THE EMIRATES GROUP

Annual Report 2021-22

His Highness Sheikh Mohammed bin Rashid Al Maktoum

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

In the 50th year since its foundation, the UAE brought the world together at Expo 2020 Dubai to celebrate human achievement, ambition and aspiration. Nations across the globe came together to address our most critical challenges and share new ideas for shaping a sustainable, prosperous, and bright future.

Hosting Expo 2020 Dubai was an expression of our vision for an inclusive, connected world. The largest event in the World Expo's history was also the first in which each of the participating countries had a pavilion of its own. The event gave millions of people from all over the world an opportunity to exchange insights and forge new connections, raising Dubai's profile as a global city that bridges cultures and opens new possibilities.

The global event was a testament to our resilience and our ability to rebuild and recover after a testing time. By providing a platform for showcasing the best of human ingenuity, Expo 2020 Dubai gave new hope for overcoming the globe's greatest challenges.

Expo 2020 Dubai may be over, but its legacy and our drive for progress through worldwide engagement continues. Over the next 50 years, we will continue to bring nations and institutions together to promote sustainable development. By creating centres of excellence in various sectors and a hub for the world's brightest entrepreneurs and talent, we seek to inspire progress not only in our nation but also beyond our borders.

Advancing global connectivity is vital to ensure a flow of people, goods, knowledge and ideas. This is why the aviation sector is key to our vision. Emirates and dnata, two of the UAE's biggest homegrown international brands, with a presence in over 100 countries, are among global aviation's top success stories. Reflecting our nation's values, these companies have made us proud through a relentless pursuit of excellence and innovation.

As an aviation giant, the Emirates Group plays an important role in accelerating our growth by generating employment and facilitating trade and tourism. The Group has demonstrated its ability to rebound from the global repercussions of the pandemic, supported by its strong business foundations that have been built on farsighted investments in people, technology and infrastructure, apart from strong industry partnerships and customer trust. It has also been a champion of corporate social responsibility, supporting sports and cultural events, and initiatives focused on disadvantaged children, conserving nature and humanitarian and philanthropic aid.

The next 50 years hold exciting prospects for the UAE and the world, and I look forward to seeing the Emirates Group's continued success as it works with its stakeholders to generate even more value for the economy and society.

Emirates is a global airline, serving 150 airports in 78 countries from its hub in Dubai, United Arab Emirates.

dnata is one of the world's largest combined air services providers, serving over 300 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.

Contents

Financial highlights

Emirates Group

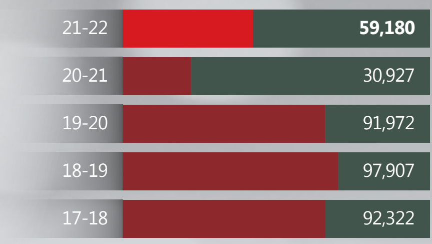
Financial highlights		2021-22	2020-21	Higher/ (lower) %
Revenue and results				
Revenue and other operating income*	AED m	66,248	35,586	86.2
Operating loss	AED m	(278)	(16,878)	(98.4)
Operating margin	%	(0.4)	(47.4)	47.0 pts
Loss attributable to the Owner	AED m	(3,807)	(22,100)	(82.8)
Loss margin	%	(5.7)	(62.1)	56.4 pts
Financial position				
Total assets**	AED m	164,355	165,872	(0.9)
Cash assets	AED m	25,778	19,798	30.2
Employee				
Employee strength	number	85,219	75,145	13.4

* After eliminating inter-company income/expense of AED 1,492m in 2021-22 (2020-21: AED 882m).

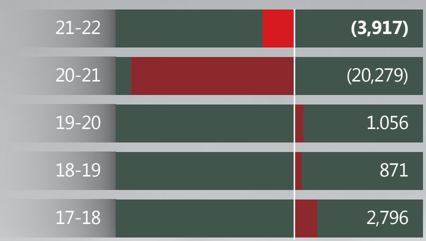
** After eliminating inter-company receivables/payables of AED 453m as at the reporting date (2020-21: AED 179m).

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

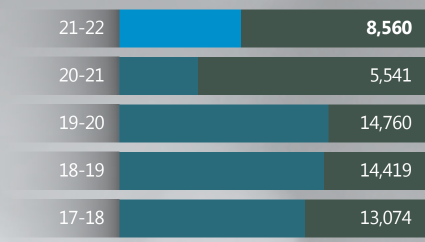
The financial year of the Emirates Group is from 1 April to 31 March. Throughout this report all figures are in UAE Dirhams (AED) unless otherwise stated. The exchange rate of the Dirham to the US Dollar is fixed at 3.67.



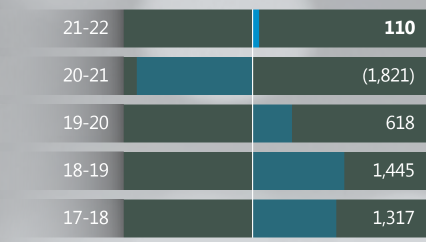
Revenue and other operating income in AED m



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



Revenue and other operating income in AED m



Profit / (loss) attributable to the Owner in AED m

Emirates

Financial highlights		2021-22	2020-21	Higher/ (lower) %
Revenue and results				
Revenue and other operating income	AED m	59,180	30,927	91.4
Operating loss	AED m	(438)	(15,021)	(97.1)
Operating margin	%	(0.7)	(48.6)	47.9 pts
EBITDA	AED m	17,728	4,644	281.7
EBITDA margin	%	30.0	15.0	15.0 pts
Loss attributable to the Owner	AED m	(3,917)	(20,279)	(80.7)
Loss margin	%	(6.6)	(65.6)	59.0 pts
Return on Owner's funds	%	(19.9)	(95.3)	75.4 pts
Financial position				
Total assets	AED m	149,984	151,777	(1.2)
Cash assets	AED m	20,880	15,108	38.2
Net debt to equity ratio	%	371.0	459.0	(88.0) pts
Key operating statistics				
Passengers carried	number '000	19,562	6,553	198.5
Cargo carried	tonnes '000	2,139	1,873	14.2
Passenger seat factor	%	58.6	44.3	14.3 pts
Overall capacity	ATKM million	36,394	24,782	46.9
Available seat kilometres	ASKM million	159,962	64,062	149.7
Aircraft	number	262	259	3 nos
Employee				
Employee strength	number	45,843	40,801	12.4

dnata

Financial highlights		2021-22	2020-21	Higher/ (lower) %
Revenue and results				
Revenue and other operating income	AED m	8,560	5,541	54.5
Operating profit / (loss)	AED m	160	(1,857)	NM
Operating margin	%	1.9	(33.5)	35.4 pts
Profit / (loss) attributable to the Owner	AED m	110	(1,821)	NM
Profit / (loss) margin	%	1.3	(32.9)	34.2 pts
Return on Owner's funds	%	1.7	(24.6)	26.3 pts
Financial position				
Total assets	AED m	14,824	14,274	3.9
Cash assets	AED m	4,898	4,690	4.4
Key operating statistics				
Aircraft turns handled	number	527,501	289,526	82.2
Cargo handled	tonnes '000	2,966	2,686	10.4
Meals uplifted	number '000	39,890	16,939	135.5
Travel services: Total Transaction Value (TTV)	AED m	2,318	229	912.2
Employee				
Employee strength	number	39,376	34,344	14.7

NM - not meaningful (for comparison)

His Highness Sheikh Ahmed bin Saeed Al Maktoum

Chairman and Chief Executive Emirates Airline & Group

Our business recovery picked up pace in 2021-22 as pandemic-related restrictions lifted around the world, particularly in the second half of our financial year. We closed the year with significantly improved Group revenues of AED 66.2 billion, up 86% compared to last year. Despite rising inflation and persistently high average oil prices, dnata returned a profit of AED 110 million and Emirates substantially reduced its loss to AED 3.9 billion.

