949)	(8,706)
Interest paid		(4,081)	(4,878)
Settlement on account of ineffective fuel derivatives		(2,186)	-
Settlement on account of other derivatives		-	601
Capital contributed by non-controlling interests		18	6
Dividends paid to non-controlling interests		(75)	(124)
Net cash generated from / (used in) financing activities		**2,902**	**(9,366)**
Net change in cash and cash equivalents		**(4,196)**	**3,201**
Cash and cash equivalents at beginning of the year		8,232	5,034
Effect of exchange rate changes on cash and cash equivalents		9	(3)
Cash and cash equivalents at end of the year	18	**4,045**	**8,232**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1. General information

Emirates comprises Emirates and its subsidiaries. Emirates was incorporated, with limited liability, by an Emiri Decree issued by H. H. Sheikh Maktoum bin Rashid Al-Maktoum on 26 June 1985 and is wholly owned by the Investment Corporation of Dubai ("the parent company"), a Government of Dubai entity. Emirates commenced commercial operations on 25 October 1985 and is designated as the International Airline of the UAE.

Emirates is incorporated and domiciled in Dubai, UAE. The address of its registered office is Emirates Group Headquarters, PO Box 686, Dubai, UAE.

The main activities of Emirates are:
- commercial air transportation which includes passenger and cargo services
- wholesale and retail of consumer goods
- catering operations
- hotel operations
- sale of food and beverages

2. Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently in the preparation of these consolidated financial statements are set out below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, except for those financial assets and financial liabilities (including derivative instruments) that are measured at fair value, as stated in the accounting policies.

The outbreak of COVID-19 has had a significant impact on the world economy and in particular, the airline and travel sectors after countries started closing their borders in March 2020. Being an international airline, and consistent with the industry trend, a significant portion of our capacity had to be reduced due to the travel and other restrictions imposed by various governments to control the spread of the pandemic. This resulted in reduced demand, a highly diminished revenue line and large operating loss. For the financial year ended 31 March 2021, Emirates posted a net loss of AED 20.3 bn, its first loss-making year in the last 33 years.

According to IATA, passenger demand is not expected to recover to the pre-COVID-19 levels until 2024. Government bail-outs and scientific advances in fighting COVID-19, including swift availability of successful vaccines at a large scale can hasten this recovery, but the future remains uncertain. Whilst the world continues to battle this pandemic and its unprecedented negative repercussions, several countries, with strict precautionary measures in place, have finally opened up their borders and are allowing limited international passenger flights to operate. Therefore, Emirates is experiencing a gradual rebound in passenger demand with flight operations to more than 100 destinations resuming with limited capacity. These are signs of slow recovery, however the environment is such that consumers may be reluctant to travel for a period of time, and even when they do, it may be subject to extensive health and regulatory precautions. Identification of new strains of the virus and a renewed sharp increase in the number of infections globally has impacted the pace of our recovery. Our cargo operations, on the other hand, have remained robust during the year and our unique world class product offerings ensure that we will continue to be able to maintain this position going forward.

With an attempt to accelerate the recovery process and create a stronger platform for future growth, profitability and long-term value, Emirates has taken various measures to navigate through this difficult period, including; rightsizing the workforce in line with demand projections preserving as many key skills as Emirates can reasonably carry to support the eventual spring-back, availing various relief and support schemes throughout its network, implementing numerous cost saving measures and delivering efficiencies across operational areas, reducing discretionary capital expenditure, securing additional working capital facilities and negotiating waivers & deferral of payments with regards to its financial obligations. In addition, Emirates received an equity injection of AED 11.3 bn from its Owner which is an endorsement of the promise made by the Government of Dubai in March 2020 that they will financially support Emirates through this difficult period.

Although the journey ahead is, at present, envisaged to be difficult but taking into consideration various measures put in motion by the management, forecasted liquidity levels and with the continued financial support of the Government of Dubai, Emirates will navigate through this period of uncertainty and continue to maintain its position as one of the world's leading international airlines. Accordingly, management has prepared these consolidated financial statements on a going concern basis.

All amounts are presented in millions of UAE Dirham ("AED m").

New standards, amendments to published standards and interpretations that are relevant to Emirates

Effective and adopted in the current year

At the date of authorisation of these consolidated financial statements, certain amendments to the existing standards were effective for the current financial year and have been adopted by Emirates.

2. Summary of significant accounting policies (continued)

Effective and adopted in the current year (continued)

These amendments are listed below;

- Amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Definition of material;
- Amendment to IFRS 3 (Business Combinations) – Definition of a business;
- Amendments to IFRS 9 (Financial instruments), IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) – Interest rate benchmark reform; and
- Revised Conceptual Framework for Financial Reporting.

None of the above listed amendments had a material impact on the consolidated financial statements.

Not yet effective for the current financial year but early adopted

Emirates elected to early adopt the amendment to IFRS 16, as mentioned below;

Amendment to IFRS 16, Leases

As a result of the economic disruptions caused by the COVID-19 pandemic, many lessors around the world have granted rent concessions to lessees. Such concessions might take a variety of forms, including waivers and deferral of lease payments. In May 2020, the IASB introduced an amendment to IFRS 16 which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the lease rental waivers as a credit to the consolidated income statement.

The amendment is effective for accounting periods beginning on or after 1 June 2020 with earlier application permitted. Emirates has early adopted the amendment from 1 April 2020 and has applied the practical expedient to all leases other than those related to aircraft and engines. The resulting impact is disclosed in Note 6 of these consolidated financial statements.

Not yet effective and have not been early adopted

At the date of authorisation of these consolidated financial statements, certain amendments to accounting standards and interpretations have been published but are not effective for the current financial year. Other than the above, none of these have been early adopted and these are not expected to have a material impact on Emirates.

Basis of consolidation

The acquisition method of accounting is used to account for business combinations by Emirates. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred, equity interest issued, the fair value of assets or liabilities resulting from any contingent consideration arrangements and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities, if any, incurred or assumed in a business combination, are measured initially at their fair values at the acquisition date. Any non-controlling interest in the subsidiary is recognised on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of recognised amounts of subsidiaries' identifiable net assets.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

Option to acquire non-controlling interest is recognised as a financial liability and is subsequently measured to fair value with changes in the fair value recognised in the consolidated income statement.

If the business combination is achieved in stages, the acquisition date carrying value of Emirates' previously held equity interest in the investment is remeasured to fair value. Any gains or losses arising from such remeasurements are recognised in the consolidated income statement.

Subsidiaries are those entities (including structured entities) over which Emirates has control. Control is exercised when Emirates is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity. Subsidiaries are fully consolidated from the date on which control is transferred to Emirates and are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains and losses arising on transactions between Emirates and its subsidiaries are eliminated.

Emirates treats transactions with non-controlling interests that do not result in loss of control as transactions with the owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid is recorded in equity.

2. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

When Emirates ceases to have control, any retained interest in the entity or business is remeasured to its fair value at the date when the control is lost, with the change in the carrying amount recognised in the consolidated income statement. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity or business are accounted for as if the related assets or liabilities have been directly disposed off. This may result in amounts previously recognised in other comprehensive income to be reclassified to the consolidated income statement.

Associates are those entities in which Emirates has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control over those policies. Investments in associates are accounted for by applying the equity method and include goodwill (net of accumulated impairment loss, if any) identified on acquisition, after initially being recorded at cost.

Joint ventures are contractual arrangements which establish joint control and where Emirates has rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for by applying the equity method and include goodwill (net of accumulated impairment loss, if any) identified on acquisition, after initially being recognised at cost.

When Emirates' share of losses in an equity-accounted investment equals or exceed its interest in the entity, including any other unsecured long term receivable in the nature of an investment, Emirates does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

If the ownership in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement where appropriate.

All material unrealised gains and losses arising on transactions between Emirates and its associates and joint ventures are eliminated to the extent of Emirates' interest.

Accounting policies of subsidiaries, associates and joint ventures have been changed where necessary to ensure consistency with Emirates' accounting policies.

Revenue

Passenger (including excess baggage) and cargo sales are recognised as revenue when each performance obligation for the transportation service is fulfilled and is presented net of discounts and taxes. The transaction price is allocated to each performance obligation based on the relative stand-alone selling price related to each performance obligation. Revenue documents (e.g. tickets or airway bills) sold but unused are held in the consolidated statement of financial position under current liabilities as passenger and cargo sales in advance within 'Deferred revenue'. Passenger ticket related breakage is estimated based on historical trends and recognised in the consolidated income statement proportionally with each transfer of service to the customer.

Where Emirates acts as an agent between the service provider and the end customer, the net commission is recognised as revenue on the satisfaction of the performance obligation.

Revenues from the sale of consumer goods, food and beverages and catering operations is recognised when the control of goods is transferred to the customer and are stated net of discounts, taxes and returns.

All other revenues, including revenue from hotel operations, are recognised net of discounts and taxes, when the respective performance obligations are satisfied.

Frequent flyer programme ('Skywards')

Emirates operates a frequent flyer programme that provides a variety of awards to programme members based on a mileage credit for flights on Emirates and other airlines that participate in the programme. Members can also accrue miles by utilising the services of non-airline programme participants.

Emirates accounts for Skywards miles (predominantly accrued through sale of flight tickets or purchase of miles by programme partners) as a separately identifiable component of the sales transaction in which they are granted. The consideration in respect of the initial sale allocated to Skywards miles is based on their relative stand-alone selling price, adjusted for expected expiry and the extent to which the demand for an award cannot be met, and is recorded under current liabilities within 'Deferred revenue'. The stand-alone selling price is determined based on an adjusted market assessment approach, using estimation techniques and taking into consideration the various redemption options available to Skywards members. Marketing income earned from partners associated with the programme is recognised when the miles are issued.

Revenue from redemption of miles is recognised in the consolidated income statement only when Emirates fulfils its obligations by supplying free or discounted goods or services on redemption of the miles accrued.

2. Summary of significant accounting policies (continued)

Liquidated damages

Income from claims for liquidated damages on aircraft and related assets is recognised in the consolidated income statement as other income or a reduction from operating costs when a contractual entitlement exists, amounts can be reliably measured and receipt is virtually certain. When such claims do not relate to compensations for loss of income or are not towards incremental operating costs, the amounts are taken to the consolidated statement of financial position and recorded as a reduction in the cost of the related asset.

Finance income and costs

Interest income and costs are recognised on a time proportion basis using the effective interest method.

Foreign currency translation

Emirates' consolidated financial statements are presented in UAE Dirham ("AED"), which is also the entity's functional currency. Subsidiaries, associates and joint ventures determine their own functional currency related to the primary economic environment in which they operate.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rates prevailing at the end of the reporting period. The resulting foreign exchange gains and losses, other than those on qualifying cash flow hedges and net investment in foreign operations which are deferred in other comprehensive income, are recognised in the consolidated income statement.

For the purpose of consolidation, where functional currencies of subsidiaries are different from AED, income, comprehensive income and cash flow statements of subsidiaries are translated into AED at average exchange rates for the year that approximate the cumulative effect of rates prevailing on the transaction dates and their assets and liabilities are translated at the exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income.

Share of results and share of movement in other comprehensive income of investments accounted for using the equity method are translated into AED at average exchange rates whereas Emirates' share of net investments is translated at the exchange rate prevailing at the end of the reporting period. Translation differences relating to investments in associates, joint ventures and monetary assets and liabilities that form part of a net investment in a foreign operation are recognised in other comprehensive income.

When investments in subsidiaries, associates or joint ventures are disposed of, the related translation differences previously recorded in equity are then recognised in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rates prevailing at the end of reporting period. Exchange differences arising are recognised in other comprehensive income.

Income tax

The tax expense for the year comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Emirates operates and generates taxable income.

Deferred tax is recognised in full on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Also, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill in a business combination.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same income tax authority.

2. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost consists of the purchase cost, together with any incidental expenses of acquisition. Where Emirates receives credits from manufacturers in connection with the acquisition of certain aircraft and engines, these credits are recorded as a reduction to the cost of the related assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Emirates and the cost can be measured reliably. Repairs and routine maintenance are charged to the consolidated income statement during the period in which they are incurred.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost, less estimated residual values, over the estimated useful lives of the assets or the lease term, if shorter.

The estimated useful lives and residual values are:

Aircraft	15 – 18 years (residual value nil - 10%)
Aircraft spare engines and parts	5 – 17 years
Buildings	15 – 40 years
Other property, plant and equipment	3 – 20 years or over the lease term, if shorter

Costs for aircraft and engine related major overhaul events are capitalised and depreciated over the shorter of the period to the next major overhaul, the remaining lease term or the useful life of the asset concerned. All other costs relating to asset maintenance (including maintenance provided under 'pay-as-you-go' contracts) are charged to the consolidated income statement as incurred.

The assets' residual values and useful lives are reviewed at least annually, and adjusted if appropriate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition are determined by comparing proceeds with the carrying amount and are recognised in the consolidated income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time that the assets are substantially ready for their intended use. Borrowing costs capitalised are calculated at the weighted average rate of general borrowing costs and applied to the expenditure on qualifying assets, except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowings costs incurred on these specific borrowings less any investment income earned on temporary surplus funds are capitalised as part of the qualifying asset.

Leases

Right-of-use assets are capitalised at the commencement of the lease and recognised at cost, comprising of the present value of payments to be made to the lessor, any prepayments made at commencement, together with the initial direct costs incurred by Emirates in respect of acquiring the lease and the present value of an estimate of costs to be incurred to meet the contractual restoration obligations, less any lease incentives received.

For contracts which contain one or more lease or non-lease components, the consideration in the contract is allocated to each component on the basis of their relative stand-alone price determined based on estimated observable information.

Right-of-use assets are depreciated over the useful life or lease term (whichever is lower), unless the underlying lease contract provides an option to Emirates to acquire the asset at the end of the lease term and it is highly certain for Emirates to exercise that option. In such cases, the right-of-use asset is depreciated over the useful life in accordance with Emirates' policies with regards to property, plant and equipment.

Emirates acquires the right to purchase aircraft and related assets which are manufactured as per bespoke specifications and design, and are delivered through various financing arrangements. Where it is certain that the title of these assets will eventually be transferred to Emirates at the end of the financing term, these fall within the definition of "in-substance purchases" and are hence accounted as property, plant and equipment under IAS 16. Accordingly, the related liabilities are treated as term loans under IFRS 9.

Emirates uses two exemptions as permitted under IFRS 16 for not capitalising the leased asset i.e. short-term leases (with a lease term of 12 months or less) and lease contracts for which the value of the underlying asset is materially low (primarily comprising some office spaces and equipment). For these leases, none of which relate to aircraft, the lease rental charges are recognised as an operating expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies (continued)

Leases (continued)

At the lease commencement date, the lease liability is measured at the present value of the future lease payments (including payments for reasonably certain extension / termination options), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Emirates' incremental borrowing rate for borrowing funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The future lease payments comprise fixed payments and variable payments that are dependent on an index (e.g. LIBOR) less any lease incentives receivable. All other variable lease payments are not included in the lease liability measurement and are charged to the consolidated income statement in the period in which the conditions that trigger those payments occur.

Subsequent changes resulting from reassessments or lease modifications that are not accounted for as separate leases (together referred as 'remeasurements') are accounted as adjustments to the carrying value of the lease liability with a corresponding impact to the related right-of-use asset.

Sale and leaseback transactions are tested under IFRS 15 at the date of the transaction, and if the transaction qualifies as a sale, the underlying asset is derecognised and a right-of-use asset with a corresponding liability is recognised equal to the retained interest in the asset. Any gain or loss is recognised immediately in the consolidated income statement for the interest in the asset transferred to the lessor. If the transaction does not qualify as sale under IFRS 15, a financial liability equal to the sale value is recognised in the consolidated financial statements as 'Term loans' within 'Borrowings and lease liabilities'.

COVID-19 related lease rental waivers which are within the scope of IFRS 16 (Amendment) are credited to the consolidated income statement, except for rent reliefs pertaining to aircraft and engine related leases.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets at the date of acquisition. If the consideration transferred is less than the fair value of the net identifiable assets, the difference is recognised directly in the consolidated income statement as a bargain purchase.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash generating units or a group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. An impairment loss is recognised when the carrying value of the cash generating units or a group of cash generating units exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets are capitalised at cost only when future economic benefits are probable. Cost includes the purchase price together with any directly attributable expenditure.

Trade names and contractual rights acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

In case of internally developed computer software, development expenditure is capitalised if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and there exists an intent and ability to complete the development and to use or sell the asset. Other research and development expenditure not meeting the criteria for capitalisation are recognised in the consolidated income statement as incurred.

Intangible assets are generally amortised on a straight-line basis over their estimated useful lives which are:

Service rights	15 years
Trade names	20 years
Contractual rights	Up to 15 years, or based on the usage pattern of the underlying contract
Computer software	3-7 years

The intangible assets' useful lives are reviewed at least annually, and adjusted if appropriate.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition are determined by comparing proceeds with the carrying amount and are recognised in the consolidated income statement.

2. Summary of significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, non-aircraft related assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In respect of aircraft and related assets, (including right-of-use-assets), these assets are assessed for impairment at Emirates' network level. Non-financial assets other than goodwill are reviewed at the end of each reporting period for possible reversals of historic impairment losses.

Financial assets

Financial assets are classified in accordance with IFRS 9 as 'Financial assets at amortised cost' which consists of financial assets that are debt instruments and are intended to be held to maturity on the basis of Emirates' business model. Furthermore, these instruments have fixed payment terms and meet the criteria for cash flow characteristics i.e. contractual payments of principal and interest. This category includes trade and other receivables (excluding prepayments), short term bank deposits and cash and cash equivalents. They are classified as non-current or current assets according to their remaining maturity at the reporting date.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Emirates applies simplified approach to measure expected credit losses which uses lifetime expected loss allowances to calculate the impairment provisions on trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are determined by analysing historical payment profiles and corresponding credit losses incurred and are adjusted to reflect current and forward looking information affecting the ability of customers to settle the receivable. Specific loss allowances are also recognised when Emirates becomes aware of a customer experiencing financial difficulty. Trade receivables are written off once management has determined that such amount will not be recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash and liquid funds with an original maturity of three months or less. Other bank deposits with maturities of less than one year are classified as short term bank deposits. Bank overdrafts are shown within current 'Borrowings and lease liabilities' in the consolidated statement of financial position. Similar to trade receivables, cash and cash equivalents are also subject to impairment requirements. However, Emirates considers its cash and cash equivalents to have low credit risk based on external credit ratings of the counterparties as listed in Note 31.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined on the weighted average cost basis.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of the reporting period. Derivatives are mostly designated as a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). Fair values are obtained from quoted market prices or dealer quotes for similar instruments, discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Emirates' criteria to account for a derivative financial instrument as a hedge include:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items; and
- at the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship, including Emirates' risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how Emirates will assess the hedging instrument's effectiveness; and
- there is an economic relationship between the hedged item and the hedging instrument; and
- the effect of credit risk does not "dominate the value changes" that results from the economic relationship. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that Emirates actually hedges and the quantity of the hedging instrument that Emirates actually uses to hedge that quantity for hedged item.

2. Summary of significant accounting policies (continued)

Derivative financial instruments (continued)

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk are recognised in other comprehensive income. When the forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income are re-classified and included in the initial carrying amount of the asset or liability. In all other cases, amounts previously recognised in other comprehensive income are transferred to the consolidated income statement in the period during which the forecasted transaction affects the consolidated income statement and are presented in the same line item as the gains and losses from hedged items.

When a cash flow hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting under IFRS 9, any cumulative deferred gain or loss existing in equity at that time is retained in equity and is ultimately recognised in the consolidated income statement when the forecast transaction or part of a volume of a forecast transaction occurs. If a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement. The gain or loss on any hedge ineffectiveness is recognised in the consolidated income statement within 'Other financial (losses) / gains'.

Hedge relationships are sometimes rebalanced for the purposes of maintaining a hedge ratio which is consistent with Emirates' risk management objectives. Any resulting ineffectiveness upon rebalancing is also recognised under 'Other financial (losses) / gains'.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting and are entered into as economic hedges are recognised immediately in the consolidated income statement within 'Other financial (losses) / gains'.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognised when Emirates has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provision for aircraft return conditions

Provision for aircraft return conditions (restoration obligations) represents the estimate of the cost to meet the contractual lease end obligations on certain aircraft and engines at the time of re-delivery. At lease commencement, the present value of the expected cost considering the existing fleet plan and long-term maintenance schedules is recognised as a provision and are capitalised as part of the right-of-use asset and depreciated over the lease term.

Retirement benefit obligations

Emirates operates or participates in various end of service benefit plans, which are classified either as defined contribution or defined benefit plans.

A defined contribution plan is a pension scheme under which Emirates pays fixed contributions and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to settle the benefits relating to the employees' service in the current and prior periods. Contributions to the pension fund are charged to the consolidated income statement in the period in which they fall due.

A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms approximating to the estimated term of the retirement benefit obligations.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through the consolidated statement of comprehensive income in the period in which they arise.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (continued)

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised only when the contractual rights to the cash flows expire or substantially all the risks and rewards of ownership are transferred along with the contractual rights to receive cash flows. Financial liabilities are derecognised only when they are extinguished i.e. when the obligations specified in the contract are discharged or cancelled or expire.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be Emirates' leadership team who make strategic decisions and are responsible for allocating resources and assessing performance of the operating segments.

Dividend distribution

Dividend distribution to equity holders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved.

3. Critical accounting estimates and judgements

In the preparation of these consolidated financial statements, a number of estimates and associated assumptions have been made relating to the application of accounting policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are assessed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following narrative addresses the accounting policies that require subjective and complex judgements, often as a result of the need to make accounting estimates.

Passenger and cargo revenue recognition

Passenger and cargo sales are recognised as revenue when each performance obligation for the transportation service is fulfilled. The value of unused revenue documents is held in the consolidated statement of financial position under current liabilities as passenger and cargo sales in advance within 'Deferred revenue'. Passenger ticket related breakage is estimated based on historical trends and recognised in the consolidated income statement proportionally with each transfer of service to the customer. A 5% change to the breakage percentage will not result in a material change to passenger and cargo revenue.

Frequent flyer programme ('Skywards')

Emirates accounts for Skywards miles (predominantly accrued through sale of flight tickets or purchase of miles by programme partners) as a separately identifiable component of the sales transaction in which they are granted. The consideration in respect of the initial sale allocated to Skywards miles is based on their stand-alone value and is recorded under current liabilities within 'Deferred revenue'.

The stand-alone selling price is determined using the adjusted market assessment approach. This approach involves estimation techniques to determine the stand-alone selling price of Skywards miles and reflect the weighted average of a number of factors i.e. fare per sector, flight upgrades and partner rewards based on historical trends. Adjustments to the stand-alone selling price of miles are also made for miles not expected to be redeemed by members and the extent to which the demand for an award cannot be met.

A level of judgement is exercised by management due to the diversity of inputs that go into determining the stand-alone selling price of miles. A reasonably possible change to any single assumption will not result in a material change to the deferred revenue.

3. Critical accounting estimates and judgements (continued)

Impairment testing for non-financial assets

As a result of the severe negative impact of COVID-19, and in accordance with the requirements of IAS 36, Emirates conducted an impairment review of its non-financial assets within each identified cash generating unit ("CGU") using the value-in-use method.

Airline CGU

The Emirates airline network is considered to be the primary and most significant CGU. Cash flow projections in the value-in-use model have been projected over a period up to the financial year 2024-25 and beyond, applying judgements which are reasonable and best suited to the current environment. As the impact of COVID-19 evolves, these judgements may be subject to change. Significant judgements exercised include:

- an anticipated gradual recovery of airline operations to 90% of pre-COVID-19 revenues by financial year 2023-24;
- with the exception of terminal growth of 1.5%, no additional growth is included in the forecast cash flows post 2023-24 to reflect a conservative position for impairment testing purposes;
- jet fuel costs are calculated by using future market jet fuel prices and adjusted projected volumes;
- other operating expenses have been adjusted to be in-line with expected operational capacity and known cost savings;
- capital expenditure is in-line with management's best estimate of aircraft replacement timing at contracted values; and
- a pre-tax discount rate of 7.5% (airline's risk adjusted weighted average cost of capital).

Excluding certain specific aircraft related impairments as disclosed in Notes 12 and 13, no impairment was recognised in respect of the airline CGU in the current year. Reasonably possible changes in the significant judgements disclosed above were considered in performing the impairment test. The most material impact on the determination of the cash flows for the CGU relates to periods after 2023-24 and whilst the earlier years impact the overall cash flows of the CGU, any reasonably possible changes to the cash flows of the earlier years do not materially impact the surplus identified.

Given the rapidly changing environment, management is constantly reviewing its plans for the entire airline fleet and the impairment test will be regularly updated based on new information and projections.

Other CGUs

Similar judgements have been exercised to other CGUs (primarily pertaining to catering, consumer goods, hotels related operations and investments in associates & joint ventures) using cash flows adjusted for the impact of COVID-19, discount rates ranging from 6.5% to 9.5% and terminal growth rates ranging between 1% to 4%.

As a result of this exercise, an impairment loss of AED 210 m has been recognised in the consolidated income statement as at the reporting date. Reasonably possible changes to the significant judgements in the impairment tests would not lead to a material additional impairment charge.

Useful lives and residual values of aircraft and related assets

Management assigns useful lives and residual values to aircraft and related assets based on the intended use and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Leases

While determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

To ascertain whether it is reasonably certain for Emirates to exercise these options, management takes into consideration any lease termination penalties that would be incurred, leasehold improvements that are estimated to have significant remaining value, historical lease durations and the cost associated to business disruption caused by replacing the leased asset.

Provision for aircraft return conditions

The measurement of the contractual provision for aircraft return conditions includes assumptions relating to expected costs, escalation rates, discount rates commensurate with the expected obligation maturity and long-term maintenance schedules. An estimate is therefore made at each reporting date to ensure that the provision corresponds to the present value of the expected costs to be borne by Emirates. A significant level of judgement is exercised by management given the long-term nature and diversity of assumptions that go into the determination of the provision. A reasonably possible change in any single assumption will not result in a material change to the provision.

3. Critical accounting estimates and judgements (continued)

Valuation of defined benefit obligations

The present value of the defined benefit obligations is determined on an actuarial basis using various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and expected salary increases which are reviewed at each reporting date. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. A sensitivity analysis of changes in defined benefit obligations due to a reasonably possible change in these assumptions is set out in Note 22.

4. Fair value estimation

The levels of fair value hierarchy are defined as follows:

Level 1: Measurement is made by using quoted prices (unadjusted) from an active market.
Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.
Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

Derivatives and option to acquire non-controlling interest are the only financial instruments which are carried at fair value.

Derivatives comprise interest rate swaps, commodity and currency forwards and fall into level 2 of the fair value hierarchy. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Commodity and currency forwards are fair valued based on future prices quoted in an active market.

The fair values of option to acquire non-controlling interest are determined by using valuation techniques based on entity specific estimates. These estimates are not based on observable market data and hence classified under level 3 of the fair value hierarchy.

5. Revenue

	2021 AED m	2020 AED m
Cargo	17,106	11,207
Passenger	11,012	75,587
Consumer goods	942	1,472
Hotel operations	296	584
Excess baggage	218	478
Food and beverage	199	636
Catering operations	193	637
Others	264	394
	30,230	**90,995**

6. Other operating income

	2021 AED m	2020 AED m
Lease rental waivers (Note 21 (a))	283	-
Liquidated damages and other aircraft related compensations	18	239
Net foreign exchange gain	-	153
Others	396	585
	697	**977**

7. Operating costs

	2021 AED m	2020 AED m
Depreciation, amortisation and impairment (see (a))	19,665	19,444
Employee (see (b))	7,830	12,058
Jet fuel	6,398	26,260
Handling	2,004	5,274
Sales and marketing	1,764	5,516
Facilities and IT related	1,735	2,156
Aircraft maintenance	1,197	2,162
Overflying	1,017	2,537
Landing and parking	955	2,155
Cost of goods sold	855	1,431
In-flight catering	499	3,182
Crew layover	181	1,026
Net foreign exchange loss	45	-
Other operating costs	349	394
Corporate overheads (see (c))	1,454	1,969
	45,948	**85,564**

7. Operating costs (continued)

(a) Depreciation, amortisation and impairment includes:

	2021 AED m	2020 AED m
Depreciation of:		
- Property, plant and equipment (Note 12)	9,580	9,602
- Right-of-use assets (Note 13)	8,817	9,392
Amortisation of intangible assets (Note 14)	558	450
Impairment loss on:		
- Property, plant and equipment (Note 12)	536	-
- Right-of-use assets (Note 13)	105	-
- Intangible assets (Note 14)	69	-
	19,665	**19,444**

(b) Employee costs include AED 579 m (2020: AED 762 m) in respect of retirement benefit obligations (Note 22 (a)).

(c) Corporate overheads include a net charge of AED 35 m (2020: AED 41 m) in respect of impairment losses on trade receivables (Note 17).

(d) Operating costs include expenses related to short term leases of AED 237 m (2020: AED 337 m), non-index based variable leases AED 82 m (2020: AED 83 m) and low value leases of AED 33 m (2020: AED 63 m).

8. Finance income and costs

	2021 AED m	2020 AED m
Finance income		
Interest income on bank deposits:		
Related parties (Note 30)	189	341
Others	99	251
	288	**592**
Finance costs		
Interest expense on lease liabilities:		
Aircraft	(2,548)	(2,977)
Non-aircraft	(173)	(166)
	(2,721)	**(3,143)**
Interest expense on term loans and bonds	**(1,463)**	**(1,838)**
Other finance costs	**(330)**	**(380)**
	(4,514)	**(5,361)**
Finance costs - net	**(4,226)**	**(4,769)**

Interest expense on bonds and term loans includes interest on borrowings related to assets subject to financing agreements which are 'in-substance purchases' as defined in Emirates' accounting policies.

Finance costs include an amount of AED 241 m (2020: AED 239 m) on borrowings and lease liabilities from companies under common control (Note 30).

9. Other financial (losses) / gains - net

Other financial (losses) / gains comprise AED 1,088 m (2020: AED 1,098 m) of losses relating to hedge ineffectiveness on jet fuel forward contracts designated as cash flow hedges and Nil (2020: AED 601 m) realised gains on currency derivatives not qualifying for hedge accounting.

10. Income taxes

	2021 AED m	**2020** AED m
Current tax expense	29	78
Deferred tax credit (Note 24)	(19)	(12)
	10	**66**

There is no corporate income tax in the UAE. Emirates has secured tax exemptions by virtue of double taxation agreements and airline reciprocal arrangements in most of the jurisdictions in which it operates. Therefore, the income tax expense relates only to certain overseas stations of Emirates' operations and its subsidiaries where they are subject to income tax. The respective tax charges are consistent with the statutory tax rate in these jurisdictions. Providing detailed information on effective tax rates is therefore not meaningful.

11. Segment information

Emirates' leadership team monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. The airline business unit, which provides commercial air transportation including passenger, cargo and excess baggage services, is the main reportable segment. Catering operations is another reportable segment which provides in-flight and institutional catering services. 'Others' comprises various businesses not allocated to a reportable segment primarily in relation to hotel operations and the sale of consumer goods, food and beverages.

The performance of the airline and catering operations is evaluated based on segment revenue and profit or loss. Segment results are measured consistently with that for the year in the consolidated income statement.

Segment revenue is measured in a manner consistent with that in the consolidated income statement, with the exception of notional revenues and costs in the airline segment arising from the usage of transportation services e.g. leave passage of staff and duty travel of staff and consultants that are eliminated when preparing the consolidated financial statements. This adjustment is presented as a reconciling item. The breakdown of revenue from external customers by nature of business activity is provided in Note 5.

Inter-segment loans and receivables, which are included under segment assets are eliminated on consolidation and are presented as a reconciling item.

The segment information for the year ended 31 March 2021 is as follows:

	Airline AED m	Catering operations AED m	Others AED m	Recon-ciliation AED m	Total AED m
Total segment revenue	28,693	619	1,522	(67)	30,767
Inter-segment revenue	-	(426)	(111)	-	(537)
Revenue from external customers	28,693	193	1,411	(67)	30,230
Segment loss for the year	(19,939)	(128)	(243)	-	(20,310)
Finance income	289	2	1	(4)	288
Finance costs	(4,496)	(2)	(20)	4	(4,514)
Income tax (expense) / credit - net	(29)	-	19	-	(10)
Depreciation, amortisation and impairment	(19,004)	(185)	(476)	-	(19,665)
Share of results of investments accounted for using the equity method	-	-	35	-	35
Segment assets	144,386	2,641	5,646	(896)	151,777
Investments accounted for using the equity method	-	-	660	-	660
Additions to property, plant and equipment	3,389	98	15	-	3,502
Additions to right-of-use-assets	355	-	134	-	489
Additions to intangible assets	1,490	4	1	-	1,495

11. Segment information (continued)

The segment information for the year ended 31 March 2020 is as follows:

	Airline AED m	Catering operations AED m	Others AED m	Recon-ciliation AED m	Total AED m
Total segment revenue	88,138	2,667	2,762	(293)	93,274
Inter-segment revenue	-	(2,030)	(249)	-	(2,279)
Revenue from external customers	88,138	637	2,513	(293)	90,995
Segment profit for the year	801	184	203	-	1,188
Finance income	588	8	-	(4)	592
Finance costs	(5,344)	(2)	(19)	4	(5,361)
Income tax (expense) / credit - net	(81)	-	15	-	(66)
Depreciation, amortisation and impairment	(18,942)	(195)	(307)	-	(19,444)
Share of results of investments accounted for using the equity method	-	-	112	-	112
Segment assets	163,460	3,098	6,202	(698)	172,062
Investments accounted for using the equity method	-	-	691	-	691
Additions to property, plant and equipment	8,687	69	71	-	8,827
Additions to right-of-use-assets	1,748	-	48	-	1,796
Additions to intangible assets	3,023	5	15	-	3,043

Geographical information

	2021 AED m	2020 AED m
Revenue from external customers:		
East Asia and Australasia	8,460	24,134
Europe	7,864	26,121
Americas	4,104	14,632
West Asia and Indian Ocean	3,634	9,764
Gulf and Middle East	3,100	7,653
Africa	3,068	8,691
	30,230	**90,995**

Revenue from inbound and outbound airline operations between the UAE and an overseas point is attributed to the geographical area in which the respective overseas points are located. Revenue from other segments is reported based upon the geographical area in which sales are made or services are rendered.

The major revenue earning asset is the aircraft fleet, which is registered in the UAE. Since the aircraft fleet is deployed flexibly across Emirates' route network, providing information on non-current assets by geographical areas is not considered meaningful.

No single external customer contributes 10% or more of Emirates' revenues.

12. Property, plant and equipment

	Aircraft	Aircraft spare engines and parts	Aircraft and engine overhaul events	Land and buildings	Other property, plant and equipment	Capital projects	Total
	AED m	AED m	AED m	AED m	AED m	AED m	AED m
Cost							
1 April 2020	**98,686**	**7,137**	**10,974**	**13,587**	**7,298**	**3,091**	**140,773**
Additions	-	96	389	13	92	2,912	3,502
Acquisitions (Note 32)	-	-	-	-	3	-	3
Transfer from capital projects	3,107	-	-	75	44	(3,226)	-
Disposals / write-offs	(725)	(88)	(2,391)	(1)	(446)	-	(3,651)
Currency translation differences	-	-	-	66	7	2	75
31 March 2021	**101,068**	**7,145**	**8,972**	**13,740**	**6,998**	**2,779**	**140,702**
Accumulated depreciation and impairment							
1 April 2020	**34,723**	**2,739**	**6,724**	**5,268**	**5,235**	**-**	**54,689**
Charge for the year	5,868	594	2,184	444	490	-	9,580
Impairment loss	320	-	90	117	9	-	536
Disposals / write-offs	(542)	(41)	(2,391)	(1)	(429)	-	(3,404)
Currency translation differences	-	-	-	37	6	-	43
31 March 2021	**40,369**	**3,292**	**6,607**	**5,865**	**5,311**	**-**	**61,444**
Net book amount							
31 March 2021	**60,699**	**3,853**	**2,365**	**7,875**	**1,687**	**2,779**	**79,258**

The net book amount of aircraft includes an amount of AED 55,679 m (2020: AED 57,233 m) in respect of assets provided as security against financing obligations.

Land of AED 571 m (2020: AED 568 m) is carried at cost and is not depreciated.

Property, plant and equipment includes borrowing cost capitalised during the year amounting to AED 16 m (2020: AED 35 m). The interest on general borrowings for qualifying assets was capitalised using an annual weighted average capitalisation rate of 3.8% (2020: 4.1%).

Other property, plant and equipment primarily consists of leasehold improvements, aircraft simulators, airport ground support equipment, computer hardware, motor vehicles and office furniture.

Capital projects include pre-delivery payments of AED 1,841 m (2020: AED 2,165 m) in respect of future aircraft deliveries.

12. Property, plant and equipment (continued)

	Aircraft	Aircraft spare engines and parts	Aircraft and engine overhaul events	Land and buildings	Other property, plant and equipment	Capital projects	Total
	AED m	AED m	AED m	AED m	AED m	AED m	AED m
Cost							
1 April 2019	**91,837**	**7,002**	**11,412**	**16,352**	**7,239**	**3,339**	**137,181**
Assets held under leases transferred to right-of-use assets (Note 13)	-	-	-	(2,768)	-	-	(2,768)
Adjusted 1 April 2019	**91,837**	**7,002**	**11,412**	**13,584**	**7,239**	**3,339**	**134,413**
Additions	-	197	1,450	22	195	6,963	8,827
Acquisitions	-	-	-	-	64	23	87
Transfer from capital projects	6,849	160	-	28	197	(7,234)	-
Disposals / write-offs	-	(222)	(1,888)	-	(395)	-	(2,505)
Currency translation differences	-	-	-	(47)	(2)	-	(49)
31 March 2020	**98,686**	**7,137**	**10,974**	**13,587**	**7,298**	**3,091**	**140,773**
Accumulated depreciation and impairment							
1 April 2019	**29,054**	**2,285**	**6,201**	**5,163**	**5,047**	**-**	**47,750**
Assets held under leases transferred to right-of-use assets (Note 13)	-	-	-	(320)	-	-	(320)
Adjusted 1 April 2019	**29,054**	**2,285**	**6,201**	**4,843**	**5,047**	-	**47,430**
Charge for the year	5,669	542	2,409	443	539	-	9,602
Acquisitions	-	-	-	-	29	-	29
Disposals / write-offs	-	(88)	(1,886)	-	(379)	-	(2,353)
Currency translation differences	-	-	-	(18)	(1)	-	(19)
31 March 2020	**34,723**	**2,739**	**6,724**	**5,268**	**5,235**	**-**	**54,689**
Net book amount							
31 March 2020	**63,963**	**4,398**	**4,250**	**8,319**	**2,063**	**3,091**	**86,084**

13. Right-of-use assets

	Aircraft AED m	Aircraft spare engines AED m	Land and buildings AED m	Others AED m	Total AED m
Net book amount of right-of-use assets recognised on adoption of IFRS 16	55,955	146	2,364	23	58,488
Net book amount of assets held under leases transferred from property, plant and equipment (Note 12)	-	-	2,448	-	2,448
Net book amount at 1 April 2019	**55,955**	**146**	**4,812**	**23**	**60,936**
Additions	-	-	1,796	-	1,796
Remeasurements	(430)	33	49	-	(348)
Depreciation charge for the year	(8,182)	(91)	(1,114)	(5)	(9,392)
Net book amount at 31 March 2020	**47,343**	**88**	**5,543**	**18**	**52,992**
Additions	-	-	489	-	489
Remeasurements	(1,038)	-	(31)	-	(1,069)
Depreciation charge for the year	(7,653)	(55)	(1,104)	(5)	(8,817)
Impairment loss	(90)	-	(15)	-	(105)
Currency translation differences	-	-	(4)	-	(4)
Net book amount at 31 March 2021	**38,562**	**33**	**4,878**	**13**	**43,486**

Emirates leases aircraft, aircraft spare engines, land and buildings, vehicles and airport equipment among other assets. In terms of land and buildings, Emirates mainly leases airport infrastructure assets, including lounges, as well as other buildings used for office, retail and staff accommodation purposes.

No depreciation is charged on land amounting to AED 454 m (2020: AED 454 m) as the legal title will be transferred to Emirates upon completion of the lease term.

14. Intangible assets

	Goodwill AED m	Service rights AED m	Trade names AED m	Contractual rights AED m	Computer software AED m	Total AED m
Cost						
1 April 2020	**818**	**282**	**19**	**2,876**	**2,025**	**6,020**
Additions	-	-	-	1,366	129	1,495
Acquisitions (Note 32)	(89)	-	6	109	-	26
Disposals	-	-	(19)	(2)	(100)	(121)
31 March 2021	**729**	**282**	**6**	**4,349**	**2,054**	**7,420**
Accumulated amortisation and impairment						
1 April 2020	**-**	**190**	**11**	**248**	**1,198**	**1,647**
Charge for the year	-	11	1	323	223	558
Impairment loss	3	-	8	-	58	69
Disposals	-	-	(19)	(2)	(99)	(120)
31 March 2021	**3**	**201**	**1**	**569**	**1,380**	**2,154**
Net book amount						
31 March 2021	**726**	**81**	**5**	**3,780**	**674**	**5,266**

Computer software includes an amount of AED 94 m (2020: AED 221 m) in respect of projects under implementation.

For the purpose of testing goodwill impairment, the recoverable amounts for cash generating units have been determined on the basis of value-in-use calculations using cash flow forecasts approved by management covering a three year period, adjusted for Emirates' view of the impact of COVID-19 on the results of the cash generating units. Cash flows beyond the three year period have been extrapolated using long term terminal growth rates. The key assumptions used in the value-in-use calculations include risk adjusted pre-tax discount rates ranging from 6.5% - 9.5% (2020: 12%), gross margins consistent with historical trends and growth rates based on management's expectations for market development. The long term terminal growth rates of 1% - 4% (2020: 2%) do not exceed the long term average growth rate for the markets in which the cash generating units operate. Any reasonably possible change to the assumptions will not lead to a further impairment charge.

14. Intangible assets (continued)

The goodwill allocated to the cash generating unit or groups of cash generating units is as follows:

Cash generating unit	Location	Reportable segment	Goodwill	
			2021	2020
			AED m	AED m
Catering operations	UAE	Catering operations	369	369
Consumer goods	UAE	Others	212	212
Food and beverage	USA	Others	120	209
Food and beverage	UAE	Others	25	25
Food and beverage	Australia	Others	-	3
			726	**818**

	Goodwill	Service rights	Trade names	Contractual rights	Computer software	Total
	AED m	AED m	AED m	AED m	AED m	AED m
Cost						
1 April 2019	**609**	**282**	**19**	**56**	**1,816**	**2,782**
Additions	-	-	-	2,821	222	3,043
Acquisitions	209	-	-	-	-	209
Disposals	-	-	-	(1)	(11)	(12)
Currency translation differences	-	-	-	-	(2)	(2)
31 March 2020	**818**	**282**	**19**	**2,876**	**2,025**	**6,020**
Accumulated amortisation and impairment						
1 April 2019	**-**	**175**	**10**	**26**	**997**	**1,208**
Charge for the year	-	15	1	223	211	450
Disposals	-	-	-	(1)	(9)	(10)
Currency translation differences	-	-	-	-	(1)	(1)
31 March 2020	**-**	**190**	**11**	**248**	**1,198**	**1,647**
Net book amount						
31 March 2020	**818**	**92**	**8**	**2,628**	**827**	**4,373**

15. Investments in subsidiaries, associates and joint ventures

	Percentage of beneficial interest	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Principal subsidiaries				
Emirates Flight Catering Company L.L.C.	90	90	In-flight and institutional catering	UAE
Maritime & Mercantile International L.L.C.	68.7	68.7	Wholesale and retail of consumer goods	UAE
Emirates Leisure Retail L.L.C.	68.7	68.7	Food and beverage operations	UAE
Emirates Leisure Retail (Singapore) Pte Ltd.	100	100	Food and beverage operations	Singapore
Emirates Leisure Retail (Australia) Pty Ltd.	100	100	Food and beverage operations	Australia
Air Ventures LLC.	75	75	Food and beverage operations	USA
Emirates Hotel L.L.C.	100	100	Hotel operations	UAE
Emirates Hotels (Australia) Pty Ltd.	100	100	Hotel operations	Australia

None of the subsidiaries have non-controlling interests that are material to Emirates.

Principal joint ventures				
Emirates-CAE Flight Training L.L.C.	50	51	Flight training	UAE
Premier Inn Hotels L.L.C.	51	51	Hotel operations	UAE
Arabian Harts International Limited	50	50	Wholesale and retail of consumer goods	UAE

Premier Inn Hotels L.L.C. is subject to joint control under a contractual arrangement and is therefore accounted for as a joint venture.

15. Investments in subsidiaries, associates and joint ventures (continued)

Movement of investments accounted for using the equity method

	2021 AED m	2020 AED m
Balance brought forward	**691**	**683**
Impact on adoption of IFRS 16	-	(10)
Adjusted 1 April	**691**	**673**
Investments during the year	-	21
Share of results	35	112
Dividends	(58)	(113)
Currency translation differences	(8)	(2)
Balance carried forward	**660**	**691**

No individual associate is material to Emirates. The aggregate financial information of associates is set out below:

	2021 AED m	2020 AED m
Share of results of associates	27	64
Share of total comprehensive income of associates	**27**	**64**
Aggregate carrying value of investments in associates	**41**	**48**

No individual joint venture is material to Emirates. The aggregate financial information of joint ventures is set out below:

	2021 AED m	2020 AED m
Share of results of joint ventures	8	48
Share of total comprehensive income of joint ventures	**8**	**48**
Aggregate carrying value of investments in joint ventures	**619**	**643**

16. Inventories

	2021 AED m	2020 AED m
In-flight consumables	1,304	1,401
Consumer goods	510	639
Engineering	395	484
Others	113	146
	2,322	**2,670**

In-flight consumables include AED 973 m (2020: AED 974 m) relating to items which are not expected to be consumed within twelve months after the reporting period.

17. Trade and other receivables

	2021 AED m	2020 AED m
Trade receivables - net of provision	2,699	2,296
Prepayments	776	944
Related parties (Note 30)	184	146
Lease and other deposits	215	302
Other receivables	1,052	1,287
	4,926	**4,975**
Less: Receivables over one year	(163)	(192)
	4,763	**4,783**

The carrying amounts of trade, related party and other receivables approximate their fair values which falls into level 3 of the fair value hierarchy. Any change to the valuation method will not result in a significant change to the fair value of these receivables.

For the purpose of calculating expected credit losses, Emirates categorises its trade receivables by IATA agents, credit card service providers and others.

The impairment charge on trade receivables recognised in the consolidated income statement during the year primarily relates to ticketing agents who are in unexpected difficult economic situations and are unable to meet their obligations under the IATA agency programme. This charge is included in operating costs. Amounts charged to the provision account are written off when there is no expectation of further recovery.

Expected credit losses for related party and other receivables are not significant as the balances are held with companies having high credit ratings with no material balances overdue. These receivables are presented net of provision.