Across Emirates and dnata, we quickly reinstated services to meet rebounding customer demand. Working closely with our industry partners and stakeholders, we restored passenger flight operations, airport, catering and travel services, while staying focussed on safety, the health and wellbeing of our people and customers, and ensuring that our services are maintained at the high standards expected of us.

We recalled employees on furlough or unpaid leave, rehired those previously impacted by layoffs, and launched recruitment drives to support our increased operations as well as to add new skills to our talent pool. By 31 March 2022, the Emirates Group workforce was 85,219-strong, an increase of 13% over last year.

Even as we rebuilt our network and operations, we continued to launch new products and services. As a Group we invested over AED 7.9 billion in new aircraft, engines, equipment, facilities and technologies to strengthen our competitive advantage and ensure we keep delivering value-added, world-class experiences to our customers.

2021-22 was also a special year for the Emirates Group as the UAE celebrated its 50th year of nationhood, and hosted Expo 2020 Dubai - welcoming the world to the most inclusive, and biggest Expo yet. The success of Expo 2020 and the numerous other jubilee initiatives demonstrate the UAE's resilience amidst the ongoing pandemic, and Dubai's undiminished attraction as a global destination.

We were proud to have contributed to the Expo's success across the Emirates Group, whether it was providing security or catering services for the pavilions, ground tours and hotel accommodation for visitors, or cargo transport.

As Official Premier Partner, Emirates utilised its global brand and marketing muscle to help raise awareness of Expo 2020 and encourage tourism. We transported millions of people to the UAE over the six-month event, many of whom were first time visitors. We also hosted visitors from over 190 nations, including dignitaries, celebrities, and other VIP guests at our 'future of aviation' - themed Emirates Pavilion.

Fittingly, as part of the Expo legacy, the Emirates Pavilion will be transformed into an innovation centre where the best minds and partners will join us in developing future solutions for our business and the broader aviation industry.

Emirates' year in review

As travel restrictions around the world eased, we reinstated services, added flights to dozens of cities, and ramped up our A380 deployment to efficiently serve pent-up customer demand. We also added a new destination Miami, USA, to our route network in July. By 31 March 2022, Emirates was operating over 1,100 weekly passenger flights to 127 airports around the world. With our entire Boeing 777 fleet and over half of our A380s in active service, the airline's total passenger and cargo capacity in 2021-22 was 36.4 billion ATKMs, up 47% compared to 2020-21.

Emirates' strong revenue increase of 91% to AED 59.2 billion, reflects the increased capacity deployed as well as our continued ability to attract and retain our customers. This year, Emirates carried 19.6 million passengers, nearly triple from 6.6 million last year, and uplifted 2.1 million tonnes of cargo, up 14%.

In 2021-22, we received delivery of five new A380 aircraft, including our 123rd and final A380 on order. To meet strong customer demand for our Premium Economy product, Emirates will embark on a major retrofit programme from November 2022, to equip 120 of our existing 777 and A380 aircraft with our latest cabin class, as well as refreshed interiors.

During the year, we supplemented our network rebuild with the expansion of our interline and codeshare agreements and reactivation of strategic partnerships with Qantas and flydubai, ensuring our customers can easily access even more connections and cities. We also signed agreements with over a dozen tourism organisations, committing our support to broader recovery in travel and tourism.

To assure and encourage travellers to return to the skies, we introduced numerous initiatives to ease their journey and boost travel confidence. This included digital technologies that enable the quick and secure verification of COVID-19 travel documents, expanded biometrics and contactless touchpoints at our Dubai hub, and the extension of our generous refunds, rebooking waivers, complimentary COVID-19 medical cover for all customers and Emirates Skywards frequent flyer tier status review and miles expiry.

Our cargo business continued to perform strongly, contributing 37% to overall Emirates revenue even with the ongoing pandemic-disruptions to global logistics and supply chains.

Leveraging our signature strengths of agility, customer focus, innovation, fleet and network capabilities, Emirates SkyCargo built on the headway made in the previous year in terms of network and capacity restoration. By 30 June 2021, our cargo division had restored services to over 90% of our pre-pandemic network.

We helped keep vital trade lanes open and moved essential items across the world including food and fresh products, e-commerce and other high-value goods. Emirates SkyCargo also continued to play an important role in ensuring communities get rapid access to vaccines and other medical supplies, By March 2022, we had transported 1 billion doses of COVID-19 vaccines.

Investing in our capacity and capabilities for future growth, during the year we scaled up our pharma cool chain infrastructure in Dubai and in November, we announced a US$ 1 billion investment to acquire two new Boeing 777 freighters and convert four of our existing 777-300ER aircraft into freighters.

dnata's year in review

dnata's agility and ability to respond to market opportunity across all business divisions in the UAE and internationally, has driven our recovery from a position of loss last year to a profit of AED 110 million in 2021-22.

Our total revenue increased by 54% to AED 8.6 billion, with international operations accounting for 62% of total revenue.

During the year, dnata continued to scale up operations to support our airline customers' increased flight operations across 136 airports around the world, and demand from corporate and leisure travel customers for travel bookings.

In 2021-22, our airport operations handled 527,501 aircraft turns globally, up 82%, and 3.0 million tonnes of cargo, up 10%, compared to the previous year. Our catering division uplifted 39.9 million meals, more than double the volumes of last year, reflecting the recovery of airline passenger traffic. Similarly, dnata's Travel services division saw a strong uptake in travel services sold, with a nine-fold increase in total transaction value (TTV) to AED 2.3 billion, a reversal from last year's pandemic-related booking cancellations.

dnata's performance reflects our strong foundations and our ability to earn customer trust and their business. During the year, our airline customers revived their contracts with us as they reinstated their passenger operations, and we also won new contracts, notably the concession agreement with The Government of Zanzibar to manage the operations of their new international airport, and our Catering & retail unit's takeover of easyJet's global onboard retail services.

We encourage innovation and plan to triple our annual technology investment to ensure we have the right tools in place to deliver the best products and services.

During the year, we invested significantly in our cargo handling capabilities. We expanded our facilities in Sydney, Australia; opened a state-of-the-art cargo centre at London Heathrow airport; and announced a fully automated cargo centre to be built at 'dnata Cargo City' at Amsterdam Schiphol Airport.

We celebrated the 30th anniversary of marbaha, our airport hospitality brand, and grew its international footprint further with the launch of our signature meet-and-greet airport service at four of Australia's major airports, and the opening of a new lounge in Zurich Airport. We also completely refreshed and re-designed our flagship lounge at Dubai International.

Environment

As operations ramped up across the Group, we remained ever conscious of our responsibility to preserve our planet's resources and reduce our environmental impact.

During 2021-22, we progressed various initiatives under our Emirates Group Environmental Sustainability Framework which focusses on three areas: reducing emissions; consuming responsibly; and preserving wildlife and habitats.

Reducing emissions is a continual effort across Emirates and dnata, where we are driving continuous operational efficiencies through technology, people and process improvements.

At dnata, we are also increasing our investments in electric and hybrid ramp, ground support equipment (GSE) and forklifts, and refurbishing existing GSE with new technologies.

At Emirates, our long-standing operational fuel efficiency programme investigate ways to reduce fuel burn and emissions, while we continue to review opportunities with sustainable and low carbon aviation fuels.

At the Dubai Airshow in November, Emirates and GE Aviation signed an MoU to develop a programme that will see a Boeing 777-300ER, powered by GE90 engines, conduct a test flight using 100% sustainable aviation fuel (SAF) by the end of 2022.

Across the Group, we continued to invest in renewable energy.