17. Trade and other receivables (continued)

The loss allowance was determined as follows:

Description	**Current**	**Below 3 months past due**	**3 - 6 months past due**	**Above 6 months past due**	**Total**
	AED m	AED m	AED m	AED m	AED m
2021					
Gross carrying amount - trade receivables	2,200	208	216	170	2,794
Expected loss rate	0.4%	0.5%	4%	45%	
Loss allowance	9	1	9	76	95
2020					
Gross carrying amount - trade receivables	1,655	592	73	70	2,390
Expected loss rate	1%	5%	23%	44%	
Loss allowance	17	29	17	31	94

Movement in the provision for impairment of trade receivables are as follows:

	2021	**2020**
	AED m	AED m
Balance brought forward	**94**	**69**
Charge for the year	77	82
Unused amounts reversed	(42)	(41)
Amounts written off as uncollectible	(35)	(13)
Currency translation differences	1	(3)
Balance carried forward	**95**	**94**

The net provision for impairment losses for trade receivables AED 35 m (2020: AED 41 m) is included in operating costs (Note 7).

The maximum exposure to credit risk on trade and other receivables (excluding prepayments) at the reporting date is the carrying value of each class of receivable.

For further details on credit risk management, refer Note 31.

18. Short term bank deposits and cash and cash equivalents

	2021 AED m	2020 AED m
Bank deposits	12,027	16,661
Cash and bank	3,081	3,588
Cash and bank balances	**15,108**	**20,249**
Less: Short term bank deposits - with original maturity of more than 3 months	(11,063)	(12,017)
Cash and cash equivalents as per the consolidated statement of financial position	**4,045**	**8,232**

Cash and bank balances earned an effective interest rate of 1.8% (2020: 3.4%) per annum.

Cash and bank balances include AED 9,391 m (2020: AED 8,352 m) held with financial institutions under common control.

19. Capital

Capital of AED 12,147 m (2020: AED 801 m) represents the permanent capital of Emirates. During the year ended 31 March 2021, Emirates' Owner contributed additional capital of AED 11,346 m.

20. Other reserves

	Capital reserve AED m	Cash flow hedge reserve AED m	Translation reserve AED m	Total AED m
1 April 2019	-	**(59)**	**(1)**	**(60)**
Net loss on fair value of cash flow hedges	-	(6,499)	-	(6,499)
Hedge ineffectiveness transferred to the consolidated income statement	-	1,098	-	1,098
Transferred to the consolidated income statement upon settlement	-	(229)	-	(229)
Currency translation differences	-	-	(11)	(11)
31 March 2020	**-**	**(5,689)**	**(12)**	**(5,701)**
Net gain on fair value of cash flow hedges	-	3,347	-	3,347
Hedge ineffectiveness transferred to the consolidated income statement	-	1,088	-	1,088
Transferred to the consolidated income statement upon settlement	-	1,210	-	1,210
Option to acquire non-controlling interest (Note 32)	(84)	-	-	(84)
Currency translation differences	-	-	(3)	(3)
31 March 2021	**(84)**	**(44)**	**(15)**	**(143)**

The amounts transferred to the consolidated income statement upon settlement have been (debited) / credited to the following line items:

	2021 AED m	2020 AED m
Revenue	(45)	1
Operating costs (Jet fuel)	(1,072)	236
Finance costs	(93)	(8)
	(1,210)	**229**

21. Borrowings and lease liabilities

	Non-current AED m	Current AED m	Total AED m
2021			
Lease liabilities (Note 21 (a))	37,907	8,646	46,553
Term loans (Note 21 (b))	49,355	8,478	57,833
Bonds (Note 21 (c))	2,375	815	3,190
	89,637	**17,939**	**107,576**
2020			
Lease liabilities (Note 21 (a))	46,333	8,570	54,903
Term loans (Note 21 (b))	41,204	10,044	51,248
Bonds (Note 21 (c))	3,191	815	4,006
	90,728	**19,429**	**110,157**

	2021 AED m	2020 AED m
Borrowings and lease liabilities are denominated in the following currencies:		
US Dollar	89,696	95,112
UAE Dirham	9,091	5,601
Euro	4,375	4,547
Japanese Yen	2,099	2,424
Pound Sterling	2,021	2,157
Others	294	316
	107,576	**110,157**

The effective interest rate per annum on lease liabilities was 5.4% (2020: 5.4%), term loans was 2.5% (2020: 3.7%) and bonds was 4.5% (2020: 4.5%).

21 (a). Lease liabilities

	2021 AED m	2020 AED m
Balance brought forward	**54,903**	**39,510**
Impact on adoption of IFRS 16	-	60,765
Transferred to term loans (Note 21 (b))	-	(37,995)
Adjusted 1 April	**54,903**	**62,280**
Additions	489	1,702
Interest (Note 8)	2,721	3,143
Remeasurements	(1,068)	(251)
Waivers (Note 6)	(283)	-
Repayments	(10,618)	(11,777)
Currency translation differences	409	(194)
Balance carried forward	**46,553**	**54,903**
Gross lease liabilities:		
Within one year	10,894	11,291
Between 2 and 5 years	31,316	35,617
After 5 years	12,750	19,227
	54,960	**66,135**
Future interest	(8,407)	(11,232)
Present value of lease liabilities	**46,553**	**54,903**
The present value of lease liabilities relate to:		
Aircraft	42,534	50,367
Non-aircraft	4,019	4,536
Repayable as follows:		
Within one year (Note 21)	**8,646**	**8,570**
Between 2 and 5 years	26,106	28,847
After 5 years	11,801	17,486
Total over one year (Note 21)	**37,907**	**46,333**

21 (a). Lease liabilities (continued)

	2021 AED m	2020 AED m
Lease liabilities are denominated in the following currencies:		
US Dollar	36,009	43,175
UAE Dirham	3,476	3,994
Euro	2,654	2,837
Japanese Yen	2,099	2,424
Pound Sterling	2,021	2,157
Others	294	316
	46,553	**54,903**

Lease liabilities include AED 2,546 m (2020: 3,156 m) payable to companies under common control on normal commercial terms.

21 (b). Term loans

	2021 AED m	2020 AED m
Balance brought forward	**51,294**	**8,732**
Transferred from lease liabilities (Note 21 (a))	-	37,995
Adjusted 1 April	**51,294**	**46,727**
Additions	14,469	14,116
Acquisitions	-	37
Repayments	(7,821)	(9,562)
Currency translation differences	105	(24)
Balance carried forward	**58,047**	**51,294**
Less: Transaction costs	(214)	(46)
	57,833	**51,248**
Term loans are repayable as follows:		
Within one year (Note 21)	**8,478**	**10,044**
Between 2 and 5 years	32,278	22,437
After 5 years	17,077	18,767
Total over one year (Note 21)	**49,355**	**41,204**
Term loans are denominated in the following currencies:		
US Dollar	50,497	47,931
UAE Dirham	5,615	1,607
Euro	1,721	1,710
	57,833	**51,248**

21 (b). Term loans (continued)

Contractual repricing dates are set at three to six month intervals. Term loans amounting to AED 44,836 m (2020: AED 44,427 m) are secured on aircraft.

The fair value of the term loans amounts to AED 58,284 m (2020: AED 51,564 m). The fair value is determined by discounting projected cash flows using the interest rate yield curve for the remaining term to maturities and currencies adjusted for credit spread. The fair value of the term loans fall into level 2 of the fair value hierarchy.

Term loans include AED 4,007 m (2020: AED 2,536 m) provided by financial institutions under common control on normal commercial terms.

21 (c). Bonds

	2021 AED m	2020 AED m
Balance brought forward	**4,026**	**4,845**
Repayments	(819)	(819)
Balance carried forward	**3,207**	**4,026**
Less: Transaction costs	(17)	(20)
	3,190	**4,006**
Bonds are repayable as follows:		
Within one year (Note 21)	**815**	**815**
Between 2 and 5 years	1,960	2,569
After 5 years	415	622
Total over one year (Note 21)	**2,375**	**3,191**

Bonds are denominated in USD and are subject to fixed interest rates.

The fair value of the bonds is AED 3,274 m (2020: AED 3,763 m) based on listed prices and falls into level 1 of the fair value hierarchy.

22. Provisions

	2021 AED m	2020 AED m
Non-current		
Retirement benefit obligations (Note 22 (a))	1,222	1,614
Aircraft return conditions (Note 22 (b))	4,661	5,425
	5,883	**7,039**
Current		
Aircraft return conditions (Note 22 (b))	1,098	786
	6,981	**7,825**

22 (a). Retirement benefit obligations

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations at 31 March 2021 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected long term salary increase of 2.0% (2020: 2.0%) and a discount rate of 2.75% (2020: 3.0%) per annum. The present values of the defined benefit obligations at 31 March 2021 were computed using the actuarial assumptions set out above.

The liabilities recognised in the consolidated statement of financial position are:

	2021 AED m	**2020** AED m
Funded scheme		
Present value of defined benefit obligations	2,426	2,711
Less: Fair value of plan assets	(2,425)	(2,705)
	1	**6**
Unfunded scheme		
Present value of defined benefit obligations	**1,221**	**1,608**
Provision recognised in the consolidated statement of financial position	**1,222**	**1,614**

The above liability is presented as a non-current provision within the consolidated statement of financial position as Emirates expects to settle this liability over a long term period.

(i) Funded scheme

Senior employees based in the UAE participate in a defined benefit provident scheme to which Emirates contributes a specified percentage of basic salary based upon the employee's grade. Amounts contributed are invested in a trustee administered scheme and accumulate along with returns earned on investments. Contributions are made on a monthly basis irrespective of fund performance and are not pooled, but are separately identifiable and attributable to each participant. The fund comprises a diverse mix of funds and investment decisions are controlled directly by the participating employees.

Benefits receivable under the provident scheme are subject to vesting rules, which are dependent upon a participating employee's length of service. If at the time an employee leaves employment, the accumulated vested amount, including investment returns, is less than the end of service benefits that would have been payable to that employee under relevant local regulations, Emirates pays the shortfall amount directly to the employee. However, if the accumulated vested amount exceeds the end of service benefits that would have been payable to an employee under relevant local regulations, the employee receives either seventy five or one hundred percent of their fund balance depending on their length of service. Vested assets of the scheme are not available to Emirates or its creditors in any circumstances.

The liability of AED 1 m (2020: AED 6 m) represents the amount that will not be settled from plan assets and is calculated as the excess of the present value of the defined benefit obligation for an individual employee over the fair value of the employee's plan assets at the end of the reporting period.

22 (a). Retirement benefit obligations (continued)

The movement in the fair value of the plan assets is as follows:

	2021 AED m	2020 AED m
Balance brought forward	**2,705**	**2,699**
Contributions received	220	317
Benefits paid	(1,065)	(193)
Change in fair value	565	(118)
Balance carried forward	**2,425**	**2,705**

Contributions received include the transfer of accumulated benefits from unfunded schemes. Emirates expects to contribute approximately AED 193 m for existing plan members during the year ending 31 March 2022.

Actuarial gains and losses and the expected return on plan assets are not calculated given that investment decisions relating to plan assets are under the direct control of participating employees.

(ii) Unfunded scheme

End of service benefits for employees who do not participate in the provident scheme or other defined contribution plans follow relevant local regulations, which are mainly based on periods of cumulative service and levels of employees' final basic salaries. The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period.

The movement in the defined benefit obligation is as follows:

	2021 AED m	2020 AED m
Balance brought forward	**1,608**	**1,568**
Current service cost	146	204
Interest cost	36	57
Remeasurement :		
- changes in experience / demographic assumptions	(17)	-
- changes in financial assumptions	23	(55)
Payments made during the year	(575)	(166)
Balance carried forward	**1,221**	**1,608**

Payments made during the year include transfer of accumulated benefits to Emirates' funded scheme.

22 (a). Retirement benefit obligations (continued)

(iii) Defined contribution plans

Emirates pays fixed contributions to certain defined contribution plans and has no legal or constructive obligation to pay further contributions to settle the benefits relating to employees' service in the current and prior periods.

The total amount recognised in the consolidated income statement in respect of all post-employment benefit plans is as follows:

	2021 AED m	2020 AED m
Defined benefit plan		
Funded scheme		
Contributions expensed	218	301
Net change in the present value of defined benefit obligations over plan assets	(5)	2
	213	**303**
Unfunded scheme		
Current service cost	146	204
Interest cost	36	57
	182	**261**
Defined contribution plans		
Contributions expensed	184	198
Recognised in the consolidated income statement	**579**	**762**

The sensitivity of the unfunded scheme to changes in the principal assumptions is set out below:

Assumptions	**Change**	**Effect on unfunded scheme** AED m
Discount rate	+ 0.5%	(50)
	- 0.5%	55
Expected salary increases	+ 0.5%	55
	- 0.5%	(43)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period.

The weighted average duration of the unfunded scheme is 11 years (2020: 10 years).

Through its defined benefit plans Emirates is exposed to a number of risks, the most significant of which are detailed below:

a) Change in discount rate: Retirement benefit obligations will increase due to a decrease in market yields of high quality corporate bonds.

b) Expected salary increases: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants above the expected rate of salary increases will increase the retirement benefit obligations.

22 (b). Aircraft return conditions

	2021 AED m	2020 AED m
Balance brought forward	**6,211**	**3,187**
Impact on adoption of IFRS 16	-	3,571
Adjusted 1 April	**6,211**	**6,758**
Unwinding of discount for the year	326	347
Utilised on return of aircraft & engines	(477)	(477)
Unutilised amounts reversed	(300)	(320)
Remeasurements	(1)	(97)
Balance carried forward	**5,759**	**6,211**
The provision is expected to be utilised as follows:		
Within one year (Note 22)	**1,098**	**786**
Over one year (Note 22)	**4,661**	**5,425**

23. Deferred revenue

	2021 AED m	2020 AED m
Passenger and cargo sales in advance (Note 23 (a))	4,558	8,830
Frequent flyer programme (Note 23 (b))	1,789	1,842
	6,347	**10,672**

23 (a). Passenger and cargo sales in advance

Passenger and cargo sales in advance represents revenue documents sold but unused as at the reporting date. In case of no refunds, revenue is recognised when Emirates fulfils its performance obligations for the respective transportation services. This is presented under 'Current liabilities' within the consolidated statement of financial position, however some performance obligations might be fulfilled after the next 12 months due to ongoing COVID-19 related travel restrictions.

23 (b). Frequent flyer programme

	2021 AED m	2020 AED m
Balance brought forward	**1,842**	**2,009**
Additions during the year	342	1,203
Recognised during the year	(395)	(1,370)
Balance carried forward	**1,789**	**1,842**

Deferred revenue with respect to the frequent flyer programme represents the fair value of outstanding award credits. Revenue is recognised when Emirates fulfils its obligations by supplying free or discounted goods or services on the redemption of the award credits.

24. Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same income tax authority. The offset amounts are as follows:

	2021 AED m	2020 AED m
Deferred tax asset	53	25
Deferred tax liability	(2)	(3)
	51	**22**
The movement in deferred taxes are as follows:		
Balance brought forward	**22**	**10**
Credited to the consolidated income statement (Note 10)	19	12
Currency translation differences	10	-
Balance carried forward	**51**	**22**

25. Trade and other payables

	2021 AED m	2020 AED m
Trade payables and accruals	9,874	12,162
Related parties (Note 30)	512	834
	10,386	**12,996**
Less: Payables over one year	(187)	(116)
	10,199	**12,880**

The carrying amounts of trade and other payables approximate their fair value which fall into level 3 of the fair value hierarchy. Any change to the valuation method will not result in a significant change to the fair value of these payables.

26. Guarantees

	2021 AED m	2020 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**899**	**881**

Guarantees and letters of credit include AED 133 m (2020: AED 166 m) provided by companies under common control on normal commercial terms.

27. Commitments

Capital commitments

	2021 AED m	2020 AED m
Aircraft (contracted and non-contracted)	139,564	142,393
Non-aircraft	175	240
Joint ventures	30	60
	139,769	**142,693**

Aircraft related capital commitments pertain to future deliveries of 200 aircraft as at 31 March 2021 and includes commitments for aircraft spare engines and simulators.

In the event that delivery of certain aircraft is not taken, penalties are payable by Emirates to the extent of AED 214 m (2020: AED 257 m).

Operational commitments

	2021 AED m	2020 AED m
Sales and marketing	**2,388**	**3,296**

28. Derivative financial instruments

Description	2021		2020	
	Term	AED m	Term	AED m
Cash flow hedge				
Current assets				
Jet fuel forward contracts		698		-
Currency forwards		-		3
		698		**3**
Cash flow hedge				
Non-current liabilities				
Jet fuel forward contracts		-	2022	(1,118)
Interest rate swaps	2022-2032	(216)	2022-2032	(579)
		(216)		**(1,697)**
Current liabilities				
Jet fuel forward contracts		-		(5,024)
Interest rate swaps		(86)		(43)
Currency forwards		(5)		-
		(91)		**(5,067)**

	2021	2020
	AED m	AED m
Jet fuel forward contracts		
Change in fair value of outstanding hedging instruments since 1 April	3,582	(5,906)
Hedge ratio	1:1	1:1
Weighted average hedged rate (in USD per barrel)	54	55

	2021	2020
	AED m	AED m
Interest rate swaps		
Change in fair value of outstanding hedging instruments since 1 April	227	(561)
Hedge ratio	1:1	1:1
Weighted average hedged rate	1.9%	2.1%

The notional principal amounts outstanding are:

	2021	2020
	AED m	AED m
Jet fuel forward contracts	4,632	17,811
Interest rate swaps	9,894	12,137
Currency forwards	755	48

The notional principal amounts outstanding include AED 3,402 m (2020: AED 3,939 m) against derivatives entered into with companies under common control.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

29. Classification of financial instruments

The accounting policies for financial instruments have been applied to the line items below:

Description	Financial assets at amortised cost AED m	Derivative financial instruments AED m	Assets and liabilities at fair value through profit or loss AED m	Financial liabilities at amortised cost AED m	Total AED m
2021					
Assets					
Derivative financial instruments	-	698	-	-	698
Trade and other receivables (excluding prepayments)	4,150	-	-	-	4,150
Short term bank deposits	11,063	-	-	-	11,063
Cash and cash equivalents	4,045	-	-	-	4,045
Total	**19,258**	**698**	**-**	**-**	**19,956**
Liabilities					
Borrowings and lease liabilities	-	-	-	107,576	107,576
Provision for aircraft return conditions	-	-	-	5,759	5,759
Trade and other payables	-	-	84	10,302	10,386
Derivative financial instruments	-	307	-	-	307
Total	**-**	**307**	**84**	**123,637**	**124,028**

29. Classification of financial instruments (continued)

Description	Financial assets at amortised cost	Derivative financial instruments	Assets and liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	AED m	AED m	AED m	AED m	AED m
2020					
Assets					
Derivative financial instruments	-	3	-	-	3
Trade and other receivables (excluding prepayments)	4,031	-	-	-	4,031
Short term bank deposits	12,017	-	-	-	12,017
Cash and cash equivalents	8,232	-	-	-	8,232
Total	**24,280**	**3**	**-**	**-**	**24,283**
Liabilities					
Borrowings and lease liabilities	-	-	-	110,157	110,157
Provision for aircraft return conditions	-	-	-	6,211	6,211
Trade and other payables	-	-	-	12,996	12,996
Derivative financial instruments	-	6,764	-	-	6,764
Total	-	**6,764**	**-**	**129,364**	**136,128**

30. Related party transactions and balances

Emirates transacts with associates, joint ventures and companies controlled by Emirates and its parent within the scope of its ordinary business activities.

Emirates and dnata (a company under common control) share central corporate functions such as information technology, facilities, human resources, finance, treasury, cash management, legal and other functions. Where such functions are shared, the costs are allocated between Emirates and dnata based on activity levels.

Other than these shared service arrangements, the following transactions have taken place on an arm's length basis.

	2021 AED m	2020 AED m
Trading transactions:		
(i) Sale of goods and services		
Sale of goods - Companies under common control	94	330
Sale of goods - Joint ventures	18	39
Sale of goods - Associates	39	50
Services rendered - Companies under common control	72	547
Services rendered - Joint ventures	15	18
Sale of frequent flyer miles - Companies under common control	226	394
	464	**1,378**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	1,043	6,671
Purchase of goods - Associates	67	78
Services received - Companies under common control	1,556	2,879
	2,666	**9,628**

	2021 AED m	2020 AED m
Other transactions:		
(i) Finance income		
Companies under common control (Note 8)	189	341
(ii) Finance cost		
Companies under common control (Note 8)	241	239
(iii) Compensation to key management personnel		
Salaries and short term employee benefits	73	102
Post-employment benefits	12	14
Termination benefits	-	2
	85	**118**

Emirates also uses number of public utilities provided by Government controlled entities for its operations in Dubai, where these entities are the sole providers of the relevant services. This includes the supply of electricity, water and airport services. Transactions falling in these expense categories are individually insignificant and carried out on an arm's length basis.

30. Related party transactions and balances (continued)

	2021 AED m	2020 AED m
Year end balances		
(i) Receivables - sale of goods and services (Note 17)		
Companies under common control	80	69
Joint ventures	40	37
Associates	8	7
	128	**113**
(ii) Other receivables (Note 17)		
Companies under common control	48	22
Joint ventures	3	3
	51	**25**

The amounts outstanding at year end are unsecured and will be settled in cash. No impairment charge has been recognised during the year in respect of amounts owed by related parties.

	2021 AED m	2020 AED m
(iii) Loans and advances to key management personnel (Note 17)		
Balance brought forward	**8**	**7**
Additions during the year	-	9
Repayments during the year	(3)	(8)
Balance carried forward	**5**	**8**
Receivable within one year	**2**	**4**
Receivable over one year	**3**	**4**

	2021 AED m	2020 AED m
(iv) Payables - purchase of goods and services (Note 25)		
Companies under common control	486	798
Associates	7	24
	493	**822**
(v) Other payables (Note 25)		
Companies under common control	19	12

31. Financial risk management

Financial risk factors

Emirates is exposed to a variety of financial risks which involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Emirates' aim is, therefore, to achieve an appropriate balance between risk and return and minimise potential adverse effects on Emirates' financial performance.

Emirates' risk management procedures are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information. Emirates regularly reviews its risk management procedures and systems to reflect changes in markets, products and emerging best practice. Emirates uses derivative and non-derivative financial instruments to hedge certain risk exposures.

A risk management programme is carried out under guidelines that are approved by a steering group comprising senior management. Identification, evaluation and hedging of financial risks is done in close cooperation with the operating units. Senior management is also responsible for the review of risk management and the control environment. The various financial risk elements are discussed below:

(i) Credit risk

Emirates is exposed to credit risk, which is the risk that a counterparty will cause a financial loss to Emirates by failing to fulfil its obligation. Emirates' credit risk mainly arises from deposits with banks and other financial institutions, derivative financial assets held by counterparties, receivables from agents selling commercial air transportation as well as other receivables. Emirates uses external ratings such as Standard & Poor's and Moody's or their equivalent in order to measure and monitor its credit risk exposures towards financial institutions. In the absence of independent ratings, credit quality is assessed based on the counterparty's financial position, past experience and other factors.

In the normal course of business, Emirates places significant deposits with high credit quality banks and financial institutions. Similarly, with respect to derivative financial instruments, Emirates transacts with high credit quality financial institutions. Exposure to credit risk is also managed through regular analysis of the ability of counterparties to meet their obligations. Approximately 91% (2020: 90%) of cash and bank balances are held with financial institutions based in the UAE.

The table below presents an analysis of short term bank deposits and bank balances by rating agency designation at the end of the reporting period based on Standard & Poor's ratings or its equivalents for Emirates' main banking relationships:

	2021 AED m	**2020** AED m
AA- to AA+	862	440
A- to A+	13,180	18,388
BBB+	278	1,061
Lower than BBB+	396	28
Unrated	346	321

The sale of passenger and cargo transportation is largely achieved through International Air Transport Association (IATA) approved sales agents and online sales. All IATA agents have to meet a minimum financial criteria applicable to their country of operation to remain accredited. Adherence to the financial criteria is monitored on an ongoing basis by IATA through their Agency Programme. The credit risk associated with such sales agents and the related balances within trade receivables is therefore low and further reduced by their diverse base and credit risk analytics performed by Emirates.

Significant balances in other receivables are held with companies given a high credit rating by leading international rating agencies.

31. Financial risk management (continued)

(i) Credit risk (continued)

The impairment loss recognised on financial assets is based on assumptions about the risk of default and expected loss rates. Emirates uses judgement in making these assumptions and selecting inputs to the impairment calculation based on past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. These judgements have been reassessed due to the changed economic environment resulting from the global spread of COVID-19. As of 31 March 2021, the provision for impairment of trade and other receivables amounted to AED 95 m (2020: AED 94 m) and has been disclosed under Note 17. This note also discloses the loss rates applied on trade receivables falling in different age buckets.

While cash assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss on these balances was immaterial.

(ii) Market risk

Emirates is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises jet fuel price risk, currency risk and interest rate risk.

Jet fuel price risk

Emirates is exposed to the volatility in the price of jet fuel (which is primarily driven by the movement in ICE Brent crude oil and the jet fuel refining margin (crack spread) as its two significant components) and closely monitors the actual cost against the forecast. To manage this risk, Emirates has formulated its risk management objective and strategy according to which Emirates hedges part of its highly probable forecast purchases of jet fuel up to 24 months in advance using commodity futures, options and swaps, as and when opportunity arises and depending on the market conditions. Emirates maintains monthly schedules of its highly probable forecast purchases of jet fuel and usually hedges the crude oil element of jet fuel by entering into net cash settled forward contracts of the same maturity. Both purchases and derivatives are generally denominated in USD which is pegged to AED, hence no foreign currency exposure arises. Fuel accounted for 14% of Emirates' operating costs during the year (2020: 31%).

Currency risk

Emirates is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates. Exposure arises due to exchange rate fluctuations between the UAE Dirham and other currencies in which Emirates' revenue is earned and costs are incurred. Long term debt obligations are mainly denominated in UAE Dirham or in US Dollar to which the UAE Dirham is pegged. Additionally, some lease liabilities and term loans are denominated in Euro, Pound Sterling and Japanese Yen and provide a natural hedge against revenue inflows in these currencies. Senior management monitors currency positions on a regular basis.

Emirates is in a net deficit position with respect to the US Dollar and UAE Dirham and in a net surplus position for other currencies. Currency surpluses are converted to US Dollar and UAE Dirham funds based on operational requirements. Currency risks arise mainly in Euro, Pound Sterling, Australian Dollar and Japanese Yen and are hedged dynamically using forwards and options, as appropriate, as well as through natural hedges of foreign currency inflows.

Emirates is also subject to the risk that countries in which it may earn revenues may impose restrictions or prohibition on the repatriation of those funds. Emirates seeks to minimise this risk by repatriating surplus funds to the UAE on a monthly basis. Cash and cash equivalents for the current year include AED 327 m (2020: AED 379 m) held in countries where exchange controls and other restrictions apply.

31. Financial risk management (continued)

(ii) Market risk (continued)

Interest rate risk

Interest rate risk arises primarily from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. Emirates is exposed to the effects of fluctuations in the prevailing levels of interest rates in the international financial markets on borrowings and investments. This is applicable to its long term debt and lease liabilities portfolio along with interest income on its bank deposits. The key reference rates based on which interest costs are determined are LIBOR for US Dollar, EIBOR for UAE Dirham and EURIBOR for Euro. Borrowings taken at variable rates expose Emirates to cash flow interest rate risk while borrowings issued at fixed rates expose Emirates to fair value interest rate risk. In order to manage interest rate risk, Emirates targets a balanced portfolio approach, and also uses appropriate hedging solutions including interest rate swaps. Variable rate debt and cash surpluses are mainly denominated in UAE Dirham and US Dollar.

Effects of Interest rate benchmark reform

The reform means that the Inter-bank offered rates ('IBOR's') for transactions that are available today will no longer be so in future or will be calculated differently. As at 31 March 2021, Emirates held AED 49.8 bn in outstanding IBOR based floating rate liabilities. Further, Note 28 discloses the notional principal amounts of the IBOR based hedging instruments as at the reporting date. On the application of the Interest rate benchmark reform – Phase 1 issued by IASB in September 2019 which included transitional provisions and accounting exemptions for hedging instruments, no changes were required to any of the amounts recognised in the consolidated financial statements.

Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 under the Interest Rate Benchmark Reform - Phase 2 will be effective from 1 April 2021. Emirates has not early adopted these amendments and the extent of the impact for future accounting periods is still under review and a smooth transition will be ensured to alternative reference rates. IBOR reforms and expectation of cessation of LIBOR / EIBOR will impact Emirates' current risk management strategy and possibly accounting for certain financial instruments used for hedging.

Sensitivity analysis of market risk

The following sensitivity analysis, relating to existing financial instruments, shows how profit and equity would change if the market risk variables had been different at the end of the reporting period with all other variables held constant and has been computed on the basis of assumptions and indices used and considered by other market participants.

	2021		**2020**	
	Effect on profit AED m	**Effect on equity** AED m	**Effect on profit** AED m	**Effect on equity** AED m
Jet fuel price risk				
+ USD 5 on price	-	441	156	1,461
- USD 5 on price	-	(422)	(158)	(1,532)

	2021		**2020**	
	Effect on profit AED m	**Effect on equity** AED m	**Effect on profit** AED m	**Effect on equity** AED m
Currency risk				
Euro				
+ 1%	8	(36)	1	(44)
- 1%	(8)	36	(1)	44
Pound Sterling				
+ 1%	2	(18)	3	(18)
- 1%	(2)	18	(3)	18
Australian Dollar				
+ 1%	1	-	(1)	-
- 1%	(1)	-	1	-
Japanese Yen				
+ 1%	1	(19)	-	(24)
- 1%	(1)	19	-	24

31. Financial risk management (continued)

(ii) Market risk (continued)

	2021		2020	
	Effect on profit	**Effect on equity**	**Effect on profit**	**Effect on equity**
	AED m	AED m	AED m	AED m
Interest rate risk				
Interest cost				
- 25 basis points				
UAE Dirham	12	12	3	3
US Dollar	84	(18)	81	(26)
	96	**(6)**	**84**	**(23)**
+ 25 basis points				
UAE Dirham	(12)	(12)	(3)	(3)
US Dollar	(84)	18	(81)	26
	(96)	**6**	**(84)**	**23**
Interest income				
- 25 basis points	(5)	(5)	(17)	(17)
+ 25 basis points	5	5	17	17

(iii) Liquidity risk

Liquidity risk is the risk that Emirates is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

Emirates' liquidity management process as monitored by senior management, includes the following:

- Day to day funding is managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of Emirates' liquidity position on the basis of expected cash flows.
- Monitoring and optimizing working capital needs.
- Monitoring liquidity ratios and net curent assets against internal and industry standards.
- Maintaining debt financing plans.
- Maintaining diversified credit lines, including stand-by credit facility arrangements.

Emirates started the financial year under peak COVID-19 restrictions on air travel with passenger services suspended, and only cargo operations generating positive cash flows. The uncertainty around air travel increased as the pandemic spread and border restrictions were implemented by governments across key markets sometimes at short notice which further dented customer confidence. However, even with the limited inflow of cash from ticket sales, Emirates continued to meet all its financial obligations on time.

In order to manage the significant cash burn and mitigate the impact on liquidity, management implemented several strategies including saving costs, reducing discretionary capital expenditure, improving working capital management and raising additional funding from diverse geographical sources along with securing additional equity.

31. Financial risk management (continued)

(iii) Liquidity risk (continued)

Given the severity of the pandemic which far exceeded any other economic downturn faced by the airline, the Owner injected cash in the form of equity during the year to ensure a sufficient liquidity buffer is maintained and the airline is ready to scale up its operations as demand for air travel returns.

A year on, the crisis is still with us and management continues to closely monitor the cash burn and liquidity position. There is a constant focus on working capital optimisation and strategies have been put in place to manage the refinancing and repayment of funding taken at the start of crisis. Additionally, new credit lines and facilities have been set up to ensure appropriate liquidity is maintained to mitigate any short term shocks in case the crisis worsens. To further bolster the liquidity, management is in regular discussions with various counterparties in exploring a mix of financing structures which provide funding from diverse sources, maintain a balanced maturity profile and optimise overall borrowing costs.

Summarised in the table is the maturity profile of financial liabilities and net-settled derivative financial liabilities based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year AED m	**2 - 5 years** AED m	**Over 5 years** AED m	**Total** AED m
2021				
Borrowings and lease liabilities	21,812	68,748	32,146	122,706
Derivative financial instruments	126	402	125	653
Provision for aircraft return conditions	1,130	3,828	2,041	6,999
Trade and other payables	10,199	187	-	10,386
	33,267	**73,165**	**34,312**	**140,744**
2020				
Borrowings and lease liabilities	23,641	64,014	41,322	128,977
Derivative financial instruments	5,081	1,528	143	6,752
Provision for aircraft return conditions	813	4,260	2,745	7,818
Trade and other payables	12,880	116	-	12,996
	42,415	**69,918**	**44,210**	**156,543**

32. Acquisitions

On 31 March 2020, Emirates through its wholly owned subsidiary Air Ventures Holding Inc, acquired 75% stake of Air Ventures LLC and Air Ventures LGA, LLC ('Air Ventures Group').

Purchase price allocation was finalised during the year resulting in adjustments in the fair values of assets and liabilities as summarised below :

	AED m
Intangible assets (Note 14):	
- Goodwill	(89)
- Contractual rights	109
- Trade names	6
Property, plant and equipment (Note 12)	3
Non-controlling interests	29
Trade and other payables:	
- Option to acquire non-controlling interest	84
Other reserves:	
- Capital reserve (Note 20)	(84)

33. Capital management

Emirates' objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for its Owner and to maintain an optimal capital structure to reduce the cost of capital.

Emirates monitors the return on Owner's equity, which is defined as the profit attributable to the Owner expressed as a percentage of average Owner's equity. Emirates seeks to provide a better return to the Owner by borrowing funds and taking aircraft on leases to meet its growth plans. Due to significant loss in 2021, Emirates recorded a negative return on Owner's equity (2020: positive return of 3.5%).

Emirates also monitors capital on the basis of a gearing ratio which is calculated as the ratio of borrowings and lease liabilities, net of cash assets to total equity. In 2021, this ratio is 459.0% (2020: 381.2%).

Independent Auditor's Report to the Owner of dnata

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of dnata and its subsidiaries (together referred to as "dnata") as at 31 March 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

dnata's consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 March 2021;
- the consolidated statement of comprehensive income for the year ended 31 March 2021;
- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of changes in equity for the year ended 31 March 2021;
- the consolidated statement of cash flows for the year ended 31 March 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements section* of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of dnata in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key audit matter	• Impairment of goodwill

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of dnata, the accounting processes and controls, and the industry in which dnata operates.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Impairment of goodwill As at 31 March 2021, the carrying value of goodwill was AED 1,474 million. Refer to notes 2, 3 and 11 to the consolidated financial statements. Goodwill is not subject to amortisation and, as a result, in accordance with IAS 36 "Impairment of assets" is required to be tested annually for impairment. The recoverable amount attributable to a cash generating unit to which goodwill is allocated is determined as being the higher of the fair value less the costs of disposal and the value in use. The recoverable amount is compared to the carrying value of the cash generating unit to which goodwill is allocated in order to assess whether an impairment exists. The value in use is determined by calculating the discounted cash flows of the cash generating unit. The calculation of value in use incorporates key assumptions including risk adjusted pre-tax discount rates, gross margins consistent with historic trends and management expectations for market development and long term terminal growth rates. The impairment model prepared by management in respect of certain cash generating units containing goodwill determined that an impairment of AED 601 million was required which was recorded by management in the consolidated financial statements. The impairment models prepared by management for the remaining cash generating units determined that adequate headroom existed and no impairment charge was required. We focused on this area because the determination of whether an impairment loss should be recognised is inherently complex and required management to exercise significant judgement over the calculation of value in use.	We obtained an understanding of management's impairment models and key assumptions. We then tested these impairment models, in particular, with regard to the appropriateness of the key assumptions used within the models, as follows: • we utilised our internal valuation specialists to perform independent calculations of the discount rates, with particular reference to comparable companies and compared these to the discount rates used by management; • we agreed the base case cash flows used in management's impairment models to approved budgets, including management's assessment of the impact of the COVID-19 pandemic; • we compared future expected revenue growth rates and gross margins used in the approved budgets, to historical trends as well as future economic outlooks and reviewed whether management's estimates made in prior periods were reasonable compared to actual performance; • we compared long term terminal growth rates to external sources of information including economic forecasts; • we tested management's sensitivity analysis over assumptions used within the value in use calculations and considered the appropriateness of the impairment charge recognised; and • we tested the mathematical accuracy of the models. We assessed whether the related disclosures in notes 2, 3 and 11 to the consolidated financial statements are consistent with the requirements of IFRS.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the Key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers
6 May 2021

Douglas O'Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

Consolidated Income Statement for the year ended 31 March 2021

	Note	2021 AED m	2020 AED m
Revenue	5	5,341	14,223
Other operating income		200	537
Net impairment loss on trade and other receivables	14	(122)	(139)
Operating costs	6	(7,276)	(14,114)
Operating (loss) / profit		**(1,857)**	**507**
Finance income		101	162
Finance costs		(123)	(144)
Share of results of investments accounted for using the equity method	12	(15)	12
(Loss) / profit before tax		**(1,894)**	**537**
Income tax credit - net	7	16	68
(Loss) / profit for the year		**(1,878)**	**605**
Loss attributable to non-controlling interests		(57)	(13)
(Loss) / profit attributable to dnata's Owner		**(1,821)**	**618**

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

	2021	2020
(Loss) / profit for the year	**(1,878)**	**605**
Items that will not be reclassified to the consolidated income statement		
Remeasurement of retirement benefit obligations - net of deferred tax	(39)	19
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	(18)	2
Items that are or may be reclassified subsequently to the consolidated income statement		
Currency translation differences	189	(94)
Cash flow hedges	(10)	7
Net investment hedge	(2)	(3)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	(1)	(16)
Other comprehensive income for the year	**119**	**(85)**
Total comprehensive income for the year	**(1,759)**	**520**
Total comprehensive income attributable to non-controlling interests	(54)	(18)
Total comprehensive income attributable to dnata's Owner	**(1,705)**	**538**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position as at 31 March 2021

	Note	2021 AED m	2020 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	8	2,067	2,162
Right-of-use assets	9	2,024	1,963
Investment property	10	420	387
Intangible assets	11	2,121	2,785
Investments accounted for using the equity method	12	455	551
Trade and other receivables	14	31	15
Deferred tax assets	20	196	280
		7,314	**8,143**
Current assets			
Inventories	13	77	156
Trade and other receivables	14	2,164	3,018
Derivative financial instruments	24	-	15
Current tax assets		29	55
Short term bank deposits	23	3,730	3,700
Cash and cash equivalents	23	960	1,616
		6,960	**8,560**
Total assets		**14,274**	**16,703**

	Note	2021 AED m	2020 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	15	63	63
Capital reserve		(70)	(70)
Other reserves	16	(242)	(412)
Retained earnings		6,803	8,678
Attributable to dnata's Owner		**6,554**	**8,259**
Non-controlling interests		(19)	43
Total equity		**6,535**	**8,302**
Non-current liabilities			
Trade and other payables	17	183	211
Borrowings and lease liabilities	19	2,993	2,961
Provisions	18	568	682
Deferred tax liabilities	20	95	255
		3,839	**4,109**
Current liabilities			
Trade and other payables	17	2,662	3,257
Borrowings and lease liabilities	19	1,065	957
Derivative financial instruments	24	7	-
Provisions	18	149	57
Current tax liabilities		17	21
		3,900	**4,292**
Total liabilities		**7,739**	**8,401**
Total equity and liabilities		**14,274**	**16,703**

The consolidated financial statements were approved on 6 May 2021 and signed by:

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman and Chief Executive

Nigel Hopkins
Executive Vice President
Service Departments

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

	Attributable to dnata's Owner						
	Capital	**Capital reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	AED m	AED m	AED m	AED m	AED m	AED m	AED m
1 April 2019	**63**	**(70)**	**(311)**	**8,229**	**7,911**	**116**	**8,027**
Impact on adoption of IFRS 16	-	-	-	(192)	(192)	(6)	(198)
Adjusted 1 April 2019	**63**	**(70)**	**(311)**	**8,037**	**7,719**	**110**	**7,829**
Profit for the year	-	-	-	618	618	(13)	605
Other comprehensive income for the year	-	-	(101)	21	(80)	(5)	(85)
Total comprehensive income for the year	**-**	**-**	**(101)**	**639**	**538**	**(18)**	**520**
Acquired from non-controlling interest	-	-	-	2	2	(2)	-
Dividends	-	-	-	-	-	(47)	(47)
Transactions with Owners	**-**	**-**	**-**	**2**	**2**	**(49)**	**(47)**
31 March 2020	**63**	**(70)**	**(412)**	**8,678**	**8,259**	**43**	**8,302**
Loss for the year	-	-	-	(1,821)	(1,821)	(57)	(1,878)
Other comprehensive income for the year	-	-	173	(57)	116	3	119
Total comprehensive income for the year	**-**	**-**	**173**	**(1,878)**	**(1,705)**	**(54)**	**(1,759)**
Dividends	-	-	-	-	-	(8)	(8)
Transfer to retained earnings	-	-	(3)	3	-	-	-
Transactions with Owners	**-**	**-**	**(3)**	**3**	**-**	**(8)**	**(8)**
31 March 2021	**63**	**(70)**	**(242)**	**6,803**	**6,554**	**(19)**	**6,535**

The capital reserve includes the fair value of the options issued by dnata to acquire the non-controlling interest in subsidiaries.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 AED m	2020 AED m
Operating activities			
(Loss) / profit before tax		(1,894)	537
Adjustments for:			
Depreciation, amortisation and impairment	6	1,726	1,128
Finance cost / (income) - net		22	(18)
Lease rental waivers	19 (b)	(30)	-
Share of results of investments accounted for using the equity method	12	15	(12)
Gain on sale of investments accounted for using the equity method	12	-	(216)
Gain on fair value remeasurement of investments accounted for using the equity method		-	(38)
Bargain on acquisition of subsidiary		-	(11)
Net loss on disposals / write-offs of property, plant & equipment and intangible assets		5	3
Net provision for impairment of trade and other receivables	14	122	139
Provision for retirement benefit obligations	6	261	323
Net movement in derivative financial instruments		10	(26)
Payments of retirement benefit obligations		(390)	(287)
Income tax paid		(40)	-
Change in inventories		89	7
Change in trade and other receivables		928	256
Change in trade and other payables and Other provisions		(814)	(392)
Net cash generated from operating activities		**10**	**1,393**

	Note	2021 AED m	2020 AED m
Investing activities			
Additions to property, plant and equipment	8	(192)	(545)
Additions to investment property	10	(53)	(17)
Additions to intangible assets	11	(83)	(122)
Investments in associates and joint ventures	12	-	(117)
Dividends from investments accounted for using the equity method		20	64
Acquisition of subsidiaries, net of cash acquired		4	(18)
Proceeds from sale of property, plant & equipment and intangible assets		26	27
Proceeds from sale of investments accounted for using the equity method		-	186
Related party loans - net	26	1	94
Movement in short term bank deposits		(30)	(579)
Interest received		128	149
Net cash used in investing activities		**(179)**	**(878)**
Financing activities			
Proceeds from term loans	19 (a)	82	412
Repayment of term loans	19 (a)	(229)	(298)
Principal element of lease payments		(293)	(337)
Interest paid		(100)	(129)
Dividend paid to dnata's Owner		-	(500)
Dividends paid to non-controlling interests		(8)	(47)
Net cash used in financing activities		**(548)**	**(899)**
Net change in cash and cash equivalents		**(717)**	**(384)**
Cash and cash equivalents at beginning of the year		1,480	1,906
Effects of exchange rate changes on cash and cash equivalents		53	(42)
Cash and cash equivalents at end of the year	23	**816**	**1,480**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

1. General information

dnata comprises dnata and its subsidiaries. dnata was incorporated in the Emirate of Dubai, UAE with limited liability, under an Emiri Decree issued by H.H. Sheikh Maktoum bin Rashid Al-Maktoum on 4 April 1987. On that date, the total assets and liabilities of Dubai National Air Travel Agency were transferred to dnata, with effect from 1 April 1987, for nil consideration. dnata is wholly owned by the Investment Corporation of Dubai ("the parent company"), a Government of Dubai entity.

dnata is incorporated and domiciled in Dubai, UAE. The address of its registered office is Dnata Travel Centre, PO Box 1515, Dubai, UAE.

The main activities of dnata comprise:

- Ground and cargo handling services
- Inflight catering
- Travel services

2. Summary of significant accounting policies

A summary of the significant accounting policies, which have been applied consistently in the preparation of these consolidated financial statements are set out below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, except for those financial assets and liabilities (including derivative instruments) that are measured at fair value as stated in the accounting policies.

The outbreak of COVID-19 has had a significant adverse impact on the world economy and in particular, the travel and tourism sectors after countries started closing their borders in March 2020. Being dependent on international travel, and consistent with the industry trend, our operations were severely impacted due to the travel restrictions imposed by various governments to control the spread of the pandemic. This resulted in highly diminished revenues across all lines of business and sizeable operating loss. For the financial year ended March 2021, dnata posted a net loss of AED 1.9 billion.

According to IATA, travel demand is not expected to recover to the pre-COVID-19 levels until 2024. Government bail-outs and scientific advances in fighting COVID-19, including swift availability of successful vaccines at a large scale can hasten this recovery, but the future remains uncertain. Whilst the world continues to battle this pandemic and its unprecedented negative repercussions, several countries, with strict precautionary measures in place, have finally opened up their borders and are allowing limited international passenger flights to operate. Therefore, dnata is experiencing a gradual rebound in its service levels linked to international travel. These are signs of slow recovery, however the environment is such that consumers may be reluctant to travel for some time, and even when they do, it is subject to extensive health and regulatory precautions. Our cargo handling operations, on the other hand, have remained robust during the year.

With an attempt to accelerate the recovery process and create a stronger platform for future growth, profitability and long-term value, dnata has taken various measures to navigate through this difficult period, including; rightsizing the workforce in line with demand projections preserving as many key skills as dnata can reasonably carry to support the eventual spring-back, availing various relief and support schemes throughout its global operations, implementing numerous cost saving measures and delivering efficiencies across operational areas, reducing discretionary capital expenditure, securing additional working capital facilities and negotiating waivers & deferral of payments with regards to its financial obligations.

Although the journey ahead is, at present, envisaged to be long, slow and difficult but taking into consideration various measures put in motion by the management, forecasted liquidity levels and with the continued support of the Government of Dubai, dnata will navigate through this period of uncertainty. Accordingly, management has prepared these consolidated financial statements on a going concern basis.

All amounts are presented in millions of UAE Dirham ("AED m").

New standards, amendments to published standards and interpretations that are relevant to dnata

Effective and adopted in the current year

At the date of authorisation of these consolidated financial statements, certain amendments to the existing standards were effective for the current financial year and have been adopted by dnata.

These amendments are listed below;

- Amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Definition of material;
- Amendment to IFRS 3 (Business Combinations) – Definition of a business;
- Amendments to IFRS 9 (Financial instruments), IAS 39 (Financial Instruments: Recognition and Measurement) and IFRS 7 (Financial Instruments: Disclosures) – Interest rate benchmark reform; and
- Revised Conceptual Framework for Financial Reporting.

None of the above listed amendments had a material impact on the consolidated financial statements.