In March, The Sevens Stadium in Dubai inaugurated the region's first and largest solar carport at a sporting facility, generating sufficient clean energy to power most of the Stadium's operations throughout the year. It will also cut CO_2 emissions by 1,496 tonnes annually. This latest initiative adds to our existing solar energy investments including at Emirates Engineering Centre and Emirates Flight Catering.

dnata has installed renewable energy features at our existing facilities in the UK, Singapore and Ireland including solar panels, air-source heat pumps and electric vehicle charging. At MMI, our beverage marketing and distribution business, we've equipped our Dubai Distribution Centres with the capability to generate solar power sufficient for 60% of our requirements, saving over 400 tonnes of carbon per year.

We're committed to responsible consumption across our business activities. This covers the full lifecycle of sourcing, purchasing, consuming and managing the disposal of products and equipment.

A highlight in 2021-22 was our partnership with UAE-based Falcon Aircraft Recycling to dismantle and upcycle Emirates' first retired Airbus A380. Approximately 190 tonnes of metals, plastics, carbon fibre composites and other materials will be saved from landfill and repurposed into bespoke furniture and other collectibles with net profits from the sale of all items upcycled and recycled to benefit our charity, the Emirates Airline Foundation.

Across our diverse operations, we continue to make progress in reducing single-use plastic. At MMI, Emirates Official Stores, and Emirates' inflight duty free service, we've replaced plastic bags with sustainable alternatives such as bio-degradable, jute and organic bags. Onboard the airline, over 150 million single-use plastic items are saved from landfill annually through a mix of initiatives to replace plastic items with more sustainable alternatives, as well as waste segregation and recycling.

Teams at Emirates Flight Catering and across dnata's catering operations around the world continually look at innovative solutions and technologies to reduce food waste. This year, dnata signed an MoU with Singapore's Blue Aqua Food Tech, where organic waste from our catering and ground handling operations will be upcycled into alternative insect protein for aquafeeds.

Emirates and dnata are actively involved in habitat conservation and the fight against illegal wildlife trafficking. We are members of the United for Wildlife Transport Taskforce, and signatories to the Buckingham Palace Declaration. This year, we welcomed the launch of the United for Wildlife Middle East and North Africa Regional Chapter in Dubai, which will further enhance the regional response to the illegal wildlife trade.

Communities

Through our CSR platforms - the Emirates Airline Foundation and dnata4good, as well as other corporate initiatives, we aim to positively impact the communities we serve.

We work with NGO partners on humanitarian and charitable initiatives. Our various programmes in 2021-22 helped provide disadvantaged children and communities with access to food, shelter, education and medical services. We also engage in programmes that support entrepreneurs, small and medium sized businesses, and initiatives that encourage innovation and develop future talent for careers in travel and aviation.

Leveraging our air transport and logistics capabilities, we help move people and goods for humanitarian causes, from carrying medical workers on mercy missions, to establishing a Humanitarian Airbridge carrying much-needed medical supplies to support India in its pandemic response.

Through Emirates' extensive sponsorships portfolio of sports, culture and arts around the globe, we aim to bring our customers and fans closer to their passions and inspire young people in their pursuit of sports or culture.

Looking ahead

2021-22 was largely about recovery, after the toughest year in our Group's history.

It's not just about restoring our capacity, but also augmenting our future capabilities as we rebuild. Our aim is to build back better and stronger, so that we can deliver even better experiences to our customers and offer more support to the communities we serve.

We expect the Group to return to profitability in 2022-23, and are working hard to hit our targets, while keeping a close watch on headwinds such as high fuel prices, inflation, new COVID-19 variants, and political and economic uncertainty.

Our steady investments in infrastructure, technology, people and partnerships, will continue to give us the ability and advantage in delivering industry-leading products and value to our customers.

As Dubai and the UAE move ahead with its strategy for the next 50 years and beyond, the Emirates Group is well positioned to play our role in contributing to economic growth, facilitating global engagement, and making a positive impact on people and communities.

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

Adel Ahmad Al Redha
Chief Operating Officer
Emirates Airline

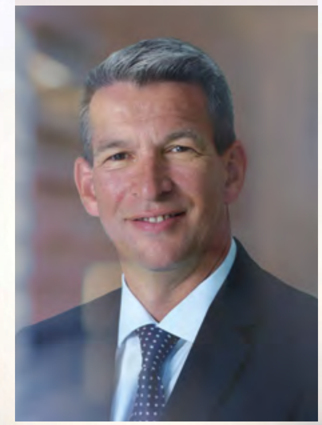
Adnan Kazim
Chief Commercial Officer
Emirates Airline

Michael Doersam
Group Chief Financial Officer

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

Steve Allen
Executive Vice President
dnata



Emirates highlights

8 Apr

Emirates reaffirms care for its customers with further extensions of ticket validity, refunds and rebooking waivers, multi-risk travel insurance cover, and Emirates Skywards Tier Status and Miles validity

10 Apr

Emirates conducts a milestone "fully-vaccinated flight" EK2021, highlighting the UAE's impressive vaccination drive and the readiness of its aviation industry for travel rebound

Enhancing customer experience and travel confidence

To deliver the best customer experiences in the air and on the ground, Emirates continued to invest in its products and services. This year, Emirates announced a major retrofit programme to equip 120 of its 777 and A380 aircraft with its new Premium Economy seats and the latest cabin interiors.

Emirates led the industry with initiatives that provide customer assurance as travel restrictions eased and more people made travel plans. It also accelerated digital initiatives to provide customers with smoother and safer journeys, from the quick and secure verification of COVID-19 travel documents, to more biometrics and contactless touchpoints at its Dubai hub.

emirates.com remained a top reference site for the latest travel requirements, updated at least once daily with information verified by Emirates' on-site teams across its network.

To inspire customers as they research travel options, Emirates launched a sky-high stunt that captured the internet's imagination featuring an Emirates cabin crew on the top of the Burj Khalifa, the world's tallest building. It also launched the first airline virtual reality app, offering customers an immersive experience of what they can expect onboard.

26 Apr
Emirates and Dubai Health Authority implement digital verification of COVID-19 medical records for UAE-based travellers

Emirates inks strategic agreement with global tech giant Huawei to expand the reach of both brands in China, the Middle East and Africa, through joint marketing and customer-centric initiatives in the mobile and digital space

18 May

22 Jun
Emirates offers a summer of live sports and cool new content on ice for travellers

5 Jul
Emirates re-opens its dedicated First Class Lounge at DXB to serve increased premium demand

5 Jul
Emirates is first to launch a payment solution built on new industry-supported protocols, EmiratesPay, in partnership with Deutsche Bank