2. Summary of significant accounting policies (continued)

Not yet effective for the current financial year but early adopted

dnata elected to early adopt the amendment to IFRS 16, as mentioned below;

Amendment to IFRS 16, Leases

As a result of the economic disruptions caused by the COVID-19 pandemic, many lessors around the world have granted rent concessions to lessees. Such concessions might take a variety of forms, including waivers and deferral of lease payments. In May 2020, the IASB introduced an amendment to IFRS 16 which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this results in accounting for the lease rental waivers as a credit to the consolidated income statement.

The amendment is effective for accounting periods beginning on or after 1 June 2020 with earlier application permitted. dnata has early adopted the amendment from 1 April 2020 and has applied the practical expedient to all leases. The resulting impact is disclosed in Note 19 of these consolidated financial statements.

Not yet effective and have not been early adopted

At the date of authorisation of these consolidated financial statements, certain amendments to accounting standards and interpretations have been published but are not effective for the current financial year. Other than the above, none of these have been early adopted and these are not expected to have a material impact on dnata.

Basis of consolidation

The acquisition method of accounting is used to account for business combinations by dnata. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred, equity interest issued, the fair value of assets or liabilities resulting from any contingent consideration arrangements and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities, if any, incurred or assumed in a business combination, are measured initially at their fair values at the acquisition date. Any non-controlling interest in the subsidiary is recognised on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of recognised amounts of subsidiaries' identifiable net assets.

Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

Option to acquire non-controlling interest is recognised as a financial liability and is subsequently measured to fair value with changes in the fair value recognised in the consolidated income statement.

If the business combination is achieved in stages, the acquisition date carrying value of dnata's previously held equity interest in the subsidiary is remeasured at fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

Subsidiaries are those entities over which dnata has control. Control is exercised when dnata is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over that entity. Subsidiaries are fully consolidated from the date on which control is transferred to dnata and are de-consolidated from the date on which control ceases. Inter-company transactions, balances and unrealised gains and losses arising on transactions between dnata and its subsidiaries are eliminated.

dnata treats transactions with non-controlling interests that do not result in loss of control as transactions with the owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid is recorded in equity.

When dnata ceases to have control, any retained interest in the entity or business is remeasured to its fair value at the date when the control is lost, with the change in the carrying amount recognised in the consolidated income statement. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity or business are accounted for as if the related assets or liabilities have been directly disposed off. This may result in amounts previously recognised in other comprehensive income to be reclassified to the consolidated income statement.

Associates are those entities in which dnata has significant influence but not control or joint control generally accompanying a shareholding between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control over those policies. Investments in associates are accounted for by applying the equity method and include goodwill (net of accumulated impairment loss, if any) identified on acquisition after initially being recorded at cost.

2. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Joint ventures are contractual arrangements which establish joint control and where dnata has rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for by applying the equity method and include goodwill (net of accumulated impairment loss, if any) identified on acquisition after initially being recognised at cost.

When dnata's share of losses in an equity-accounted investment equals or exceed its interest in the entity, including any other unsecured long term receivable in the nature of an investment, dnata does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

If the ownership in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement where appropriate.

All material unrealised gains and losses arising on transactions between dnata and its associates and joint ventures are eliminated to the extent of dnata's interest.

Accounting policies of subsidiaries, associates and joint ventures have been changed where necessary to ensure consistency with dnata's accounting policies.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or services rendered, stated net of discounts, returns and value added tax.

Revenue from airport operations which includes ground and cargo handling services is recognised on the performance of the related service obligation.

Revenue from travel services includes sale of travel holiday packages and individual travel component bookings. Where dnata acts as principal in the arrangement, the total consideration received is treated as revenue and allocated to separate performance obligations based on relative stand-alone selling prices. The allocated revenue from such contracts is recognised on the satisfaction of each performance obligation. Where dnata acts as an agent between the service provider and the end customer, net commission is recognised as revenue on the satisfaction of the performance obligation.

Revenue from the sale of goods (including in-flight catering) is recognised when the control of goods is transferred to the customer.

Finance income and costs

Interest income and costs are recognised on a time proportion basis using the effective interest method.

Foreign currency translation

dnata's consolidated financial statements are presented in UAE Dirham ("AED"), which is also the entity's functional currency. Subsidiaries, associates and joint ventures determine their own functional currency related to the primary economic environment in which they operate.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rates prevailing at the end of the reporting period. The resulting foreign exchange gains and losses, other than those on qualifying net investment hedges and net investment in foreign operations which are deferred in other comprehensive income, are recognised in the consolidated income statement.

For the purposes of consolidation, where functional currencies of subsidiaries are different from AED, income, other comprehensive income and cash flow statements of subsidiaries are translated into AED at average exchange rates for the year that approximate the cumulative effect of rates prevailing on the transaction dates and their assets and liabilities are translated at the exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income.

Share of results and share of movement in other comprehensive income of investments accounted for using the equity method are translated into AED at average exchange rates whereas dnata's share of net investments is translated at the exchange rate prevailing at the end of the reporting period. Translation differences relating to investments in associates, joint ventures and monetary assets and liabilities that form part of a net investment in a foreign operation are recognised in other comprehensive income.

When investments in subsidiaries, associates or joint ventures are disposed of, the related translation differences previously recorded in equity are then recognised in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rates prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

2. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost consists of the purchase cost, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to dnata and the cost can be measured reliably. Repairs and maintenance are charged to the consolidated income statement during the period in which they are incurred.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight line method to allocate their cost, less estimated residual values, over the estimated useful lives of the assets or the lease term, if shorter.

The estimated useful lives are:

Buildings	15 - 33 years
Leasehold property	shorter of useful life or lease term
Plant and machinery	4 - 15 years
Office equipment and furniture	3 - 6 years
Motor vehicles	5 -10 years

The assets' residual values and useful lives are reviewed at least annually, and adjusted if appropriate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition are determined by comparing proceeds with the carrying amount and are recognised in the consolidated income statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of the assets until such time that the assets are substantially ready for their intended use. Borrowing costs capitalised are calculated at the weighted average rate of general borrowing costs and applied to the expenditure on qualifying assets, except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowings costs incurred on these specific borrowings less any investment income earned on temporary surplus funds are capitalised as part of the qualifying asset.

Leases

Right-of-use assets are capitalised at the commencement of the lease and recognised at cost, comprising of the present value of payments to be made to the lessor, any prepayments made at commencement, together with the initial direct costs incurred by dnata in respect of acquiring the lease and the present value of an estimate of costs to be incurred to meet the contractual lease-end restoration obligations less any lease incentives received.

For contracts which contain one or more lease or non-lease components, the consideration in the contract is allocated to each component on the basis of their relative stand-alone price determined based on estimated observable information.

Right-of-use assets are depreciated over the useful life or lease term (whichever is lower), unless the underlying lease contract provides an option to dnata to acquire the asset at the end of the lease term and it is highly certain for dnata to exercise that option. In such cases, the right-of-use asset is depreciated over the useful life in accordance with dnata's policies applicable to property, plant and equipment. Right-of-use assets held for generating rental income are classified under Investment property in the consolidated statement of financial position.

dnata uses two exemptions as permitted under IFRS 16 for not capitalising the leased asset i.e. short-term leases (with a lease term of 12 months or less) and lease contracts for which the value of the underlying asset is materially low (primarily comprising some office spaces and equipment). For these leases, the lease rental charges are recognised as an operating expense on a straight-line basis over the period of the lease.

At lease commencement date, lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, dnata's incremental borrowing rate for borrowing funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The future lease payments comprise fixed payments, variable payments that are dependent on an index (e.g. LIBOR) less any lease incentives receivable. All other variable lease payments are not included in the lease liability measurement and are charged to the consolidated income statement in the period in which the conditions that trigger those payments occur.

Subsequent changes resulting from reassessments or lease modifications that are not accounted for as separate leases (together referred as 'remeasurements') are accounted as adjustments to the carrying value of the lease liability and corresponding impact to the related right-of-use asset.

2. Summary of significant accounting policies (continued)

Leases (continued)

Sale and leaseback transactions are tested under IFRS 15 at the date of the transaction, and if qualified as sale, the underlying asset is derecognised and a right-of-use asset with a corresponding liability is recognised equal to the retained interest in the asset. Any gain or loss is recognised immediately in the consolidated income statement for the interest in the asset transferred to the lessor. If the transaction does not qualify as sale under IFRS 15, a financial liability equal to the sale value is recognised in the consolidated financial statements as “Term Loans” under 'Borrowings and lease liabilities'.

COVID-19 related lease rental waivers which are within the scope of IFRS 16 (Amendment) are credited to the consolidated income statement.

Investment property

Property held for long term rental yields or capital appreciation or both, and not occupied by dnata, is classified as investment property.

Land and buildings owned by dnata and classified as investment property are measured and accounted as per dnata’s accounting policies applicable to ‘property, plant and equipment‘.

Investment property also include right-of-use assets that meet the definition of investment property and is measured and accounted as per dnata’s accounting policies applicable to ‘Leases’.

Investment property is subsequently measured at cost less accumulated depreciation. Land is not depreciated. Depreciation on buildings is charged on a straight line basis over the estimated useful life of 20 years or lease term, if shorter.

The assets’ useful lives are reviewed at least annually, and adjusted if appropriate.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred, amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets at the date of acquisition. If the consideration transferred is less than the fair value of the net identifiable assets, the difference is recognised directly in the consolidated income statement as a bargain purchase.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash generating unit or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. An impairment loss is recognised when the carrying value of the cash generating unit or group of cash generating units exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Intangible assets are capitalised at cost only when future economic benefits are probable. Cost includes purchase price together with any directly attributable expenditure.

In the case of internally developed computer software, development expenditure is capitalised if costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and there exists an intent and ability to complete the development and to use or sell the asset. Other research and development expenditure not meeting the criteria for capitalisation are recognised in the consolidated income statement as incurred.

Intangible assets acquired in a business combination are recognised at fair values on the acquisition date. Contractual rights also include licenses to operate in certain airports.

Intangible assets are amortised on a straight-line basis over their estimated useful lives which are:

Computer software	3 - 7 years
Trade names	10 years
Customer relationships	3 - 15 years
Contractual rights	over the expected term of the rights

The intangible assets’ useful lives are reviewed at least annually, and adjusted if appropriate.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition are determined by comparing proceeds with the carrying amount and are recognised in the consolidated income statement.

Impairment of non-financial assets

Non-financial assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, these assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill are reviewed at the end of each reporting period for possible reversals of historic impairment losses.

2. Summary of significant accounting policies (continued)

Financial assets

Financial assets are classified in accordance with IFRS 9 as 'Financial assets at amortised cost' which consists of financial assets that are debt instruments and are intended to be held to maturity on the basis of dnata's business model. Furthermore, these instruments have fixed payment terms and meet the criteria for cash flow characteristics i.e. contractual payments of principal and interest. This category includes trade and other receivables (excluding prepayments), short term bank deposits and cash and cash equivalents. They are classified as non-current or current assets according to their remaining maturity at the reporting date.

Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and dnata will comply with the attached conditions. Grants against specific expenses are recognised in the consolidated income statement in the same period in which the corresponding expenses are recognised and are presented net of these expenses. Grants related to depreciable assets are recognised in the consolidated income statement over the period in which the depreciation expense on those assets is recognised.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. dnata applies the simplified approach to measure expected credit losses which uses lifetime expected loss allowances to calculate the impairment provision on trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are determined by analysing historical payment profiles and corresponding credit losses incurred and are adjusted to reflect current and forward looking information affecting the ability of customers to settle the receivable. Specific loss allowances are also recognised when dnata becomes aware of a customer experiencing financial difficulty. Trade receivables are written off once management has determined that such amount will not be recovered.

Cash and cash equivalents

Cash and cash equivalents comprise all cash and liquid funds with an original maturity of three months or less. Other bank deposits with maturities of less than a year are classified as short term bank deposits. Bank overdrafts are shown within current 'borrowings and lease liabilities' in the consolidated statement of financial position. Similar to trade receivables, cash and cash equivalents are also subject to impairment requirements. However, dnata considers its cash and cash equivalents to have low credit risk based on external credit ratings of the counterparties as listed in Note 27.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined on the weighted average cost basis except for food and beverage inventory which is determined on a first-in-first-out basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Retirement benefit obligations

dnata operates or participates in various end of service benefit plans, which are classified either as defined contribution or defined benefit plans.

A defined contribution plan is a pension scheme under which dnata pays fixed contributions and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to settle the benefits relating to the employees' service in the current and prior periods. Contributions to the pension fund are charged to the consolidated income statement in the period in which they fall due.

A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields of high quality corporate bonds at the end of the reporting period that are denominated in currency in which the benefits will be paid and have terms approximating to the estimated term of the post-employment benefit obligations.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through other comprehensive income in the period in which they arise.

2. Summary of significant accounting policies (continued)

Other provisions

Provisions other than retirement benefit obligations are recognised when dnata has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Such provisions are measured at the present value of the expenditures expected to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation.

Income tax

The tax expense for the year comprises current and deferred tax.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where dnata's subsidiaries operate and generate taxable income.

Deferred tax is recognised in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Also, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill in a business combination.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted in the jurisdiction of the individual companies by the end of the reporting period and are expected to apply when the related deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by dnata and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividend distribution

Dividend distribution to equity holders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised only when the contractual rights to the cash flows expire or substantially all the risks and rewards of ownership are transferred along with the contractual rights to receive cash flows. Financial liabilities are derecognised only when they are extinguished i.e. when the obligations specified in the contract are discharged or cancelled or expired.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of the reporting period. Derivatives are mostly designated as a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). Fair values are obtained from quoted market prices or dealer quotes for similar instruments, discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2. Summary of significant accounting policies (continued)

Derivative financial instruments (continued)

dnata's criteria to account for a derivative financial instrument as a hedge include:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items; and
- at the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship, including dnata risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how dnata will assess the hedging instrument's effectiveness; and
- there is an economic relationship between the hedged item and the hedging instrument; and
- the effect of credit risk does not "dominate the value changes" that results from the economic relationship. The hedge ratio of the hedging relationship is the same as that resulting from the quantity of hedged item that dnata actually hedges and the quantity of the hedging instrument that dnata actually uses to hedge that quantity for hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk are recognised in other comprehensive income. When the forecasted transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income are re-classified and included in the initial carrying amount of the asset or liability. These gains and losses are ultimately recognised in the consolidated income statement in the same period during which the asset or liability affects profit or loss. In all other cases, amounts previously recognised in other comprehensive income are transferred to the consolidated income statement in the period during which the forecasted transaction affects the consolidated income statement and are presented in the same line item as the gains and losses from hedged items.

When a cash flow hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting under IFRS 9, any cumulative gain or loss existing in equity at that time is retained in equity and is ultimately recognised in the consolidated income statement when the forecasted transaction occurs. If a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement. The gain or loss on the ineffective portion is immediately recognised in the consolidated income statement.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement.

3. Critical accounting estimates and judgements

In the preparation of the consolidated financial statements, a number of estimates and associated assumptions have been made relating to the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are assessed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following narrative addresses the accounting policies that require subjective and complex judgements, often as a result of the need to make accounting estimates.

Valuation of intangible assets on acquisition

For each business acquisition, management assesses the fair value of intangible assets acquired. Where an active market does not exist to value an intangible asset, fair values are arrived at using established valuation techniques that use estimated future cash flows and the useful life related to the asset based on management's experience and expectations at the time of acquisition. Discount rates applied to future cash flows are also subject to judgement.

Impairment of non-financial assets (including goodwill)

As a result of the severe negative impact of COVID-19, and in accordance with the requirements of IAS 36, dnata conducted an impairment review of its non-financial assets within each identified cash generating unit ("CGU") using the value-in-use method. The estimates made in arriving at the value-in-use calculation and associated sensitivities with respect to the goodwill impairment test are set out in Note 11.

Consequently, an impairment loss of AED 766 m has been recognised in the consolidated income statement as at the reporting date. Reasonably possible changes to the significant judgements in the impairment tests would not lead to a further material impairment charge.

Valuation of defined benefit obligations

The present value of the defined benefit obligations is determined on an actuarial basis using various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and expected salary increases which are reviewed at each reporting date. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. A sensitivity analysis of changes in defined benefit obligations due to a reasonably possible change in these assumptions are set out in Note 18(a).

3. Critical accounting estimates and judgements (continued)

Leases

While determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

To ascertain whether it is reasonably certain for dnata to exercise these options, the management takes into consideration any lease termination penalties that would be incurred, leasehold improvements that are estimated to have significant remaining value, historical lease durations and the cost associated to business disruption caused by replacing the leased asset.

4. Fair value estimation

The levels of fair value hierarchy are defined as follows:

Level 1: Measurement is made by using quoted prices (unadjusted) from the active market.

Level 2: Measurement is made by means of valuation methods with parameters derived directly or indirectly from observable market data.

Level 3: Measurement is made by means of valuation methods with parameters not based exclusively on observable market data.

Derivatives, contingent consideration and option to acquire non-controlling interest are carried at fair value. Derivatives fall into level 2 of the fair value hierarchy whereas contingent consideration and option to acquire non-controlling interest fall into level 3 of the fair value hierarchy.

Derivatives comprise forward exchange contracts which are fair valued using forward exchange rates that are quoted in an active market.

The fair values of contingent consideration and option to acquire non-controlling interest are determined by using valuation techniques based on entity specific estimates. These estimates are not based on observable market data and hence classified under level 3 of the fair value hierarchy.

The changes in the fair value of level 3 instruments are set out in Note 17.

5. Revenue

	2021 AED m	2020 AED m
Services		
International airport operations	2,263	3,940
UAE airport operations	1,671	3,171
Travel services	130	3,537
Others	231	262
	4,295	**10,910**
Sale of goods		
Inflight catering	888	3,106
Others	158	207
	1,046	**3,313**
	5,341	**14,223**

6. Operating costs

	2021 AED m	2020 AED m
Employee costs (see (a))	3,290	5,875
Depreciation, amortisation and impairment (see (b))	1,662	1,046
Direct costs		
- Airport operations	715	1,364
- Inflight catering	326	1,352
- Travel services	53	2,534
- Others	2	32
Facilities related expenditure	325	501
Information technology costs	270	320
Sales and marketing expenses	35	321
Corporate overheads	598	769
	7,276	**14,114**

(a) Employee costs include AED 261 m (2020: AED 323 m) in respect of retirement benefit obligations (Note 18 (a)). Employee cost support of AED 682 m received from various governments related to the COVID-19 pandemic has been offset against the cost.

(b) Depreciation, amortisation and impairment include:

	2021 AED m	2020 AED m
Depreciation of:		
- Right-of-use assets (Note 9)	380	349
- Property, plant and equipment	344	313
- Investment property (Note 10)	20	16
Amortisation of intangible assets	152	175
Impairment loss on intangible assets (Note 11)	766	193
	1,662	**1,046**

Depreciation and amortisation of AED 64 m (2020: AED 82 m) is included under information technology costs.

(c) Operating costs include expenses related to short-term leases of AED 99 m (2020: AED 65 m), low-value leases of AED 17 m (2020: AED 15 m) and non index based variable lease payments of AED 1 m (2020: Nil)

7. Income taxes

	2021 AED m	2020 AED m
Current tax expense / (credit)	23	(3)
Deferred tax credit	(39)	(65)
	(16)	**(68)**
The income tax for the year can be reconciled to the accounting profit before tax as follows:		
(Loss) / profit before tax	(1,894)	537
Tax calculated at domestic tax rates applicable in respective tax jurisdictions	**(295)**	**(66)**
Effect of tax losses for which no deferred tax asset has been recognised	201	-
Effect of non-deductible expenses	122	23
De-recognition of previously recognised deferred tax assets	60	-
Effect of income exempt from tax	(97)	(32)
Re-measurement of deferred tax - effect of changes in tax rates	-	(2)
Effect of other items	(7)	9
Income tax credit	**(16)**	**(68)**

8. Property, plant and equipment

	Land, buildings and leasehold property AED m	Plant and machinery AED m	Office equipment and furniture AED m	Motor vehicles AED m	Capital projects AED m	Total AED m
Cost						
1 April 2020	**1,412**	**2,309**	**1,541**	**191**	**71**	**5,524**
Acquisition	1	-	-	-	-	1
Additions	13	43	19	5	112	192
Transfer from capital projects	53	45	34	-	(132)	-
Disposals / write-offs	(28)	(76)	(47)	(9)	(2)	(162)
Currency translation differences	133	114	31	9	6	293
31 March 2021	**1,584**	**2,435**	**1,578**	**196**	**55**	**5,848**
Accumulated depreciation						
1 April 2020	**587**	**1,387**	**1,278**	**110**	**-**	**3,362**
Charge for the year	85	176	109	19	-	389
Disposals / write-offs	(16)	(69)	(42)	(9)	-	(136)
Currency translation differences	72	69	21	4	-	166
31 March 2021	**728**	**1,563**	**1,366**	**124**	**-**	**3,781**
Net book amount at 31 March 2021	**856**	**872**	**212**	**72**	**55**	**2,067**

The net book amount of property, plant and equipment includes an amount of AED 2 m (2020: AED 7 m) in respect of assets provided as security against term loans.

Land of AED 42 m (2020: AED 37 m) is carried at cost and is not depreciated.

8. Property, plant and equipment (continued)

	Land, buildings and leasehold property AED m	Plant and machinery AED m	Office equipment and furniture AED m	Motor vehicles AED m	Capital projects AED m	Total AED m
Cost						
1 April 2019	**1,223**	**2,241**	**1,507**	**185**	**117**	**5,273**
Assets held under leases transferred to right-of-use assets (Note 9)	(6)	(95)	-	(15)	-	(116)
Adjusted 1 April 2019	**1,217**	**2,146**	**1,507**	**170**	**117**	**5,157**
Acquisitions	53	75	5	2	2	137
Additions	61	114	79	29	262	545
Transfer from capital projects	150	117	34	5	(306)	-
Disposals / write-offs	(4)	(56)	(82)	(14)	-	(156)
Currency translation differences	(65)	(87)	(2)	(1)	(4)	(159)
31 March 2020	**1,412**	**2,309**	**1,541**	**191**	**71**	**5,524**
Accumulated depreciation						
1 April 2019	**541**	**1,349**	**1,239**	**104**	**-**	**3,233**
Assets held under leases transferred to right-of-use assets (Note 9)	(2)	(29)	-	(7)	-	(38)
Adjusted 1 April 2019	**539**	**1,320**	**1,239**	**97**	**-**	**3,195**
Charge for the year	70	170	119	19	-	378
Disposals / write-offs	(3)	(53)	(77)	(6)	-	(139)
Currency translation differences	(19)	(50)	(3)	-	-	(72)
31 March 2020	**587**	**1,387**	**1,278**	**110**	**-**	**3,362**
Net book amount at 31 March 2020	**825**	**922**	**263**	**81**	**71**	**2,162**

9. Right-of-use assets

	Land and buildings AED m	Plant and machinery AED m	Others AED m	Total AED m
Net book amount of right-of-use assets recognised on adoption of IFRS 16	**1,744**	**148**	**2**	**1,894**
Net book amount of assets held under leases transferred from property, plant and equipment (Note 8)	4	66	8	78
Net book amount at 1 April 2019	**1,748**	**214**	**10**	**1,972**
Acquisitions	122	-	-	122
Additions	334	39	11	384
Remeasurements	(57)	(5)	(2)	(64)
Depreciation charge for the year	(300)	(44)	(5)	(349)
Currency translation differences	(86)	(16)	-	(102)
Net book amount at 31 March 2020	**1,761**	**188**	**14**	**1,963**
Acquisition	4	-	-	4
Additions	271	25	1	297
Remeasurements	(27)	(3)	(10)	(40)
Depreciation charge for the year	(329)	(47)	(4)	(380)
Currency translation differences	157	23	-	180
Net book amount at 31 March 2021	**1,837**	**186**	**1**	**2,024**

Right-of-use assets primarily consist of airport infrastructure assets, ground support equipment, retail outlets and office space for administrative purposes.