6 Jul
Emirates Holidays simplifies Dubai arrivals and departures with the launch of Airport Ease and Airport Ease +

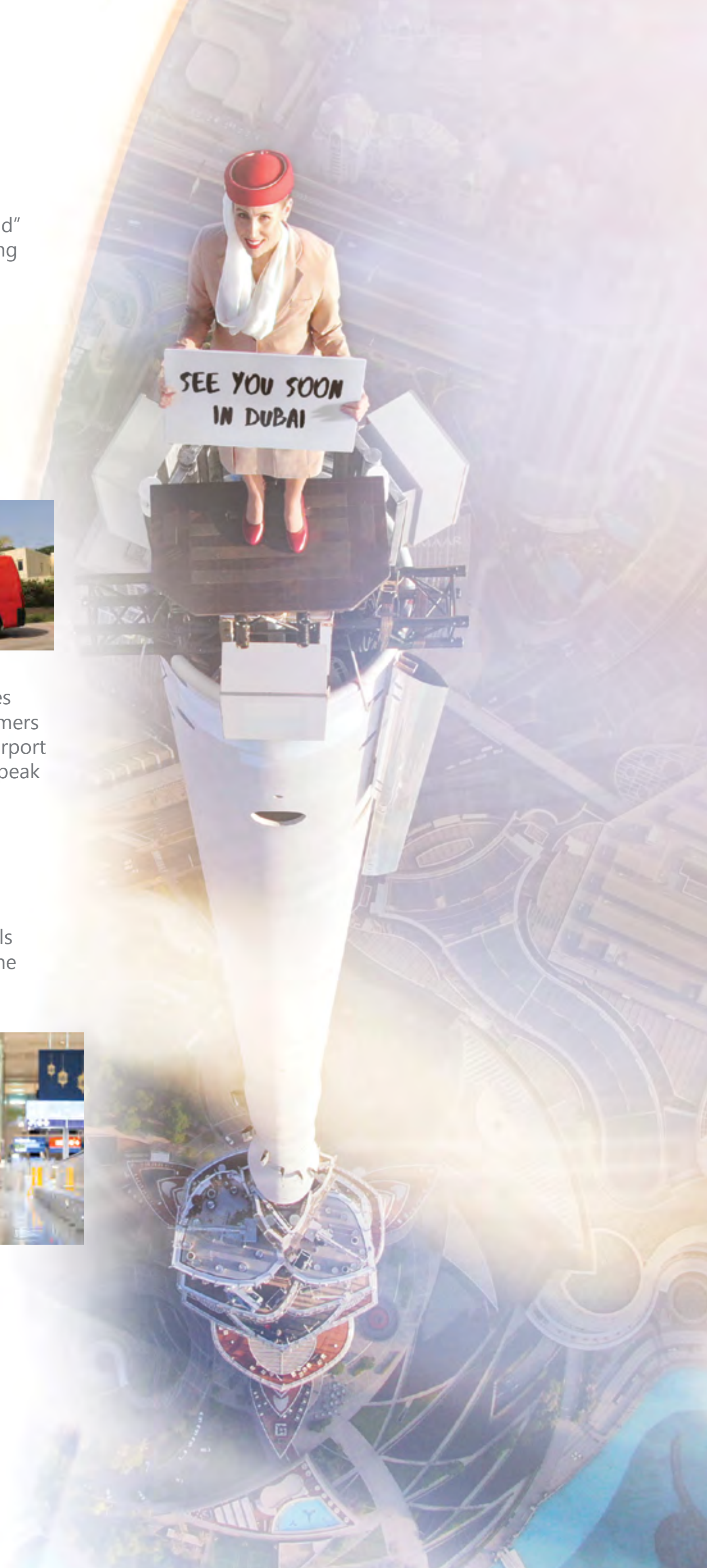
1 Aug

Emirates' innovative home check-in services help over 2,500 customers ease through Dubai airport during the July travel peak

5 Aug

Emirates' updated free baggage policy enables customers to pack more into their Africa trip

Emirates launches bold "top of the world" ad on the world's tallest building, inviting the world to fly better to Dubai
9 Aug



9 Aug
EmiratesRED pre-order duty-free service provides customers access to exclusive retail items and digital shopping convenience with delivery at the seat

11 Aug
Emirates Skywards launches "Skywards+" to offer its global members access to exclusive rewards

23 Aug
Over 2 million customers supported with travel and ticketing changes since the pandemic began, as Emirates lives up to its customer experience promise of flexibility and support

13 Sep
Emirates launches first airline virtual reality app in Oculus store, the world's most popular VR platform

23 Sep
Emirates becomes first airline to implement the IATA Travel Pass across six continents

7 Oct
Emirates brings exclusive HBO Max premium content onboard its award-winning ice system

14 Nov
Emirates showcases its four-class A380 with new Premium Economy cabin and refreshed interiors at the Dubai Airshow

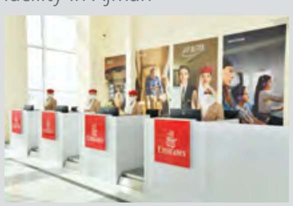
19 Dec
Emirates partners with the UAE's Alhosn National Health System for smoother COVID-19 document checks and travel experiences to EU countries

21 Dec
Emirates re-opens its signature Lounges at more than 20 airports across its network, offering premium customers and frequent flyers added travel comfort with plans to reinstate services at over 120 dedicated Emirates Lounges and partner facilities by February

11 Feb Emirates inaugurates a new lounge facility dedicated for unaccompanied young flyers at Dubai International

15 Mar Emirates Skywards and ICICI Bank announce new co-branded credit card in India

1 Mar Emirates opens a dedicated check-in facility in Ajman



Empowering travel industry partners

During the year, Emirates continued on its journey to empower its travel trade partners in delivering better, tailored products to Emirates customers, by offering them more choices of channels and commercial models to access Emirates content, and future new distribution capability (NDC)

27 Jan Emirates signs new distribution agreement with Amadeus to offer the travel trade community more flexibility, choice and future capabilities

1 Jul Travelport and Emirates reach agreements on un-surcharged content, NDC distribution and IT service extension

12 Aug Emirates enhances NDC offers with ATPCO's Routehappy Content, expanding its retail reach around the world

5 Oct Emirates and Sabre reach new distribution agreement, and will partner on advanced retailing, data and analytics capabilities

Expanding connectivity through partnerships

17 May
Emirates and flydubai reactivate strategic partnership, building on Dubai's connectivity to offer more choices for travellers

16 Aug
Emirates and Airlink expand partnership, offering travellers access to over 40 domestic and regional destinations across 12 African countries

3 Aug
Emirates announces interline partnership with Mexico's Aeromar

18 Aug
Emirates signs codeshare agreement with Brazilian airline, Azul

23 Aug
Emirates enters interline agreement with South Africa's Cemair

Accelerating our global network recovery

Emirates quickly rebuilt its global network as travel restrictions around the world eased during the year. It reinstated services, added flights to dozens of cities, and ramped up the deployment of its popular A380 aircraft to efficiently serve pent-up customer demand. On 22 July 2021, Emirates launched a new route to Miami, USA.

By 31 March 2022, all of Emirates' Boeing 777 aircraft and more than half of its A380 fleet were in active service, connecting people to their loved ones and businesses to global opportunities. During the year, Emirates received delivery of five A380 aircraft including its 123rd in December, completing its order commitment as the largest customer of the world's largest commercial passenger aircraft. These latest A380s to join its fleet are all equipped with Emirates' new Premium Economy seats and refreshed interiors across all cabins.

Helping travellers access even more destinations, Emirates joined hands with new interline and codeshare partners during the year and reinforced existing strategic partnerships with Qantas and flydubai. Emirates also signed agreements and launched initiatives with tourism partners to support travel and tourism recovery.

29 Sep

Emirates and South African Airways reactivate codeshare connections as the latter airline resumes operations

Emirates and Qantas extend strategic partnership for further five years until 2028

4 Oct

Emirates and TAP Air Portugal expand codeshare partnership with 23 more destinations added

2 Nov

14 Nov

Emirates and Gulf Air seal agreement to develop codeshare partnership

Emirates signs codeshare agreement with airBaltic to offer customers enhanced connectivity to/from Latvia, Estonia, Lithuania and Finland

25 Nov

Emirates inks MoU with Maldivian to explore connectivity and other partnership opportunities

10 Feb

9 Mar

Emirates and Garuda Indonesia launch codeshare partnership

Supporting tourism recovery

19 May
Emirates forges a partnership with Indonesia's Ministry of Tourism & Creative Economy to support tourism industry recovery

27 Oct
Emirates signs an MoU with the Ministry of Tourism Maldives at Expo 2020, reaffirming a long-standing partnership of over 30 years and outlining key initiatives to support the country's tourism recovery

31 Oct
Emirates signs an MoU with the Seychelles Tourism Board at Expo 2020, underscoring the airline's continued commitment to the island-nation, and laying out mutually beneficial activities to boost trade and tourism to the country, including trade shows, trade familiarisation trips, exhibitions, and workshops

21 Jan
Emirates signs an MoU to promote tourism to The Bahamas

4 Feb
Emirates signs agreement with Turespaña to boost tourism to Spain

17 Feb
Saudi Tourism Authority and Emirates sign a strategic tourism MoU to attract global travellers to Saudi Arabia

25 Feb
Emirates signs an agreement with the Tourism Authority of Thailand to promote travel to the Southeast Asian Kingdom

7 Mar

Emirates signs an MoU with Sri Lanka Tourism Bureau to help drive trade and tourism to the country

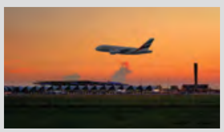
Reinstating A380 operations

1 Aug
Emirates' A380 service returns to Mauritius to serve growing demand

14 Sep
Emirates announces start of scheduled daily A380 service to Istanbul

27 Sep
Emirates expands A380 network with deployment to 27 cities by November to meet growing demand in time for winter travel

12 Nov
Emirates reinstates signature A380 service on flights to Bangkok



1 Dec
Emirates' A380 return to Australian skies to serve the Dubai-Sydney route daily, as Australia eases travel restrictions

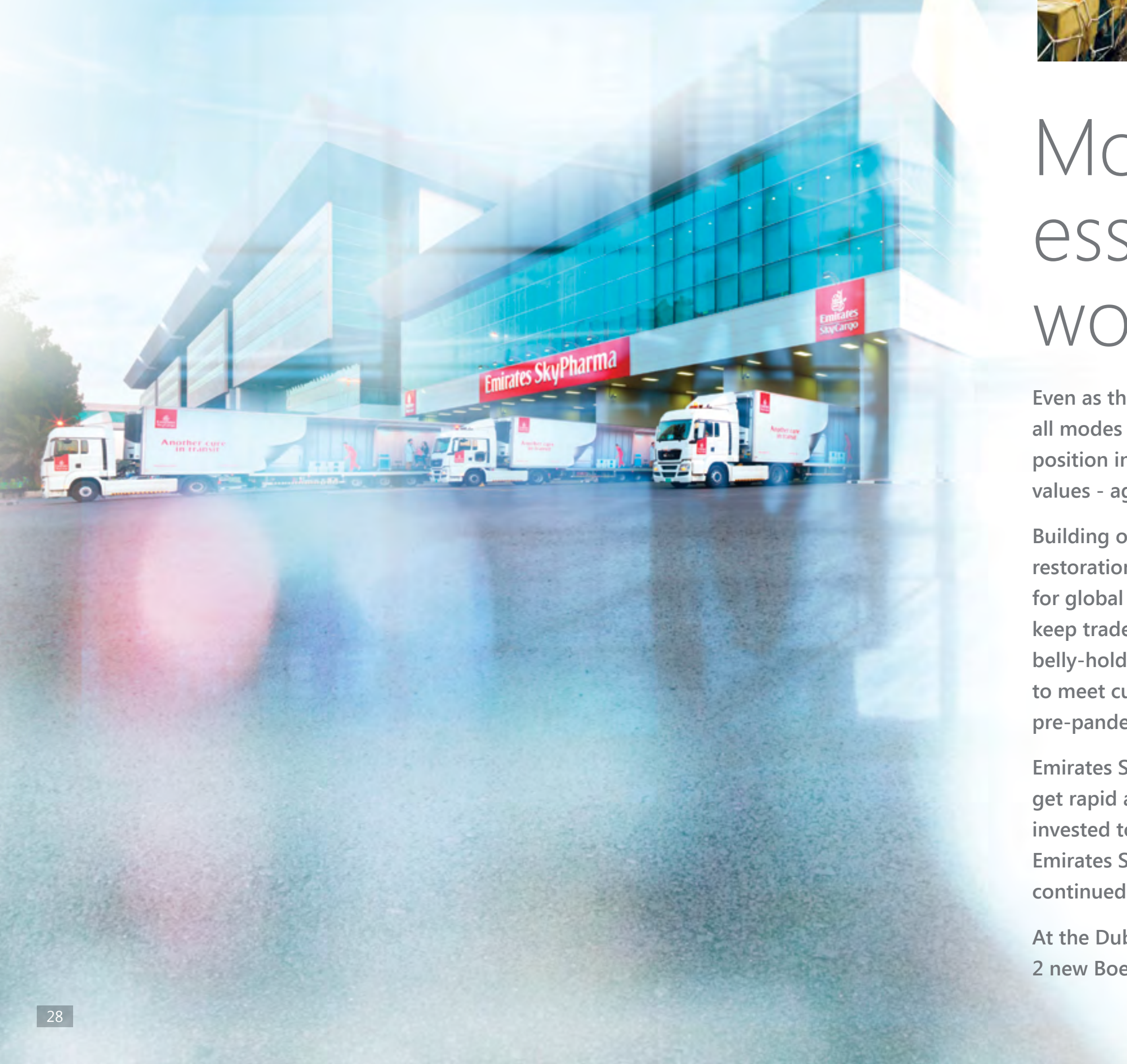
16 Dec
Emirates completes A380 fleet with 123rd delivery of iconic aircraft

16 Mar
Customer favourite Emirates A380 returns to serve Mumbai daily

9 May Emirates launches India humanitarian airbridge from Dubai to nine Indian cities, helping organisations like the WHO and Dubai's International Humanitarian City to transport urgent COVID-19 relief items free-of-charge, to support India's pandemic containment efforts. Some 100 tonnes of relief items were shipped under this initiative

1 Apr Emirates SkyCargo becomes first air cargo carrier to deliver 50 million doses of COVID-19 vaccines to more than 50 destinations

6 May Emirates SkyCargo marks one year of utilising passenger seats and overhead bins for the transportation of urgent cargo, mostly PPE supplies. More than 3,100 flights have been operated to date using specially developed safety protocols to load cargo in passenger cabins, with over 11,000 tonnes carried



Moving vaccines and essential goods to the world through Dubai

Even as the pandemic continued to create difficulties across the entire supply chain and all modes of transportation, Emirates SkyCargo continued to maintain its leadership position in the global airfreight industry by focusing on its signature strengths and values - agility, customer focus, innovation, fleet and network capabilities.

Building on the headway it made in the previous year in terms of network and capacity restoration, Emirates SkyCargo remained highly responsive to the complex landscape for global logistics and supply chains in 2021-22. Supporting exporters and helping keep trade lanes open, Emirates SkyCargo intelligently deployed its freighter fleet, belly-hold capacity, and converted 777 passenger aircraft for cargo-only missions, to meet customer needs. By 30 June 2021, it had restored services to over 90% of its pre-pandemic network.

Emirates SkyCargo continued to play an important role in ensuring communities get rapid access to COVID-19 vaccines and other medical supplies. In June, Emirates invested to scale up its pharma cool chain infrastructure in Dubai. By March 2022, Emirates SkyCargo had transported 1 billion doses of COVID-19 vaccines. It also continued to move essential trade goods including food and medical supplies.

At the Dubai Airshow 2021, Emirates announced a US$ 1 billion investment to acquire 2 new Boeing 777 freighters and convert 4 existing 777-300ER aircraft into freighters.