10. Investment property

	Land	Buildings	Total
	AED m	AED m	AED m
Cost			
1 April 2019	**99**	**290**	**389**
Impact on adoption of IFRS 16	-	52	52
Adjusted 1 April 2019	**99**	**342**	**441**
Additions	-	17	17
31 March 2020	**99**	**359**	**458**
Accumulated depreciation			
1 April 2019	**-**	**44**	**44**
Impact on adoption of IFRS 16	-	11	11
Adjusted 1 April 2019	**-**	**55**	**55**
Charge for the year	-	16	16
31 March 2020	**-**	**71**	**71**
Net book amount at			
31 March 2020	**99**	**288**	**387**
Cost			
1 April 2020	**99**	**359**	**458**
Additions	24	29	53
31 March 2021	**123**	**388**	**511**
Accumulated depreciation			
1 April 2020	**-**	**71**	**71**
Charge for the year	-	20	20
31 March 2021	**-**	**91**	**91**
Net book amount at			
31 March 2021	**123**	**297**	**420**

Buildings include right-of-use assets with a net book amount of AED 37 m (2020: AED 39 m). The net book amount of investment property of AED 82 m (2020: AED 86 m) is pledged as security against term loans.

Investment property comprises rental property in Dubai. The fair value of investment property as at 31 March 2021 is AED 615 m (2020: AED 486 m), which was determined based on internal valuations as there is no active market for such properties. The fair value has been computed by discounting the contractual future lease rentals at a discount rate of 6% (2020: 6%) commensurate with the borrowing rate. These estimates are not based on observable market data and hence are classified under level 3 of the fair value hierarchy.

Revenue from rental income earned during the year amounting to AED 45 m (2020: AED 43 m) is recognised in the consolidated income statement as revenue from 'Services - Others'.

11. Intangible assets

	Goodwill AED m	Computer software AED m	Trade names AED m	Customer relationships AED m	Contractual rights AED m	Total AED m
Cost						
1 April 2019	**2,266**	**829**	**118**	**557**	**627**	**4,397**
Acquisitions	-	4	-	108	18	130
Additions	-	122	-	-	-	122
Disposals / write-offs	-	(40)	-	-	-	(40)
Currency translation differences	(89)	(11)	(6)	(17)	(5)	(128)
Reclassification	(18)	-	-	18	-	-
31 March 2020	**2,159**	**904**	**112**	**666**	**640**	**4,481**
Accumulated amortisation and impairment						
1 April 2019	**66**	**457**	**59**	**209**	**567**	**1,358**
Charge for the year	-	115	11	47	19	192
Impairment loss	164	-	3	-	26	193
Disposals / write-offs	-	(20)	-	-	-	(20)
Currency translation differences	(5)	(7)	(4)	(8)	(3)	(27)
31 March 2020	**225**	**545**	**69**	**248**	**609**	**1,696**
Net book amount at 31 March 2020	**1,934**	**359**	**43**	**418**	**31**	**2,785**
Cost						
1 April 2020	**2,159**	**904**	**112**	**666**	**640**	**4,481**
Acquisition	-	2	12	-	-	14
Additions	-	83	-	-	-	83
Disposals / write-offs	-	(170)	-	-	-	(170)
Currency translation differences	166	33	13	31	40	283
31 March 2021	**2,325**	**852**	**137**	**697**	**680**	**4,691**
Accumulated amortisation and impairment						
1 April 2020	**225**	**545**	**69**	**248**	**609**	**1,696**
Charge for the year	-	87	11	57	16	171
Impairment loss	601	86	3	76	-	766
Disposals / write-offs	-	(165)	-	-	-	(165)
Currency translation differences	25	19	9	13	36	102
31 March 2021	**851**	**572**	**92**	**394**	**661**	**2,570**
Net book amount at 31 March 2021	**1,474**	**280**	**45**	**303**	**19**	**2,121**

Computer software includes an amount of AED 78 m (2020: AED 101 m) in respect of projects under implementation.

11. Intangible assets (continued)

For the purpose of carrying out the impairment test of goodwill, the recoverable amounts for cash generating units or groups of cash generating units have been determined on the basis of value-in-use calculations using cash flow forecasts approved by management covering a three year period, adjusted for dnata's view of the impact of the COVID-19 outbreak on the results of the cash generating units. Cash flows beyond the three year period have been extrapolated using terminal growth rates stated below. The key assumptions used in the value-in-use calculations include a risk adjusted pre-tax discount rate, gross margins consistent with historical trends and growth rates based on management's expectations for market development. The long term terminal growth rate does not exceed the long term average growth rate for the markets in which the cash generating units or groups of cash generating units operate. The goodwill allocated to cash generating units or groups of cash generating units and the key assumptions used in the value-in-use calculations are as follows:

Cash generating unit / Group of cash generating units	Location	Goodwill 2021	Goodwill 2020	Discount rate	Terminal growth rate
		AED m	AED m	%	%
Airport operations	USA	308	308	9.0	2.0
Airport operations	Switzerland	140	259	8.5	2.5
Airport operations	Singapore	93	87	7.0	3.0
Airport operations	Netherlands	62	58	8.8	1.5
Airport operations	Brazil	-	35	16.0	2.5
Airport operations	Australia	-	23	10.0	2.5
Airport operations	Czech Republic	-	20	8.5	1.5
Inflight catering	Australia	340	276	9.0	1.5
Inflight catering	Italy	73	118	8.0	1.5
Inflight catering	Romania	51	108	10.0	1.5
Inflight catering	USA	-	16	8.0	1.5
Travel services - B2C	UK	176	308	9.5	1.5
Travel services - B2B	UK	134	145	9.5	1.5
Travel services	Germany	-	42	8.0	2.0
Others	Various	97	131	9.0 - 12.0	1.5 - 3.0
		1,474	**1,934**		

Based on the above assessment, an impairment loss of AED 601 m has been recognised on goodwill in the consolidated income statement.

Goodwill pertaining to Airport Operations, USA includes AED 300 m (2020: AED 300 m) for Ground Services International Inc. / Metro Air Service Inc. and AED 8 m (2020: AED 8 m) for ALX Cargo Centre IAH LLC. The key assumptions used in the value-in-use calculations for both these cash generating units are similar.

The recoverable value of cash generating units or group of cash generating units would not fall materially below their carrying amount, post impairments, with a 1% reduction in the terminal growth rate or a 1% increase in the discount rate.

12. Investments in subsidiaries, associates and joint ventures

Principal subsidiaries

	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
dnata Inc.	100	Ground handling services	Philippines
dnata Singapore Pte Ltd	100	Ground, cargo handling and catering services	Singapore
Dnata Switzerland AG	100	Ground and cargo handling services	Switzerland
dnata Limited	100	Ground and cargo handling services	United Kingdom
Alpha Flight Services Pty Ltd	100	Inflight catering services	Australia
Alpha In-Flight US LLC	100	Inflight catering services	United States of America
dnata s.r.l.	100	Inflight catering services	Italy
dnata Catering s.r.l.	64.2	Inflight catering services	Romania
dnata International Pvt Ltd	100	Travel agency	India
Travel Republic Limited	100	Online travel services	United Kingdom
En Route International Limited	100	Bakery and food solutions	United Kingdom
Gold Medal Travel Group Limited	100	Travel agency	United Kingdom
dnata Travel Inc.	100	Travel services	Philippines
Travel 2 Limited	100	Travel agency	United Kingdom
Travelbag Limited	100	Travel agency	United Kingdom
dnata Airport Services Pty Ltd	100	Ground and cargo handling services	Australia
dnata BV	100	Ground and cargo handling services	Netherlands
RM Servicos Auxiliares de Transporte Aereo Ltda	70	Ground handling services	Brazil
Airport Handling SpA	70	Ground handling services	Italy
Airport Handling Services Australia Pty Ltd	100	Ground handling services	Australia
Transecure LLC	100	Investment property	United Arab Emirates
Ground Services International Inc.	100	Ground handling services	United States of America
Metro Air Service Inc.	100	Mail handling services	United States of America
ALX Cargo Centre IAH LLC	100	Cargo handling services	United States of America
Air Dispatch (CLC) s.r.o	95	Load control services	Czech Republic
Air Dispatch (CLC) Spolka z.o.o	95	Load control services	Poland
Oman United Agencies Travel LLC	76.9	Travel agency	Oman

12. Investments in subsidiaries, associates and joint ventures (continued)

	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Principal subsidiaries (continued)			
BD4Travel Limited	82.3	Travel technology services	Germany
121 Group Holdings LLC	85	Inflight catering services	United States of America
dnata Catering Australia Subsidiary 2 Pty Ltd	100	Inflight catering services	Australia
Snap Fresh Pty Ltd	100	Inflight catering services	Australia
Acquired during the year:			
Destination Asia Limited	100	Travel services	various
Acquired during the previous year:			
Dunya Travel LLC	100	Travel agency	United Arab Emirates
dnata Catering UK Limited (formerly 'Alpha LSG Ltd')	100	Inflight catering services	United Kingdom
Disposed during the year:			
The Global Travel Group Limited	100	Travel agency	United Kingdom
Disposed during the previous year:			
dnata Travel (UK) Limited	100	Travel agency	United Kingdom

None of the subsidiaries have non-controlling interests that are material to dnata.

Principal associates			
Gerry's Dnata (Private) Ltd	50	Aircraft and cargo handling services	Pakistan
Guangzhou Baiyun International Airport Ground Handling Services Co. Ltd	20	Aircraft handling services	P. R. China
Disposed during the previous year:			
Canary Topco Ltd	9.1	Information technology services	United Kingdom
Principal joint ventures			
Super Bus Tourism LLC	75	Travel services	United Arab Emirates
dnata Travel Company Limited	70	Travel agency	Saudi Arabia
Transguard Group LLC	50	Security services	United Arab Emirates
Imagine Enterprises Limited	51	Travel agency	United Kingdom

Super Bus Tourism LLC, dnata Travel Company Limited and Imagine Enterprises Limited are subject to joint control under contractual arrangements and are therefore accounted for as joint ventures.

12. Investments in subsidiaries, associates and joint ventures (continued)

Movement of investments accounted for using the equity method

	2021 AED m	2020 AED m
Balance brought forward	**551**	**503**
Impact on adoption of IFRS 16	-	(47)
Adjusted 1 April	**551**	**456**
Additions	-	117
Return of capital	(1)	-
Share of results	(15)	12
Share of other comprehensive income - net of deferred tax	(19)	2
Dividends	(70)	(64)
Disposal	(3)	19
Reclassification due to change in ownership interest	3	16
Currency translation differences	9	(7)
Balance carried forward	**455**	**551**

Change in the ownership interest of associates

During the year, dnata acquired the remaining 75% interest in Destination Asia to increase its shareholding to 100%. The step acquisition did not result in any significant fair value gain or loss.

Disposal of a joint venture during the year

During the year, dnata sold its interest in a joint venture, G Travel International LLC. The disposal did not result in any significant gain or loss.

No individual associate is material to dnata. The aggregate financial information of associates is set out below:

	2021 AED m	2020 AED m
Share of results of associates	1	4
Share of total comprehensive income of associates	**1**	**4**
Aggregate carrying value of investments in associates	**33**	**29**

No individual joint venture is material to dnata. The aggregate financial information of joint ventures is set out below:

	2021 AED m	2020 AED m
Share of results of joint ventures	(16)	8
Share of other comprehensive income	(19)	2
Share of total comprehensive income of joint ventures	**(35)**	**10**
Aggregate carrying value of investments in joint ventures	**422**	**522**

13. Inventories

	2021 AED m	2020 AED m
Food and beverages	49	119
Spares and consumables	21	29
Other	7	8
	77	**156**

14. Trade and other receivables

	2021 AED m	2020 AED m
Trade receivables - net of provision	1,221	1,532
Related parties (Note 26)	232	362
Prepayments	207	365
Deposits and other receivables	535	774
	2,195	**3,033**
Less: Receivables over one year	(31)	(15)
	2,164	**3,018**

dnata uses the lifetime expected loss allowance to measure the expected credit losses on its trade receivables. The impairment charge on trade receivables recognised in the consolidated income statement during the year primarily relates to travel agencies, airlines and other customers who are in difficult economic situations and are unable to meet their obligations. Amounts charged to the provision account are written off when there is no expectation of further recovery.

For the purpose of calculating expected credit losses on its trade receivables dnata calculates the loss allowance at an amount equal to the lifetime expected credit loss which is based on recoverable and supportable forward booking information in addition to past events and current conditions. With this information, a loss rate is estimated based on the age of the receivable which is applied to the gross trade receivable at the reporting date to arrive at the loss allowance.

Expected credit losses for related party and other receivables are not significant as the balances are held with companies having high credit ratings with no material balances overdue. These receivables are presented net of provision.

14. Trade and other receivables (continued)

The loss allowance is determined as follows:

Description	Current	Below 3 months past due	3 - 6 months past due	Above 6 months past due	Total
	AED m	AED m	AED m	AED m	AED m
2021					
Gross carrying amount - trade receivables	436	459	125	508	**1,528**
Expected loss rate	1%	1%	2%	58%	
Loss allowance	4	5	3	295	**307**
2020					
Gross carrying amount - trade receivables	204	1,163	128	266	**1,761**
Expected loss rate	1%	1%	20%	71%	
Loss allowance	2	12	26	189	**229**

Movement in the provision for impairment of trade receivables is as follows:

	2021	2020
	AED m	AED m
Balance brought forward	**229**	**162**
Charge for the year	146	146
Unused amounts reversed	(24)	(7)
Amounts written off as uncollectible	(50)	(68)
Currency translation differences	6	(4)
Balance carried forward	**307**	**229**

The maximum exposure to credit risk of trade and other receivables (excluding prepayments) at the reporting date is the carrying value of each class of receivable.

For further details on credit risk management, refer to Note 27.

15. Capital

Capital represents the permanent capital of dnata.

16. Other reserves

	Translation reserve AED m	Other AED m	Total AED m
1 April 2019	**(317)**	**6**	**(311)**
Net investment hedge (Note 19 (a))	(3)	-	(3)
Cash flow hedges	-	2	2
Transferred to consolidated income statement	-	5	5
Share of other comprehensive income of investments accounted for using the equity method, net of deferred tax	(16)	-	(16)
Currency translation differences	(89)	-	(89)
Recognised in other comprehensive income	**(108)**	**7**	**(101)**
31 March 2020	**(425)**	**13**	**(412)**
Net investment hedge (Note 19 (a))	(2)	-	(2)
Cash flow hedges	-	(21)	(21)
Transferred to the consolidated income statement upon settlement	1	11	12
Share of other comprehensive income of investments accounted for using the equity method, net of deferred tax	-	(1)	(1)
Currency translation differences	185	-	185
Recognised in other comprehensive income	**184**	**(11)**	**173**
Transfer to retained earnings	-	(3)	(3)
31 March 2021	**(241)**	**(1)**	**(242)**

17. Trade and other payables

	2021 AED m	2020 AED m
Trade payables and accruals	2,124	2,702
Deferred revenue	216	393
Employee leave pay	202	200
Related parties (Note 26)	106	45
Customer advances	13	32
Other payables	184	96
	2,845	**3,468**
Less: Payables over one year	(183)	(211)
	2,662	**3,257**

Revenue recognised during the year includes AED 310 m which was included in 'Deferred revenue' and 'Customer advances' as at 31 March 2020.

Payables over one year include the non-current portion of deferred revenue, acquisition related deferred or contingent consideration and the fair value of options issued to acquire additional interests in subsidiaries.

The movement in the fair values of contingent consideration and options to acquire non-controlling interest are as follows:

	2021 AED m	2020 AED m
Balance brought forward	**65**	**69**
Interest charge	2	2
Remeasurement gain	-	(4)
Currency translation differences	6	(2)
Balance carried forward	**73**	**65**

18. Provisions

	2021 AED m	2020 AED m
Non-current		
Retirement benefit obligations (Note 18 (a))	491	595
Other provisions (Note 18 (b))	77	87
	568	**682**
Current		
Other provisions (Note 18 (b))	149	57
	149	**57**
	717	**739**

18 (a). Retirement benefit obligations

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations at 31 March 2021 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements.

The liabilities recognised in the consolidated statement of financial position are:

	2021 AED m	2020 AED m
Funded schemes		
Present value of defined benefit obligations	770	735
Less: Fair value of plan assets	(665)	(654)
	105	**81**
Unfunded schemes		
Present value of defined benefit obligations	**386**	**514**
Provision recognised in consolidated statement of financial position	**491**	**595**

Funded schemes

a) Parent company

Senior employees based in the UAE participate in a defined benefit provident scheme to which dnata contributes a specified percentage of basic salary based upon the employee's grade and duration of service. Amounts contributed are invested in a trustee administered scheme and accumulate along with returns earned on investments. Contributions are made on a monthly basis irrespective of fund performance and are not pooled, but are separately identifiable and attributable to each participant. The fund comprises a diverse mix of funds and investment decisions are controlled directly by the participating employees.

Benefits receivable under the provident scheme are subject to vesting rules, which are dependent upon a participating employee's length of service. If at the time an employee leaves employment, the accumulated vested amount, including investment returns is less than the end of service benefits that would have been payable to that employee under relevant local regulations, dnata pays the shortfall amount directly to the employee. However, if the accumulated vested amount exceeds the end of service benefits that would have been payable to an employee under relevant local regulations, the employee receives either seventy five or one hundred percent of their fund balance depending on their length of service. Vested assets of the scheme are not available to dnata or its creditors in any circumstances.

The present value of obligations and fair value of plan assets are as follows:

	2021 AED m	2020 AED m
Present value of funded defined benefit obligations	145	138
Less: Fair value of plan assets	(144)	(137)
	1	**1**

The assessment of the present value of defined benefit obligations assumed expected long term salary increase of 2.0% (2020: 2.0%) and a discount rate of 2.75% (2020: 3.0%) per annum. The present values of the defined benefit obligations at 31 March 2021 were computed using the actuarial assumptions set out above. These assumptions are also applicable for the unfunded scheme.

18 (a). Retirement benefit obligations (continued)

The liability of AED 1 m (2020: AED 1 m) represents the amount that will not be settled from plan assets and is calculated as the excess of the present value of the defined benefit obligation for an individual employee over the fair value of that employee's plan assets at the end of the reporting period.

Contributions received include the transfer of accumulated benefits from unfunded schemes.

Actuarial gains and losses and expected returns on plan assets are not calculated given that investment decisions relating to plan assets are under the direct control of participating employees.

The movement in the fair value of the plan assets is:

	2021 AED m	**2020** AED m
Balance brought forward	**137**	**142**
Contributions received	16	21
Change in fair value	37	(14)
Benefits paid	(46)	(12)
Balance carried forward	**144**	**137**

b) Subsidiaries

(i) Swiss plan

Employees of a subsidiary in Switzerland participate in a defined benefit plan ("the Swiss plan"). The Swiss plan is funded by way of contributions to an insurance policy.

The present value of obligations and fair value of plan assets are as follows:

	2021 AED m	**2020** AED m
Present value of funded defined benefit obligations	266	241
Less: Fair value of plan assets	(197)	(186)
	69	**55**

The actuarial valuation for the Swiss plan included assumptions relating to the discount rate of 0.2% (2020: 0.3%) and expected salary increases of 1.0% (2020: 1.0%) per annum.

The movement in the present value of defined benefit obligations of the Swiss plan is:

	2021 AED m	**2020** AED m
Balance brought forward	**241**	**254**
Current service cost	19	15
Interest cost	1	1
Remeasurement loss	3	18
Employee contributions	9	9
Benefits paid	(10)	(65)
Currency translation differences	3	9
Balance carried forward	**266**	**241**

The movement in the fair value of the plan assets of the Swiss plan is:

	2021 AED m	**2020** AED m
Balance brought forward	**186**	**216**
Expected return on plan assets	1	1
Remeasurement		
- Return on plan assets	(2)	6
Employer contributions	11	11
Employee contributions	9	9
Benefits paid	(10)	(65)
Currency translation differences	2	8
Balance carried forward	**197**	**186**

18 (a). Retirement benefit obligations (continued)

(ii) Netherlands plan

Employees of a subsidiary in Netherlands participate in a defined benefit plan ("the Netherlands plan"). The Netherlands plan is funded by way of contribution to an insurance policy.

The present value of obligations and fair value of plan assets are as follows:

	2021 AED m	2020 AED m
Present value of funded defined benefit obligations	359	356
Less: Fair value of plan assets	(324)	(331)
	35	**25**

The actuarial valuation for the Netherlands plan included assumption relating to the discount rate of 0.8% (2020: 1.1%).

The movement in the present value of defined benefit obligations of the Netherlands plan is:

	2021 AED m	2020 AED m
Balance brought forward	**356**	**307**
Current service cost	-	5
Interest cost	-	6
Past service cost	(25)	-
Remeasurement loss	13	48
Employee contributions	-	2
Benefits paid	(6)	(5)
Currency translation differences	21	(7)
Balance carried forward	**359**	**356**

The movement in the fair value of the plan assets of the Netherlands plan is:

	2021 AED m	2020 AED m
Balance brought forward	**331**	**294**
Expected return on plan assets	3	6
Remeasurement		
- Return on plan assets	(27)	43
Employer contributions	1	(2)
Employee contributions	-	2
Benefits paid	(6)	(5)
Currency translation differences	22	(7)
Balance carried forward	**324**	**331**

dnata expects to contribute, in respect of existing plan members of all its funded schemes, approximately AED 25 m during the year ending 31 March 2022.

Unfunded scheme

End of service benefits for employees who do not participate in the provident scheme, defined benefit plans or other defined contribution plans follow relevant local regulations, which are mainly based on periods of cumulative service and levels of employees' final basic salary. The liability recognised in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period.

The movement in the present value of defined benefit obligation is:

	2021 AED m	2020 AED m
Balance brought forward	**514**	**530**
Current service cost	56	63
Interest cost	11	19
Remeasurement:		
- changes in experience / demographic assumptions	(2)	(8)
- changes in financial assumptions	7	(21)
Payments made during the year	(203)	(67)
Currency translation differences	3	(2)
Balance carried forward	**386**	**514**

Payments made during the year include transfer of accumulated benefits to dnata's funded scheme.

18 (a). Retirement benefit obligations (continued)

Defined contribution plans

dnata pays fixed contributions to certain defined contribution plans and has no legal or constructive obligation to pay further contributions to settle the benefits relating to the employee's service in the current and prior periods.

The total amount recognised in the consolidated income statement in respect of all the plans is as follows:

	2021 AED m	2020 AED m
Defined benefit plans		
Funded schemes		
Contributions expensed	34	40
	34	**40**
Unfunded scheme		
Service cost	56	63
Interest cost	11	19
	67	**82**
Defined contribution plans		
Contributions expensed	**160**	**201**
Recognised in the consolidated income statement	**261**	**323**

The sensitivity of the defined benefit obligation to changes in the principal assumptions are set out below:

Assumptions	**Change**	**Effect on defined benefit obligation**	
		Subsidiaries AED m	**Parent** AED m
Discount rate	+ 0.5%	(55)	(17)
	- 0.5%	64	18
Expected salary increases	+ 0.5%	4	18
	- 0.5%	(4)	(14)

The weighted average durations of the defined benefit obligations are set out below:

	2021 **Years**	**2020** **Years**
Funded scheme - Swiss plan	18.7	16.5
Funded scheme - Netherlands plan	19.7	20.4
Unfunded scheme	9.9	9.7

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In calculating the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period.

Through its defined benefit plans dnata is exposed to a number of risks, the most significant of which are detailed below:

a) Change in discount rate: Retirement benefit obligations will increase due to a decrease in market yields of high quality corporate bonds.

b) Expected salary increases: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase of the salary of the plan participants above the expected rate of salary increase will increase the retirement benefit obligations.