8 Jun

Emirates SkyCargo expands its Dubai hub pharmaceutical and vaccine handling capabilities with the addition of 94 cool room pallet positions to its EU GDP-certified pharma facility. The expansion enables the carrier to hold 60-90 million more doses of COVID-19 vaccines at any one time

15 Jul

Emirates SkyCargo flies equine champions from Liege to the Tokyo Olympics in eight charter flights, carrying over 200 horses in specially designed stalls, 59 grooms, 100 tonnes of special equipment and 20 tonnes of food and drink

13 Sep

Emirates SkyCargo partners with WiseTech Global, a leading software solutions provider to the logistics industry, to provide its customers even better booking experiences with direct access to its flights and inventory

15 Nov

Emirates announced a US$ 1 billion investment to acquire 2 new freighter aircraft from Boeing, and to convert 4 Boeing 777-300ER passenger aircraft into freighters by Israel Aerospace Industries (IAI)

19 Dec

Emirates SkyCargo marks milestone with the transportation of 600 million doses of six different COVID-19 vaccines, to over 80 cities around the world

19 Jan

Emirates SkyCargo is named "Safest Global Airline Partner" 2021 for the transportation of temperature sensitive pharmaceutical shipments by SkyCell, one of the leading global manufacturers of specialised containers for the transportation of sensitive pharma goods by air

1 Feb

Emirates SkyCargo enhances US midwest connectivity with the launch of freighter services to Chicago Rockford International, expanding its freighter footprint in the Americas to 20 destinations

26 Mar

In response to escalating volumes and demand, Emirates SkyCargo reinstates its pre-pandemic, dual hub operations in Dubai. Dedicated freighter operations return to Emirates SkyCentral at Dubai World Central (DWC), while bellyhold cargo operations remain at Dubai International airport (DXB). A fleet of dedicated trucks ensure 24/7 connectivity between operations at both airports, supported by initiatives including a Dubai Port-DWC customs road, and a partnership with Dubai Ports to facilitate the speedy transfer of sea-air freight

Emirates offer complimentary Expo Pass to all customers flying to and through Dubai during the Expo period, providing customers with the opportunity to "visit the world in one place" at the world's biggest ever Expo

9 Aug

Emirates Skywards launches innovative campaign for members to "Earn a Mile-A-Minute in Dubai", encouraging Dubai stopovers and visits

3 Aug

16 Aug

Emirates rolls out custom liveries for its Boeing 777 and Airbus A380 aircraft to mark the UAE's 50th anniversary

7 Sep

Emirates partners with Hollywood star Chris Hemsworth in a bold new campaign inviting visitors to experience Expo 2020 Dubai

Global spotlight on the UAE and Dubai

Emirates airline's business model and the broader Emirates Group's operations are intrinsically linked to Dubai and the UAE.

Throughout 2021-22, the Emirates Group joined the nation in celebrating the UAE's 50th jubilee and welcoming the world to Expo 2020 Dubai. It launched numerous initiatives to encourage visits to the UAE and Expo 2020, and showcase the UAE's values and future aspirations.

As UAE flag carrier, and Premier Partner of Expo 2020, Emirates orchestrated and participated in various high-visibility flypasts, utilising its global reach to spread awareness of the Expo and the UAE's year of the 50th.

Over the 6-month event, Emirates brought millions of passengers to the Expo from over six continents. It also invested over AED 200 million in advertising and promotional campaigns to promote the event across its global markets, and hosted hundreds of thousands of Expo visitors at the Emirates Pavilion. Emirates also supported and encouraged employees to get involved in the excitement of the world's mega-event, as a volunteer, through various employee engagement initiatives as well as exclusive discounts and complimentary access for employees and dependents.

Almost 17,000 employees in Dubai and around the world completed online learning courses about Expo 2020 and the Emirates Pavilion, equipping them with confidence and knowledge to engage with and excite our customers about the Expo.

The Emirates Pavilion, themed around the future of aviation in 2071, welcomes its first visitors as Expo 2020 officially opens its doors to the world

1 Oct

12 Oct

Emirates announces a low-level flypast over Dubai featuring its A380 in blue Expo 2020 livery, as part of its Expo marketing campaign

18 Oct

Emirates offers small and medium-sized enterprises more reasons to visit Expo 2020 with benefits through its Emirates Business Rewards programme

3 Nov

Emirates Group employees mark UAE Flag Day, celebrating national pride during the nation's 50th jubilee year

14 Nov

Emirates' 777 and A380, joined by other UAE carriers, usher in the opening of Dubai Airshow and mark 50 years of unity with magnificent flypast

3 Dec

Emirates' A380 soars over the Sevens Stadium in a dazzling flypast to celebrate the UAE's 50th Jubilee during the Emirates Airline Dubai Rugby 7s, Dubai's longest running sporting event

17 Jan

Emirates launches another viral ad that puts its cabin crew and Expo 2020 on top of the world's travel agenda

27 Jul

Australia's counter-terrorism ambassador visits Emirates Group Security with a delegation to discuss border enforcement, general crime prevention pursuits, aviation security, and continuous security education in building a strong security culture

3 Oct

Emirates hosted its 5th AVSEC Global Symposium 2021 with a high-profile speaker line up to share best practices in strengthening aviation security amid pandemic challenges

6 Oct

Emirates Group Security (EGS) and ICAO sign an MoU to work closely on capacity building for the industry by providing ICAO-recognised Diploma programmes provided by EGS and Edith Cowan University (ECU)

8 Nov

Emirates Flight Training Academy invites UAE and international applicants to join its world-class cadet training programme with an exclusive initiative for academy graduates to apply for a flying career at Emirates as second officer

9 Nov

Building a pipeline of commercial pilots, Emirates Flight Training Academy graduated its 50th cadet with its successful second cohort of cadets

8 Mar

Young female aviator from Bahrain becomes first international cadet to graduate from Emirates Flight Training Academy; highlights the importance of female role models in aviation by sharing her own inspirational story

Other highlights

While responding to the challenges of the pandemic across its operations, Emirates continued to contribute to building the future of aviation through its own initiatives as well as dialogue and engagement with industry stakeholders.

Emirates also maintained its active support in Intelak and Aviation X-lab - incubator programmes in the UAE focussed on future solutions for travel and aviation.

Its relentless drive to deliver the best experience for its customers, and drive excellence across its business was recognised through various awards and accolades during the year.

Awards

26 May

Emirates wins record 8th consecutive '*Best Airline Worldwide*' award, racking up three honours at the Business Traveller Middle East Awards 2021

15 Aug

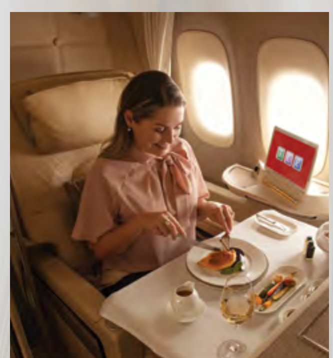
Emirates wins triple gold at the RoSPA awards for the safety of its transport services in UAE

30 Sep

At the Skytrax 2021 World Airline Awards, Emirates takes home the '*Best Airline Inflight Entertainment*' award for an unbeaten run since 2005, in addition to a COVID-19 Excellence Award, and was ranked overall 4th amongst the world's top airlines

20 Oct

Emirates clinches four gongs at the World Travel Awards 2021, as voted by tourism consumers for being the Middle East's '*Leading Airline First Class*'; '*Leading Airline – Brand*'; '*Leading Airline – Lounge – Business Class*'; and '*Leading Airline Rewards Programme*'



26 Oct

Emirates is recognised for excellence in digital customer experience by Sitecore®, one of the world's leading digital experience platforms, for '*Best Use of a Customer Data Platform*'

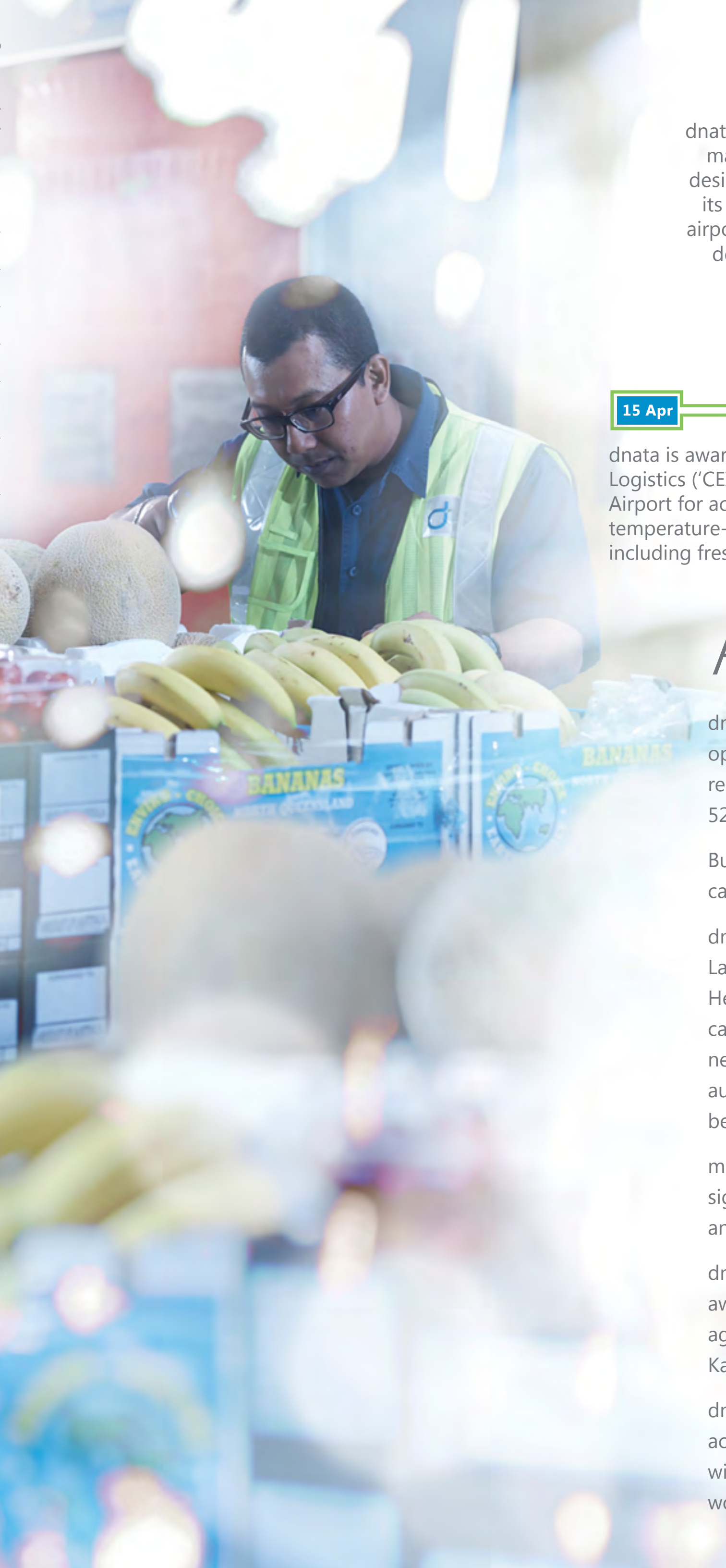
2 Nov

Emirates Group Security wins Gold once again at the prestigious Sheikh Khalifa Excellence Awards, one of the highest accolades for business excellence, for its organisation of the bi-annual AVSEC Global Symposium

7 Dec

Emirates is crowned World Class Airline at the APEX Official Airline Ratings™

dnata highlights



5 Apr

dnata's airport hospitality brand, marhaba, reveals a brand-new design and experience at one of its flagship Dubai International airport lounges. The new lounge design and experience will be rolled out across marhaba's airport lounges globally

15 Apr

dnata is awarded IATA's Centre of Excellence for Perishable Logistics ('CEIV Fresh') certification at Singapore Changi Airport for achieving the highest quality and standards in the temperature-controlled handling of perishable products, including fresh fruits, meat, fish, dairy and flowers

20 May

dnata signs a five-year lease with Sydney Airport to expand its existing cargo facility at the international airfreight terminal. The enlarged 16,300m^2 site with direct ramp access features an increased number of landside and airside docks as well as enhanced processing capacity and throughput with flexibility to scale

Airport operations

dnata experienced a large demand for its ground handling and passenger services, as countries opened up for international travel and more airlines reinstated flight services, while cargo volumes have remained strong throughout the pandemic. In 2021-22, dnata's airport operations globally handled 527,501 aircraft turns, up 82%, and 3.0 million tonnes of cargo, up 10%, compared to the previous year.

Building on its strong foundations, dnata made significant investments during the year to enhance its capabilities and services.

dnata expanded its cargo facilities in Sydney, Australia; opened a new, GDP-certified export facility in Lahore, Pakistan; inaugurated a state-of-the-art cargo centre in its 'dnata City East' complex at London Heathrow airport; expanded its warehouse at Dallas Fort Worth airport; announced a fully automated cargo centre to be built at 'dnata Cargo City' at Amsterdam Schiphol Airport and committed to a new warehouse in Erbil, Iraq. It also introduced an advanced "OneCargo" system which digitises and automates business and operational functions at its Iraq cargo operations, with plans for the system to be rolled out across its global cargo network.

marhaba, dnata's airport hospitality brand, marked its 30th year of operations with the launch of its signature meet and greet services at four of Australia's major airports, a new lounge in Zurich Airport, and a re-designed experience at its flagship lounge at Dubai International.

dnata's efforts to consistently deliver safe and high quality services was recognised at key industry awards during the year, and also enabled it to secure major contracts, notably the concession agreement with The Government of Zanzibar to manage the operations of Zanzibar Abeid Amani Karume International Airport's new international terminal.

dnata's quality of service and high safety standards helped it win 80 and renew over 240 contracts across its network. dnata's innovative solutions and customer-oriented approach were also recognised with prestigious industry accolades including the global '*Ground Handler of The Year*' award, which it won for the 7th consecutive time.

25 May

dnata partners with UAE-based Global Jet Technic (GJT) to provide best-in-class line maintenance support to airlines in Dubai. The partnership sees dnata promote GJT's quality and reliable services, offering its 150 customers a one-stop-shop of ground handling, cargo and technical services at Dubai International and Dubai World Central airports

7 Jun

dnata partners with Kale Logistics Solutions to develop a next-generation e-commerce platform for the cargo community in the UAE. The partnership will take dnata's existing platform, CALOGI to a new level to provide industry leading, one-stop services, including appointment and customs services management through advanced digital solutions

17 Jun

dnata opens an advanced facility at Dubai International airport, specialised in the maintenance of airside passenger buses. The 5,000m² workshop is equipped with new equipment and technology that ensure continuous improvements in the safe and productive maintenance of the DXB bus fleet, enhancing serviceability and supporting smooth transport operations across the airport for passengers, crew and staff

30 Jun

Gerry's dnata, dnata's group company in Pakistan, is awarded the Good Distribution Practice (GDP) certification for safe and reliable pharmaceutical handling services at its state-of-the-art cargo facility in Karachi

21 Sep

For the 7th consecutive time, dnata is named '*Ground Handler of the Year*' at the 2021 Air Cargo News Awards. The recognition is a testament to the dnata teams' unwavering commitment to safety, quality and innovation

6 Oct

dnata is recognised as '*Cold Chain Service Provider of the Year*' at the 8th Payload Asia Awards in Singapore. The accolade demonstrates dnata's ability to handle temperature-sensitive products under the highest international standards

7 Oct

dnata launches autonomous drones in its warehouses at Dallas Fort Worth International Airport in the USA, to digitise acceptance and warehouse inventory processes by monitoring shipments with 99.8% accuracy. The innovative software of dnata's partner, Gather AI, enables the drones to map the environment, collect inventory data, count cases, measure temperature, and read barcodes using only their cameras, without the need for any additional active infrastructure