18 (b). Other provisions

	2021 AED m	2020 AED m
Balance brought forward	**144**	**106**
Reclassification from trade and other payables	33	-
Charge for the year	33	13
Acquisitions	-	42
Unutilised amounts reversed	(6)	(6)
Currency translation differences	22	(11)
Balance carried forward	**226**	**144**

Provisions are expected to be used as follows:

	2021 AED m	2020 AED m
Within one year (Note 18)	149	57
Over one year (Note 18)	77	87
	226	**144**

19. Borrowings and lease liabilities

2021	Non-current AED m	Current AED m	Total AED m
Term loans (Note 19 (a))	1,059	457	1,516
Lease liabilities (Note 19 (b))	1,934	464	2,398
Bank overdrafts (Note 23)	-	144	144
	2,993	**1,065**	**4,058**

2020	Non-current AED m	Current AED m	Total AED m
Term loans (Note 19 (a))	1,129	416	1,545
Lease liabilities (Note 19 (b))	1,832	405	2,237
Bank overdrafts (Note 23)	-	136	136
	2,961	**957**	**3,918**

Borrowings and lease liabilities are denominated in the following currencies:

	2021 AED m	2020 AED m
Pound Sterling	1,083	1,009
Australian Dollar	935	798
US Dollar	892	936
UAE Dirham	506	487
Euro	234	262
Singapore Dollar	159	156
Swiss Franc	142	149
Others	107	121
	4,058	**3,918**

19 (a). Term loans

	2021 AED m	2020 AED m
Balance brought forward	**1,547**	**1,447**
Transferred to Lease liabilities (Note 19 (b))	-	(17)
Adjusted 1 April	**1,547**	**1,430**
Acquisitions	3	68
Additions	82	412
Repayments	(229)	(298)
Currency translation differences	114	(65)
	1,517	**1,547**
Less: Transaction costs	(1)	(2)
Balance carried forward	**1,516**	**1,545**
Term loans are repayable as follows:		
Within one year	**457**	**416**
Between 2 and 5 years	981	1,075
After 5 years	78	54
Total over one year	**1,059**	**1,129**
Term loans are denominated in the following currencies:		
US Dollar	596	614
Australian Dollar	388	336
Pound Sterling	243	278
Swiss Franc	84	87
UAE Dirham	69	93
Euro	68	72
Singapore Dollar	50	48
Others	18	17
	1,516	**1,545**

Contractual repricing dates are set at three to six month intervals. The effective interest rate on the term loans was 1.9% (2020: 3.0%) per annum. The carrying amounts of the term loans approximate their fair values. The fair values are determined by discounting projected cash flows using the interest rate yield curve applicable to different maturities and currencies adjusted for credit spread and falls within level 2 of the fair value hierarchy.

The term loan in Swiss Franc is designated as a hedge of the net investment in dnata Switzerland AG. The foreign exchange movement on translation of the loan at the end of the reporting period is a loss of AED 2 m (2020: loss of AED 3 m), recognised in the translation reserve through other comprehensive income.

AED 51 m (2020: AED 67 m) of term loans are availed from financial institutions under common control.

19 (b). Lease liabilities

	2021 AED m	2020 AED m
Balance brought forward	**2,237**	**69**
Impact on adoption of IFRS 16	-	2,091
Transferred from Term loans (Note 19 (a))	-	17
Adjusted 1 April	**2,237**	**2,177**
Acquisitions	4	188
Additions	297	384
Interest	86	82
Repayments	(373)	(414)
Remeasurements	(36)	(64)
Waivers (see note below)	(30)	-
Currency translation differences	213	(116)
Balance carried forward	**2,398**	**2,237**
Gross lease liabilities:		
Within one year	540	470
Between 2 and 5 years	1,170	1,170
After 5 years	1,128	974
	2,838	**2,614**
Future interest	(440)	(377)
Present value of lease liabilities	**2,398**	**2,237**
The present value of lease liabilities is repayable as follows:		
Within one year	**464**	**405**
Between 2 and 5 years	970	997
After 5 years	964	835
Total over one year	**1,934**	**1,832**
The present value of lease liabilities is denominated in the following currencies:		
Pound Sterling	840	710
Australian Dollar	500	443
UAE Dirham	409	366
US Dollar	296	322
Euro	160	180
Singapore Dollar	109	108
Swiss Franc	25	31
Others	59	77
	2,398	**2,237**

Lease waivers are recognised in other operating income in the consolidated income statement.

20. Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same income tax authority.

	2021 AED m	2020 AED m
Deferred tax assets	196	280
Deferred tax liabilities	(95)	(255)
	101	**25**
Movements in the deferred tax account are as follows:		
Balance brought forward	**25**	**(43)**
Impact on adoption of IFRS 16	-	23
Adjusted 1 April	**25**	**(20)**
Acquisitions	3	(21)
Credited to the consolidated income statement	39	65
Credited to the consolidated statement of comprehensive income	11	-
Currency translation differences	19	(3)
Others	4	4
Balance carried forward	**101**	**25**

20. Deferred taxes (continued)

The movements in deferred tax assets and liabilities during the year, after taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

	Tax losses AED m	Provisions AED m	Lease liabilities AED m	Other AED m	Total AED m
1 April 2019	**13**	**40**	**-**	**75**	**128**
Impact on adoption of IFRS 16	-	-	152	-	152
Adjusted 1 April 2019	**13**	**40**	**152**	**75**	**280**
Additions	-	-	6	-	6
(Charged) / credited to the consolidated income statement	30	2	(8)	11	35
Currency translation differences	(2)	(5)	(14)	(6)	(27)
Others	2	35	(1)	(26)	10
31 March 2020	**43**	**72**	**135**	**54**	**304**
Acquisition	3	-	-	-	3
(Charged) / credited to the consolidated income statement	(3)	10	(7)	4	4
Credited to the consolidated statement of comprehensive income	-	11	-	-	11
Currency translation differences	5	9	23	8	45
Others	(8)	9	-	7	8
31 March 2021	**40**	**111**	**151**	**73**	**375**
Offset of deferred tax assets with deferred tax liabilities					(179)
Net deferred tax assets					**196**

20. Deferred taxes (continued)

Deferred tax liabilities

	Property, plant and equipment AED m	**Intangible assets** AED m	**Right-of-use assets** AED m	**Other** AED m	**Total** AED m
1 April 2019	**(59)**	**(110)**	**-**	**(2)**	**(171)**
Impact on adoption of IFRS 16	-	-	(129)	-	(129)
Adjusted 1 April 2019	**(59)**	**(110)**	**(129)**	**(2)**	**(300)**
Acquisitions	-	(21)	-	-	(21)
Additions	-	-	(6)	-	(6)
(Charged) / credited to the consolidated income statement	(3)	22	10	1	30
Currency translation differences	-	10	13	1	24
Others	-	(4)	-	(2)	(6)
31 March 2020	**(62)**	**(103)**	**(112)**	**(2)**	**(279)**
(Charged) / credited to the consolidated income statement	(4)	29	8	2	35
Currency translation differences	(2)	(6)	(20)	2	(26)
Others	(2)	-	-	(2)	(4)
31 March 2021	**(70)**	**(80)**	**(124)**	**-**	**(274)**
Offset of deferred tax liabilities with deferred tax assets					179
Net deferred tax liabilities					**(95)**

21. Capital commitments

	2021 AED m	2020 AED m
dnata	110	126
Joint ventures	19	8
	129	**134**

22. Guarantees

	2021 AED m	2020 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**299**	**414**

Guarantees and letters of credit include AED 46 m (2020: AED 41 m) provided by companies under common control on normal commercial terms.

23. Short term bank deposits, cash and cash equivalents

	2021 AED m	2020 AED m
Bank deposits	3,821	4,166
Cash and bank	869	1,150
Cash and bank balances	**4,690**	**5,316**
Less: Short term bank deposits - with original maturity of more than 3 months	(3,730)	(3,700)
Cash and cash equivalents as per the consolidated statement of financial position	**960**	**1,616**
Bank overdrafts (Note 19)	(144)	(136)
Cash and cash equivalents as per the consolidated statement of cash flows	**816**	**1,480**

Short term bank deposits, cash and cash equivalents yield an effective interest rate of 2.4% (2020: 3.4%) per annum.

Cash and bank balances include AED 2,581 m (2020: AED 4,299 m) held with financial institutions under common control.

24. Derivative financial instruments

	2021 AED m	2020 AED m
Current assets		
Currency swaps and forwards	-	15
	-	15
Current liabilities		
Currency swaps and forwards	7	-
	7	**-**

The notional principal amounts outstanding are:

	2021 AED m	2020 AED m
Currency contracts	104	1,595

25. Classification of financial instruments

The accounting policies for financial instruments have been applied to the following:

	Financial assets at amortised cost AED m	Derivative financial instruments AED m	Assets and liabilities at fair value through profit or loss AED m	Financial liabilities at amortised cost AED m	Total AED m
2021					
Assets					
Trade and other receivables (excluding prepayments)	1,988	-	-	-	1,988
Short term bank deposits	3,730	-	-	-	3,730
Cash and cash equivalents	960	-	-	-	960
Total	**6,678**	**-**	**-**	**-**	**6,678**
Liabilities					
Borrowings and lease liabilities	-	-	-	4,058	4,058
Trade and other payables (excluding deferred revenue and customer advances)	-	-	73	2,543	2,616
Derivative financial instruments	-	7	-	-	7
Total	**-**	**7**	**73**	**6,601**	**6,681**
2020					
Assets					
Trade and other receivables (excluding prepayments and advance lease rentals)	2,668	-	-	-	2,668
Derivative financial instruments	-	15	-	-	15
Short term bank deposits	3,700	-	-	-	3,700
Cash and cash equivalents	1,616	-	-	-	1,616
Total	**7,984**	**15**	**-**	**-**	**7,999**
Liabilities					
Borrowings and lease liabilities	-	-	-	3,918	3,918
Trade and other payables (excluding deferred revenue and customer advances)	-	-	65	2,978	3,043
Total	**-**	**-**	**65**	**6,896**	**6,961**

26. Related party transactions and balances

dnata transacts with associates, joint ventures and companies controlled by dnata and its parent company within the scope of its ordinary business activities.

dnata and Emirates (a company under common control) share central corporate functions such as information technology, facilities, human resources, finance, treasury, cash management, legal and other functions. Where such functions are shared the costs are allocated between dnata and Emirates based on activity levels.

Other than these shared services arrangements the following transactions have taken place on an arm's length basis.

	2021 AED m	2020 AED m
Trading transactions		
(i) Sale of goods and services		
Sale of goods - Companies under common control	49	363
Services rendered - Companies under common control	875	1,988
Services rendered - Joint ventures	56	72
Services rendered - Associates	9	12
	989	**2,435**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	64	111
Services received - Companies under common control	71	541
Services received - Joint ventures	27	179
	162	**831**
Other transactions		
(i) Finance income		
Companies under common control	89	132
Joint ventures	-	2
	89	**134**
(ii) Finance cost		
Companies under common control	**1**	**-**
(iii) Compensation to key management personnel		
Salaries and short-term employee benefits	19	30
Retirement benefits	3	5
	22	**35**

dnata also uses public utilities provided by number of Government controlled entities for its operations in Dubai, where these entities are the sole providers of the relevant services. This includes the supply of electricity, water and airport services. Transactions falling in these expense categories are individually insignificant and carried out on an arm's length basis.

	2021 AED m	2020 AED m
Year end balances		
(i) Receivables-sale of goods and services (Note 14)		
Companies under common control	124	295
Joint ventures	58	17
Associates	25	24
	207	**336**
(ii) Loans - receivables (Note 14)		
Associates	4	7
Joint ventures	2	-
	6	**7**
Movements in the loans were as follows:		
Balance brought forward	**7**	**104**
Additions	2	12
Repayments	(3)	(106)
Currency translation differences	-	(3)
Balance carried forward	**6**	**7**
Receivable within one year	**4**	**7**
Receivable over one year	**2**	**-**
The loans earned an effective interest rate of 1.7% (2020: 2.9%) per annum.		
(iii) Other receivables (Note 14)		
Companies under common control	**19**	**19**
(iv) Payables-purchase of goods and services (Note 17)		
Companies under common control	47	13
Joint ventures	11	7
	58	**20**
(v) Other payables (Note 17)		
Companies under common control	**48**	**25**

27. Financial risk management

dnata is exposed to a variety of financial risks through its operations. In the areas where financial risks exist, the aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on dnata's financial performance.

dnata's risk management procedures are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits through reliable and up-to-date information. dnata regularly reviews its risk management procedures and systems to reflect changes in markets, products and emerging best practices.

A risk management programme is carried out under guidelines that are approved by a steering group comprising senior management. Identification, evaluation and hedging of financial risks are done in close cooperation with the operating units. Senior management is also responsible for the review of risk management and the control environment. The various financial risk elements are discussed below:

(i) Credit risk

dnata is exposed to credit risk, which is the risk that the counterparty will cause a financial loss to dnata by failing to fulfil its obligation. dnata credit risk arises from deposits with banks and other financial institutions and trade & other receivables. dnata uses external ratings such as Standard & Poor's and Moody's or their equivalent to measure and monitor its credit risk exposures to financial institutions. In the absence of independent ratings, credit quality is assessed based on the counterparty's financial position, prior experience and other factors.

dnata manages the limits and controls the concentration of risk wherever they are identified. In the normal course of business, dnata places significant deposits with high credit quality banks and financial institutions. Exposure to credit risk is also managed through regular analysis of the ability of counterparties and potential counterparties to meet their obligations. Approximately AED 3,918 m (2020: AED 4,710 m) of cash and bank balances are held with financial institutions based in the UAE.

Policies are in place to ensure that sales are made to customers with an appropriate credit history failing which an appropriate level of security is obtained, and where necessary sales are made on cash terms. Credit limits are also imposed to cap exposure to certain customers.

The table below presents an analysis of short-term bank deposits and bank balances by rating agency designation at the end of the reporting period based on Standard & Poor's ratings or its equivalent for dnata's main banking relationships:

	2021 AED m	**2020** AED m
AA- to AA+	71	292
A- to A+	4,406	4,532
BBB+	73	190
Lower than BBB+	49	293
Unrated	62	-

The impairment loss recognised on financial assets is based on assumptions about the risk of default and expected loss rates. dnata uses judgement in making these assumptions and selecting inputs to the impairment calculation based on past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. These judgements have been reassessed due to the adverse economic environment resulting from the global spread of COVID-19. As of 31 March 2021, the provision for impairment of trade and other receivables amounted to AED 307 m (2020: AED 229 m) and has been disclosed under Note 14. The note also discloses the loss rates applied on trade receivables falling in different age buckets. Significant balances in other receivables are held with companies given a high credit rating by leading international rating agencies.

While cash assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss on these balances was immaterial.

(ii) Market risk

dnata is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

27. Financial risk management (continued)

(ii) Market risk (continued)

Currency risk

Certain subsidiaries of dnata are exposed to currency risk on purchase of services outside the source market. These subsidiaries manage such risks through currency forwards, where appropriate.

dnata is exposed to the effects of fluctuations in prevailing foreign currency exchange rates on its long-term debt obligations denominated in Swiss Franc, Euro, Pound Sterling, Singapore Dollar and Australian Dollar. Cash flows from Switzerland, Italy, United Kingdom, Singapore and Australian operations are adequate to meet the repayment schedules. A 1% change in the exchange rate for these currencies would not have a significant impact on profit or equity. At dnata parent level these liabilities provide a natural hedge to its foreign currency investments in these countries.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. dnata is exposed to the effects of fluctuations in the prevailing levels of interest rates in the international financial markets on borrowings and investments. This is applicable to its long-term debt and bank deposits.

The key reference rates based on which interest costs are determined are USD LIBOR for US Dollar, CHF LIBOR for Swiss Franc, GBP LIBOR for Pound Sterling, BBSY for Australian Dollar, EURIBOR for Euro and SIBOR for Singapore Dollar. Borrowings taken at variable rates expose dnata to cash flow interest rate risk while borrowings issued at fixed rates expose dnata to fair value interest rate risk. No hedging cover is obtained due to the stable interest rate environment that exists in the countries where the loans are contracted. A 25 basis point change in these interest rates would not have a significant impact on profit or equity.

Effects of Interest rate benchmark reform

The reform means that the Inter-bank offered rates ('IBOR's') for transactions will no longer be available in the future or will be calculated differently. On the application of the Interest rate benchmark reform – Phase 1 issued by IASB in September 2019 which included transitional provisions and accounting exemptions for hedging instruments, no changes were required to any of the amounts recognised in the consolidated financial statements.

Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 under the Interest Rate Benchmark Reform - Phase 2 will be effective from 1 April 2021. dnata has not early adopted these amendments and the extent of the impact for future accounting periods is still under review and a smooth transition will be ensured to alternative reference rates. IBOR reforms and the transition to alternative reference rates will impact dnata's current risk management strategy and possibly accounting for certain financial instruments.

(iii) Liquidity risk

Liquidity risk is the risk that dnata is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

dnata's liquidity management process as monitored by senior management, includes the following:

- Day to day funding is managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of dnata's liquidity position based on expected cash flows.
- Monitoring and optimising working capital needs.
- Monitoring liquidity ratios and net current assets against internal and industry standards.
- Maintaining debt financing plans.
- Maintaining diversified credit lines, including stand-by credit facility agreements.

27. Financial risk management (continued)

(iii) Liquidity risk (continued)

dnata started the financial year under peak COVID-19 restrictions on air travel. The uncertainty around travel increased as the pandemic spread and border restrictions were implemented by governments across key markets sometimes at short notice which further dented customer confidence. However, even with the limited inflow of cash from revenue generating activity, dnata continued to meet all its financial obligations on time.

To manage the significant cash burn and mitigate the impact on liquidity, management implemented several strategies including saving costs, reducing discretionary capital expenditure and improving working capital management.

A year on, the crisis is still with us and management continues to closely monitor the cash burn and liquidity position. There is a constant focus on working capital optimisation and strategies have been put in place to manage the refinancing and repayment of funding taken at the start of the crisis. Additionally, new credit lines and facilities have been set up to ensure appropriate liquidity is maintained to mitigate any short-term shocks in case the crisis worsens. To further bolster the liquidity, management is in regular discussions with various counterparties in exploring a mix of financing structures that provide funding from diverse sources, maintain a balanced maturity profile and optimise overall borrowing costs.

Summarised below in the table is the maturity profile of financial liabilities based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year AED m	**2 - 5 years** AED m	**Over 5 years** AED m	**Total** AED m
2021				
Borrowings and lease liabilities	1,157	2,176	1,209	4,542
Derivative financial instruments	7	-	-	7
Trade and other payables (excluding deferred revenue and customer advances)	2,542	74	-	2,616
	3,706	**2,250**	**1,209**	**7,165**
2020				
Borrowings and lease liabilities	1,058	2,298	1,030	4,386
Trade and other payables (excluding deferred revenue and customer advances)	2,947	96	-	3,043
	4,005	**2,394**	**1,030**	**7,429**

28. Capital management

dnata monitors the return on equity which is defined as profit for the year expressed as a percentage of average equity. dnata seeks to provide a higher return to the Owner by resorting to borrowings to finance its acquisitions. Due to significant loss in 2021, dnata recorded a negative return on equity (2020: positive return of 7.6%).

Additional information

Emirates ten-year overview

Consolidated income statement		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue and other operating income	AED m	30,927	91,972	97,907	92,322	85,083	85,044	88,819	82,636	73,113	62,287
Operating costs	AED m	45,948	85,564	95,260	88,236	82,648	76,714	82,926	78,376	70,274	60,474
- of which depreciation, amortisation and impairment	AED m	19,665	19,444	9,680	9,193	8,304	8,000	7,446	6,421	5,136	4,134
- of which employee costs	AED m	7,830	12,058	12,623	13,080	12,864	12,452	11,851	10,230	9,029	7,936
- of which jet fuel	AED m	6,398	26,260	30,768	24,715	20,968	19,731	28,690	30,685	27,855	24,292
Operating (loss) / profit	AED m	(15,021)	6,408	2,647	4,086	2,435	8,330	5,893	4,260	2,839	1,813
(Loss) / profit attributable to the Owner	AED m	(20,279)	1,056	871	2,796	1,250	7,125	4,555	3,254	2,283	1,502
Consolidated statement of financial position											
Non-current assets	AED m	128,886	144,357	96,483	93,417	93,722	87,752	83,627	74,250	59,856	51,896
Current assets	AED m	22,891	27,705	30,915	34,170	27,836	31,427	27,735	27,354	34,947	25,190
- of which cash assets	AED m	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561	24,572	15,587
Total assets	AED m	151,777	172,062	127,398	127,587	121,558	119,179	111,362	101,604	94,803	77,086
Total equity	AED m	20,147	23,587	37,743	37,046	35,094	32,405	28,286	25,471	23,032	21,466
- of which equity attributable to the Owner	AED m	19,597	22,978	37,149	36,454	34,508	31,909	27,886	25,176	22,762	21,224
Non-current liabilities	AED m	95,925	99,583	52,190	49,975	48,082	48,250	48,595	43,705	40,452	30,574
Current liabilities	AED m	35,705	48,892	37,465	40,566	38,382	38,524	34,481	32,428	31,319	25,046
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	(4,454)	22,798	10,528	14,134	10,425	14,105	13,265	12,649	12,814	8,107
Cash flow from investing activities	AED m	(2,644)	(10,231)	(1,360)	(10,977)	(3,129)	(2,361)	(6,411)	(4,257)	(15,061)	(10,566)
Cash flow from financing activities	AED m	2,902	(9,366)	(9,807)	(6,442)	(10,502)	(7,975)	(6,264)	(7,107)	1,240	(201)
Net change in cash and cash equivalents	AED m	(4,196)	3,201	(639)	(3,285)	(3,206)	3,769	590	1,285	(1,007)	(2,660)
Other financial data											
Net change in cash assets	AED m	(5,141)	3,212	(3,383)	4,752	(4,320)	3,103	324	(8,011)	8,985	1,614
EBITDA	AED m	4,644	25,852	23,977	24,970	21,248	24,415	20,259	17,229	13,891	10,735
Borrowings and lease liabilities	AED m	107,576	110,157	53,039	51,101	51,002	50,105	47,808	42,431	40,525	30,880
Less: Cash assets	AED m	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561	24,572	15,587
Net debt	AED m	92,468	89,908	36,002	30,681	35,334	30,117	30,923	25,870	15,953	15,293
Capital expenditure	AED m	4,997	11,870	13,437	8,496	12,632	16,723	19,873	21,142	13,378	13,644

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.

Emirates ten-year overview

Key ratios		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Operating margin	%	(48.6)	7.0	2.7	4.4	2.9	9.8	6.6	5.2	3.9	2.9
(Loss) / profit margin	%	(65.6)	1.1	0.9	3.0	1.5	8.4	5.1	3.9	3.1	2.4
Return on Owner's funds	%	(95.3)	3.5	2.4	7.9	3.8	23.8	17.2	13.6	10.4	7.2
EBITDA margin	%	15.0	28.1	24.5	27.0	25.0	28.7	22.8	20.8	19.0	17.2
Cash assets to revenue and other operating income	%	48.9	22.0	17.4	22.1	18.4	23.5	19.0	20.0	33.6	25.0
Net debt to equity ratio	%	459.0	381.2	95.4	82.8	100.7	92.9	109.3	101.6	69.3	71.2
Net debt (incl. aircraft operating leases*) to equity ratio	%	459.0	381.2	209.8	216.4	237.9	215.9	212.1	209.9	186.4	162.1
Net debt (incl. aircraft operating leases*) to EBITDA	%	1,991.1	347.8	330.3	321.0	392.9	286.5	296.2	310.3	309.1	324.1
Effective interest rate on borrowings and lease liabilities	%	3.8	4.6	4.0	3.2	3.0	3.1	3.3	3.2	3.1	3.0
Fixed to floating debt mix		62:38	69:31	65:35	72:28	75:25	92:8	85:15	94:6	90:10	89:11
Key operating statistics											
Performance indicators											
Yield	Fils per RTKM	229	222	219	213	204	218	245	250	249	251
Unit cost	Fils per ATKM	177	141	146	139	132	132	158	162	167	166
Unit cost excluding jet fuel	Fils per ATKM	151	96	97	98	97	97	102	97	99	97
Breakeven load factor	%	77.2	63.4	66.4	65.2	64.5	60.4	64.7	64.9	66.9	65.9
Fleet											
Aircraft	number	259	270	270	268	259	251	231	217	197	169
Average fleet age	months	88	81	73	68	63	74	75	74	72	77
Production											
Destinations	number	157**	157**	158	157	156	153	144	142	133	123
Overall capacity	ATKM million	24,782	58,584	63,340	61,425	60,461	56,383	50,844	46,820	40,934	35,467
Available seat kilometres	ASKM million	64,062	367,153	390,775	377,060	368,102	333,726	295,740	271,133	236,645	200,687
Aircraft departures	number	79,156	189,081	203,281	201,858	204,543	199,754	181,843	176,039	159,892	142,129
Traffic											
Passengers carried	number'000	6,553	56,162	58,601	58,485	56,076	51,853	48,139	44,537	39,391	33,981
Passenger seat kilometres	RPKM million	28,353	288,148	299,967	292,221	276,608	255,176	235,498	215,353	188,618	160,446
Passenger seat factor	%	44.3	78.5	76.8	77.5	75.1	76.5	79.6	79.4	79.7	80.0
Cargo carried	tonnes'000	1,873	2,389	2,659	2,623	2,577	2,509	2,377	2,250	2,086	1,796
Overall load carried	RTKM million	12,510	39,505	42,304	41,250	39,296	36,931	34,207	31,137	27,621	23,672
Overall load factor	%	50.5	67.4	66.8	67.2	65.0	65.5	67.3	66.5	67.5	66.7
Employee											
Employee strength-Emirates	number	40,801	60,033	60,282	62,356	64,768	61,205	56,725	52,516	47,678	42,422
Employee strength-airline	number	33,304	47,518	47,808	49,740	51,628	48,023	44,571	41,471	38,067	33,634
Revenue per airline employee	AED'000	929	1,935	1,975	1,784	1,580	1,717	1,939	1,938	1,868	1,796

*pertains to year 2018-19 and earlier. From 1 April 2019, with the adoption of IFRS 16, applicable off-balance sheet leases have been capitalised on the consolidated statement of financial position and related lease liability is included in net debt.

**includes temporary suspensions due to COVID-19 pandemic.

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

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dnata ten-year overview

Consolidated income statement		**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Revenue and other operating income	AED m	5,541	14,760	14,419	13,074	12,182	10,630	9,160	7,565	6,622	5,755
Operating costs*	AED m	7,398	14,253	13,141	11,878	10,958	9,569	8,155	6,702	5,807	4,971
- of which employee costs	AED m	3,290	5,875	5,386	5,055	4,654	3,847	3,351	3,251	2,771	2,488
- of which airport operations direct costs	AED m	715	1,364	1,350	1,293	1,138	949	824	883	798	699
- of which inflight catering direct cost	AED m	326	1,352	1,070	843	794	715	735	663	601	451
- of which travel services direct costs	AED m	53	2,534	2,476	2,135	1,913	1,951	1,458	84	n/a	n/a
Operating (loss) / profit	AED m	(1,857)	507	1,278	1,196	1,224	1,061	1,005	863	815	784
(Loss) / profit attributable to the Owner	AED m	(1,821)	618	1,445	1,317	1,210	1,054	906	829	819	808
Consolidated statement of financial position											
Non-current assets	AED m	7,314	8,143	6,196	5,718	5,372	4,590	4,219	4,364	3,594	3,759
Current assets	AED m	6,960	8,560	8,895	8,574	6,675	6,388	5,427	4,303	3,977	3,360
- of which cash assets	AED m	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434	2,396	1,999
Total assets	AED m	14,274	16,703	15,091	14,292	12,047	10,978	9,646	8,667	7,571	7,119
Total equity	AED m	6,535	8,302	8,027	7,282	6,706	5,554	4,853	4,756	4,097	3,683
- of which equity attributable to the Owner	AED m	6,554	8,259	7,911	7,103	6,539	5,387	4,788	4,674	4,028	3,614
Non-current liabilities	AED m	3,839	4,109	2,126	1,734	1,542	1,362	1,213	1,386	1,351	1,275
Current liabilities	AED m	3,900	4,292	4,938	5,276	3,799	4,062	3,580	2,525	2,123	2,161
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	10	1,393	1,417	1,858	1,281	1,390	1,058	1,125	1,162	1,167
Cash flow from investing activities	AED m	(179)	(878)	78	(2,157)	(961)	(1,076)	(697)	316	(1,910)	(431)
Cash flow from financing activities	AED m	(548)	(899)	(643)	78	(146)	(496)	(344)	(443)	(343)	(718)
Net change in cash and cash equivalents	AED m	(717)	(384)	852	(221)	174	(182)	17	998	(1,091)	18
Other financial data											
Cash assets	AED m	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434	2,396	1,999

* includes net impairment loss on trade and other receivables.

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.

dnata ten-year overview

Key ratios		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Operating margin	%	(33.5)	3.4	8.9	9.1	10.0	10.0	11.0	11.4	12.3	13.6
(Loss) / profit margin	%	(32.9)	4.2	10.0	10.1	9.9	9.9	9.9	11.0	12.4	14.0
Return on Owner's funds	%	(24.6)	7.6	19.2	19.3	20.3	20.7	19.2	19.1	21.4	23.7
Employee											
Employee strength	number	34,344	48,503	45,004	41,007	40,978	34,117	27,428	22,980	20,229	18,356
Revenue per employee	AED'000	161	304	320	319	297	333	399	356	327	322
Key operating statistics											
Airport operations											
Aircraft turns handled	number	289,526	680,867	698,739	659,591	623,611	389,412	298,298	288,335	264,950	253,434
Cargo handled	tonnes'000	2,686	2,929	3,091	3,083	2,844	2,056	1,671	1,604	1,570	1,543
Catering											
Meals uplifted	number'000	16,939	93,492	70,889	55,718	60,747	57,062	57,687	41,275	28,584	26,708
Travel services											
Total transaction value (TTV)	AED m	229	10,751	11,459	11,281	10,687	11,747	9,782	5,892	5,357	2,630

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

Group ten-year overview

Financial highlights		2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue and other operating income*	AED m	35,586	104,002	109,255	102,409	94,706	92,896	96,053	87,766	77,536	66,149
Operating costs*	AED m	52,464	97,087	105,330	97,127	91,047	83,505	89,155	82,643	73,882	63,552
Operating (loss) / profit	AED m	(16,878)	6,915	3,925	5,282	3,659	9,391	6,898	5,123	3,654	2,597
Operating margin	%	(47.4)	6.6	3.6	5.2	3.9	10.1	7.2	5.8	4.7	3.9
(Loss) / profit attributable to the Owner	AED m	(22,100)	1,674	2,316	4,113	2,460	8,179	5,461	4,083	3,102	2,310
(Loss) / profit margin	%	(62.1)	1.6	2.1	4.0	2.6	8.8	5.7	4.7	4.0	3.5
Dividend to the Owner	AED m	-	-	500	2,000	-	2,500	2,569	1,026	1,000	850
Financial position											
Total assets**	AED m	165,872	188,461	142,267	141,625	133,281	129,989	120,886	110,100	102,188	84,127
Cash assets	AED m	19,798	25,565	22,159	25,365	19,066	23,453	20,033	18,995	26,968	17,586
Employee											
Employee strength	number	75,145	108,536	105,286	103,363	105,746	95,322	84,153	75,496	67,907	60,778

* After eliminating inter company income/expense of the year.
** After eliminating inter company receivables/payables as at year end.

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

Group companies of Emirates

Air transportation related services

Emirates

- 100% Dnata Travel (UK) Limited
  - 100% DN Travel ApS (Denmark)
  - 100% DS Travel GmbH (Germany)
  - 100% Emirates Vacations LLC (United States)
- 100% The High Street LLC (UAE)
- 100% Transguard Aviation Security LLC (UAE)
- 50% Emirates - CAE Flight Training LLC (UAE)
- 50% CAE Middle East Pilot Services LLC (UAE)

Catering services

Emirates

- 90% Emirates Flight Catering Co. (LLC) (UAE)
  - 80% Emirates Crop One LLC (UAE)
  - 65% Emirates Cuisine Solutions LLC (UAE)
  - 65% Kosher Arabia LLC (UAE)

Consumer goods

Emirates

- 100% Maritime and Mercantile International (Holding) LLC (UAE)
  - 100% MMI Tanzania PVT Ltd
  - 90.8% Prembev International FZE (UAE)
    - 100% Brand 2 Consumer (Pty) Ltd (South Africa)
  - 90% Seyvine Ltd (Seychelles)
  - 68.7% Maritime and Mercantile International LLC (UAE)
    - 100% Duty Free Dubai Ports FZE (UAE)
    - 100% Harts International LLC (UAE)
      - 100% Golden Globe (BVI) Ltd
        - 50% Arabian Harts International Ltd (BVI)*
    - 100% Harts International Retailers (Middle East) FZE (UAE)
    - 100% Maritime and Mercantile International FZE (UAE)
    - 70% Oman United Agencies LLC
      - 92.5% Sohar Catering & Supplies Co. LLC (Oman)
      - 67.1% Onas Trading LLC (Oman)
    - 50% Sirocco FZCO (UAE)
    - 49% Fujairah Maritime and Mercantile International LLC (UAE)
  - 50% Focus Brands Ltd (BVI)
  - 50% Lanka Premium Beverage PVT Limited (Sri Lanka)
  - 50% Queen OS Trading FZE (UAE)
  - 49% Independent Wine & Spirit (Thailand) Co. Ltd
  - 40% Cooperhouse Asia Pte. Ltd (Singapore)
  - 40% Diamond Wines & Spirits PTE. Ltd (Singapore)
  - 40% Platinum Wines & Spirits Pte. Ltd (Singapore)
  - 40% Royalton Wine & Spirits Private Ltd (Singapore)
  - 40% Titanium International Wines & Spirits PTE. Ltd (Singapore)
  - 15% Savero Distributors Ltd (Cyprus)

Hotel operations, food and beverage operations and others

Emirates

- 100% Emirates Hotels (Australia) Pty Ltd
- 100% Emirates Hotel LLC (UAE)
- 100% Emirates Land Development Services LLC (UAE)
- 100% Emirates Leisure Retail (Holding) LLC (UAE)
  - 100% Air Ventures Holding, Inc. (USA)
    - 75% Air Ventures, LLC (USA)
      - 100% Air Ventures LGA, LLC (USA)
  - 100% Emirates Leisure Retail (Australia) Pty Ltd
    - 100% ELRA Properties Pty Ltd (Australia)
    - 100% Hudcom Pty Ltd (Australia)
    - 100% Hudsons Adelaide Airport Pty Ltd (Australia)
    - 100% Hudsons Airport Launceston Pty Ltd (Australia)
    - 100% Hudsons Albury Pty Ltd (Australia)
    - 100% Hudsons Bendigo Pty Ltd (Australia)
    - 100% Hudsons Bourke Spring Pty Ltd (Australia)
    - 100% Hudsons Elizabeth (Melb) Pty Ltd (Australia)
    - 100% Hudsons Epworth Richmond Pty Ltd (Australia)
    - 100% Hudsons Gawler Pty Ltd (Australia)
    - 100% Hudsons George (Bris) Pty Ltd (Australia)
    - 100% Hudsons Grenfell Currie Pty Ltd (Australia)
    - 100% Hudsons Hospital Australia Pty Ltd (Australia)
    - 100% Hudsons Hospitals Nth Adelaide Pty Ltd (Australia)
    - 100% Hudsons Hospitals S.A. Pty Ltd (Australia)
    - 100% Hudsons Hospitals Victoria Pty Ltd (Australia)
    - 100% Hudsons King William Pty Ltd (Australia)
    - 100% Hudsons Launceston Pty Ltd (Australia)
    - 100% Hudsons Little Collins Flinders Pty Ltd (Australia)
    - 100% Hudsons Liverpool Pty Ltd (Australia)
    - 100% Hudsons Murray Pty Ltd (Australia)
    - 100% Hudsons Shepparton Pty Ltd (Australia)
    - 100% Hudsons WA Airports Pty Ltd (Australia)
    - 100% Hudsons William Pty Ltd (Australia)
  - 100% Emirates Leisure Retail (Singapore) Pte Ltd
  - 100% Emirates Leisure Retail (New Zealand) Ltd
  - 68.7% Emirates Leisure Retail LLC (UAE)
- 51% Premier Inn Hotels LLC (UAE)

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as country of principal operations.
*Country of principal operations is UAE.

Group companies of dnata

Airport Operations

dnata

- 100% Dnata Aviation Services Limited (UK)
  - 100% Airline Cleaning Services Pty Ltd (Australia)
  - 100% dnata Aviation Services Canada Limited
    - 50% G.T.A. Dnata Ground Handling Limited (Canada)
    - 50% G.T.A. Dnata Ground Handling YVR Limited (Canada)
    - 50% G.T.A. Dnata World Cargo Limited (Canada)
  - 100% dnata Aviation Services US Inc. (USA)
    - 100% ALX Cargo Center IAH LLC (USA)
    - 100% dnata Aviation USA Inc.
    - 100% Ground Services International Inc. (USA)
    - 100% Metro Air Service Inc. (USA)
  - 100% dnata BV (The Netherlands)
    - 100% dnata NV (Belgium)
  - 100% dnata Limited (UK)
    - 100% dnata Cargo Limited (UK)
    - 100% dnata Ground Limited (UK)
    - 35.7% Airports Bureau Systems Ltd (UK)
  - 100% Dnata Switzerland AG
    - 30% GVAssistance SA (Switzerland)
  - 99% dnata Pty Ltd (Australia)
    - 100% dnata Airport Services Pty Ltd. (Australia)
    - 100% Airport Handling Services Australia Pty Ltd
  - 70% Airport Handling SpA (Italy)
  - 70% RM Servicos Auxilliares de Transporte Aereo Ltda (Brazil)
  - 95% Air Dispatch (CLC) s.r.o. (Czech Republic)
    - 100% Air Dispatch (CLC) Spolka z.o.o. (Poland)
- 100% dnata, Inc. (Philippines)
  - 100% dnata Clark Inc. (Philippines)
- 100% Dnata International Airport Services Pte Ltd (Singapore)
  - 100% CIAS International Pte Ltd (Singapore)
    - 100% dnata Singapore Pte Ltd (Singapore)*
      - 20% Guangzhou Baiyun International Airport Ground Handling Services Co. Ltd (P. R. China)
- 100% Dubai Express LLC (UAE)
- 100% Freightworks Logistics LLC (UAE)
- 80% Dnata Airport Services Kurdistan (Cayman Islands)
  - 100% Dnata for Airport Services Ltd (Kurdistan, Iraq)
- 70% Dubz Holding Limited (BVI)
  - 100% Delivering Your Bags Passenger Luggage Delivery LLC (UAE)
- 51% Bolloré Logistics LLC (UAE)
- 51% Dnata PW Airport Logistics LLC (UAE)
- 50% Gerry's Dnata (Private) Ltd (Pakistan)

Catering

dnata

- 100% Dnata Catering Services Limited (UK)
  - 100% Alpha Flight Group Limited (UK)
    - 100% Alpha Flight Services Pty Ltd (Australia)
      - 100% Alpha ATS Pty Ltd (Australia)
      - 100% dnata Catering Australia Subsidiary 2 Pty Ltd
        - 100% dnata Catering Australia Subsidiary 1 Pty Ltd
      - 100% Snap Fresh Pty Ltd (Australia)
    - 100% Alpha Flight US, Inc.
      - 100% Alpha Inflight US, LLC
      - 84.5% dnata Catering US, LLC (USA)
        - 100% 121 Group Holdings LLC (USA)
          - 100% 121 at BNA LLC (USA)
          - 100% 121 at Oxford LLC (USA)
          - 100% dnata US Inflight Catering LLC (USA)
          - 100% North Salem Deli LLC (USA)
    - 100% Dnata Catering Canada Limited
    - 100% dnata Catering Ireland Ltd
    - 100% dnata Catering UK Limited (England)
      - 100% Alpha Flight UK Ltd
    - 100% dnata s.r.l (Italy)
    - 80% Alpha Flight a.s. (Czech Republic)
    - 64.2% dnata Catering SRL (Romania)
    - 49% Alpha Flight Services UAE LLC
    - 35.9% Jordan Flight Catering Company Ltd
    - 28.7% Silver Wings OOD (Bulgaria)
      - 99.2% Consortium Alpha DZZD (Bulgaria)
  - 100% En Route International Limited (UK)
    - 100% En Route Belgium NV
    - 100% En Route International Australia Pty, Ltd
    - 100% En Route International General Trading LLC (UAE)
    - 100% En Route International Limited (Hong Kong)
    - 100% En Route International South Africa (Pty) Ltd
    - 100% En Route International USA, Inc.

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as country of principal operations.
* Also provides catering services.

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Group companies of dnata

Travel services

dnata / dnata World Travel

- 100% Cleopatra International Travel Co. W.L.L. (Bahrain)
- 100% Destination Asia Limited (UAE)
  - 100% Destination Asia (Singapore) Pte Limited
  - 100% Destination Asia Destination Management Sdn Bhd (Malaysia)
  - 100% Destination Asia Japan Limited
  - 100% Destination Asia Limited (Hong Kong)
    - 100% Cruise Asia By Destination Asia Limited (Hong Kong)
    - 100% eDA Services Limited (Hong Kong)
  - 100% Destination Asia (Thailand) Limited
  - 100% Destination Asia (Vietnam) Limited (Hong Kong)
    - 100% Travel Management Services Limited (Hong Kong)
  - 100% Destination Group Asia (Hong Kong) Limited
  - 100% DMC Management Asia Services Limited (Hong Kong)
  - 100% PT Destination Asia (Indonesia)
- 100% dnata International Private Ltd (India)
  - 100% dnata Marketing Services Pvt Ltd (India)
- 100% dnata Travel and Tourism WLL (Bahrain)
- 100% dnata Travel Holdings UK Limited
  - 100% Airline Network Limited (UK)
  - 100% Gold Medal Travel Group Ltd (UK)
    - 100% Gold Medal Transport Ltd (UK)
  - 100% Personalised Travel Services Limited (UK)
  - 100% Sunmaster Limited (UK)
  - 100% Travel 2 Limited (UK)
  - 100% Travelbag Limited (UK)
  - 100% Travel Republic Ltd (UK)
  - 82.28% BD4 Travel Limited (UK)
    - 100% BD4 Travel GmbH (Germany)
  - 14.29% Travel Technology Initiative Limited (UK)
- 100% Destination Asia LLC (UAE)
- 100% dnata Travel Inc. (Philippines)
- 100% dnata d.o.o. Beograd (Serbia)
- 100% Maritime and Mercantile International Travel LLC (UAE)
  - 76.9% Oman United Agencies Travel LLC
    - 100% Sama Travel & Services International LLC (Oman)
    - 50% Moon Travel LLC (Oman)
- 100% Dunya Travel LLC (UAE)
  - 100% Dunya Air Services LLC (UAE)
- 100% Najm Travel LLC (UAE)*
- 100% Travel Partners LLC (UAE)
  - 100% Travel Partners Iberian, Sociedad Limitada (Spain)
  - 100% Travel Partners (London) Limited (UK)
- 75% Super Bus Tourism LLC (UAE)
- 70% dnata Travel Company Limited (Saudi Arabia)
  - 100% dnata Aviation Services Company Limited (Saudi Arabia)
- 60% Priohub LLC (UAE)
- 51% Imagine Enterprises Limited (UK)
  - 100% Imagine Cruising GmbH (Germany)
  - 100% Imagine Cruising Limited (UK)
    - 100% Imagine Transport Limited (UK)
  - 100% Imagine Cruising Pty Ltd (Australia)
  - 100% Imagine Cruising (Pty) Ltd (South Africa)
  - 100% Imagine Cruising (WA) PTY Ltd (Australia)
- 50% Travel Counsellors LLC (UAE)

Others

dnata

- 100% Plafond Fit Out LLC (UAE)
- 100% Transecure LLC (UAE)
- 50% Transguard Group LLC (UAE)
  - 100% CASS International General Trading LLC (UAE)
  - 50% Transguard Cash LLC (UAE)
    - 100% Transguard Cash Services LLC (UAE)
  - 100% Transguard Group International LLC (UAE)
    - 100% Transguard Group Cash KSA LLC (UAE)
    - 51% Transguard Group International LLC (Oman)

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as country of principal operations.
*Country of principal operations is Iraq.

Glossary

A

Acquisitions – The sum of purchase consideration for acquisition of subsidiaries and investments made in associates and joint ventures.

ASKM (Available Seat Kilometre) – Passenger seat capacity measured in seats available multiplied by the distance flown.

ATKM (Available Tonne Kilometre) – Overall capacity measured in tonnes available for carriage of passengers and cargo load multiplied by the distance flown.

B

Breakeven load factor – The load factor at which revenue will equal operating costs.

C

Capacity – see ATKM

Capital expenditure – The sum of additions to property, plant and equipment and intangible assets.

Capitalised value of aircraft operating lease costs – 60% of future minimum lease payments for aircraft on operating lease (applicable to financial years 2018-19 and before). From 1 April 2019, with the adoption of IFRS 16, the related lease liabilities are included in net debt.

Cash assets – The sum of short term bank deposits and cash and cash equivalents.

D

Dividend payout ratio – Dividend accruing to the Owner divided by profit attributable to the Owner.

E

EBITDA – Operating profit before depreciation, amortisation and impairment (and aircraft operating lease rentals for financial years 2018-19 and before).

EBITDA margin – EBITDA expressed as a percentage of the sum of revenue and other operating income.

Equity ratio – Total equity divided by total assets.

F

Fixed to floating debt mix – Ratio of fixed rate debt to floating rate debt. The ratio is based on net debt (including aircraft operating leases for financial years 2018-19 and before).

Free cash flow – Cash generated from operating activities less cash used in investing activities adjusted for the movement in short term bank deposits.

Freight yield (Fils per FTKM) – Cargo revenue divided by FTKM.

FTKM - Cargo tonnage uplifted multiplied by the distance carried.

N

Net debt – Borrowings and lease liabilities (current and non-current) net of cash assets.

Net debt to equity ratio – Net debt in relation to total equity.

O

Operating cash margin – Cash generated from operating activities expressed as a percentage of the sum of revenue and other operating income.

Operating margin – Operating profit expressed as a percentage of the sum of revenue and other operating income.

Overall load factor – RTKM divided by ATKM.

Owner's funds – Average of opening and closing equity attributable to the Owner.

P

Passenger seat factor – RPKM divided by ASKM.

Passenger yield (Fils per RPKM) – Passenger revenue divided by RPKM.

Profit margin – Profit attributable to the Owner expressed as a percentage of sum of revenue and other operating income.

R

Return on Owner's funds – Profit attributable to the Owner expressed as a percentage of Owner's funds.

RPKM (Revenue Passenger Kilometre) – Number of passengers carried multiplied by the distance flown.

RTKM (Revenue Tonne Kilometre) – Actual traffic load (passenger and cargo) carried measured in terms of tonnes multiplied by the distance flown.

T

Total revenue – Sum of revenue and other operating income.

Total transaction value – The sum of gross revenue from agency and package sales, net of government taxes.

Traffic – see RTKM

Transport revenue – The sum of passenger, cargo and excess baggage revenue.

U

Unit cost (Fils per ATKM) – Operating costs (airline only) incurred per ATKM.

Y

Yield (Fils per RTKM) – Revenue (airline only) earned per RTKM.

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