9 Nov

marhaba turns 30. Since 1991, millions of travellers landing in Dubai have been welcomed by its team with its signature meet & greet service. Its product offering has evolved to include a multitude of options designed to ease and fast-track passengers' journey and it has expanded its global footprint to 14 airport lounges

17 Nov dnata achieves a memorable milestone in its green journey by delivering a zero-emission turnaround with its new Kalmar pushback tractor at the Dubai Airshow

24 Nov dnata expands its global airport operations footprint into Africa. It signs a concession agreement with The Government of Zanzibar and announces a US$ 7 million investment in the local aviation industry. Under the agreement, dnata will oversee the operations of Zanzibar Abeid Amani Karume International Airport's newly-built international terminal (Terminal 3) with its partners, including Emirates Leisure Retail (ELR) who will partner with MMI as master concessionaire for all food and beverage, duty free and commercial outlets at the terminal

30 Nov dnata is named '*Ground Support Services Provider of the Year*' at the 2021 Aviation Business Awards in Dubai for the 11th time. The prestigious award underscores dnata's position as a leading ground services provider in the Middle East

6 Dec IATA awards dnata USA the IATA Safety Audit for Ground Operations (ISAGO) Accreditation, following the successful completion of a comprehensive audit of the company and its ground-handling operations at New York-JFK Airport

9 Dec Gerry's dnata receives the 'Best Station' accolade at the 2021 Pride of Ground Handling Awards for world-class services at its Islamabad hub. The company's local team supported one of the largest repatriation missions of the year by ensuring safe and seamless flight operations

20 Dec marhaba launches its globally renowned meet & greet services in Australia to help travellers enjoy a safe and seamless travel experience throughout their journey. Both arriving and departing passengers can take advantage of marhaba's services at Sydney, Melbourne, Adelaide and Brisbane airports

11 Jan dnata trials autonomous vehicles at Dubai International to further enhance efficiency across its global ground handling operations through cutting-edge technologies

13 Jan Gerry's dnata obtains Maintenance Organisation Approval from the Pakistan Civil Aviation Authority to provide aircraft line maintenance services to airline customers. With the expansion of its portfolio, the company offers a one-stop-shop of ground handling, cargo and technical services at the airports of Karachi, Lahore and Islamabad

24 Jan dnata is certified by IATA's Center of Excellence for Independent Validators (CEIV) for its industry-leading pharma and live animal handling processes at its cargo facilities and the Animal Care & Inspection Centre at Brussels Airport

25 Jan

dnata announces its new U.S. headquarters in Orlando's Lake Nona, a smart and connected community contiguous to Orlando International Airport. The state-of-the-art office will support the company's U.S. operation that provides a range of ground, passenger, and cargo handling services to more than 60 airlines across the country. The new headquarters is expected to open in 2022

31 Jan

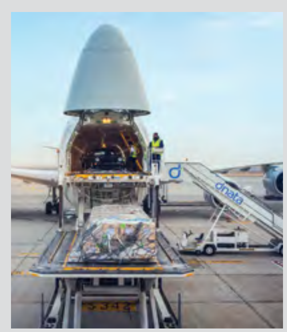
dnata announces a major, over € 200 million investment in a fully automated cargo centre, dnata Cargo City Amsterdam, at Schiphol Airport. As one of the largest and most advanced facilities of its kind, dnata Cargo City Amsterdam will significantly enhance cargo capacity in The Netherlands. It will enable dnata and its customers to substantially expand operations and business, stimulating local economy and trade

dnata recruits more than 400 aviation professionals for its team in Zanzibar. Successful candidates will provide quality and safe ground handling, cargo and airport hospitality, including meet & greet and lounge services to airlines and their customers at the airport's new international terminal

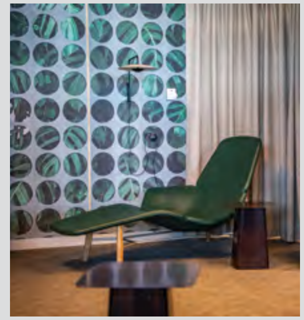
1 Feb

dnata implements the 'OneCargo' system, digitising processes and maximising efficiencies across its cargo operations in Iraq. The advanced tool automates key business and operational functions, including safety and quality monitoring, reporting and ULD management, with an integrated, cloud-based platform. dnata will gradually implement OneCargo at additional stations, including airports in Pakistan, Switzerland, UAE, USA and Tanzania across its extensive global cargo network

8 Feb



marhaba opens a new airport lounge at Zurich Airport, offering excellent value services to passengers of all airlines and travel classes. The stylish facility replaces the popular dnata Skyview Lounge after a complete renovation of the interiors



11 Mar

dnata inaugurates a new, state-of-the-art cargo centre at London Heathrow airport (LHR). Part of the 'dnata City East' complex, the bespoke facility further increases dnata's capacity at LHR, ensuring continued smooth handling of a broad range of goods amid rapidly increasing demand for reliable and safe air cargo services in the UK

31 Mar

4 May

dnata signs an MoU with Blue Aqua Food Tech to boost food security in Singapore. The partnership sees Blue Aqua upcycle organic waste from dnata's catering and ground handling operations into alternative insect protein for aquafeeds

5 Jul

dnata launches operations at London City Airport with its newest customer, BA CityFlyer. The catering & retail team provides menus featuring new brunch and afternoon tea services

1 Oct

dnata's retail food business grows rapidly across the world. Meals developed by the Snapfresh Australia team launch in 400 Aldi stores across the country. With a team of award-winning chefs behind its all-encompassing menu portfolio, Snapfresh not only offers a direct to market retail range, but also works with businesses to create food solutions tailored to their specific requirements

Catering & retail

Reflecting the recovery of airline passenger traffic, dnata's catering division uplifted nearly 39.9 million meals to airline customers in 2021-22, more than double the volumes compared to last year.

Significant customer wins during the year include BA CityFlyer, which led to dnata Catering launching operations at London City Airport; and the global inflight retail services contract for easyJet where dnata's team of inflight retail experts will develop and manage bespoke onboard retail programmes and solutions for the airline.

As Australia re-opened its borders to international travellers, dnata worked closely with airline customers to support their resumption of flight operations. dnata Catering teams also continued to grow its retail food business with ready-made meals developed by Snapfresh Australia launched in Aldi and Costco stores all across Australia.

1 Feb

dnata’s catering teams work closely with airline customers to support them in reconnecting Australia with the world. dnata’s culinary professionals ensure an excellent dining experience for passengers as they take to the skies again

28 Feb

dnata’s retail unit achieves another remarkable milestone in Australia as the Snapfresh team’s gourmet, ready-made meals start being sold in Costco stores all over the country

22 Mar

dnata expands its Sanford operation to cover Melbourne, Florida, and services TUI's inaugural flight from Manchester, UK

29 Mar

Officially launching the new partnership between dnata and easyJet, the first flight takes off from London Gatwick Airport. Members of the dnata leadership team join their colleagues on the ground to get the flight ready for take-off, in strong cooperation with the airline’s team. The easyJet contract is a significant milestone for dnata’s catering and retail business, cementing its position as a leading end-to-end inflight and airport service provider, globally

31 Mar

alphaFlight Services, dnata’s group company with Air Arabia in Sharjah, inaugurates a new airport hotel in partnership with Sharjah Airport. alpha led the full hotel renovation from conceptualisation to final build and will continue to manage the entire operation

1 Apr

dnata successfully implements hybrid solutions as part of its meetings and events offering, allowing its customers to continue engaging with stakeholders, and offering a sustainable alternative to hosting corporate engagements during lockdown

27 May

dnata is selected to provide a comprehensive range of sales, marketing and contact centre services to Singapore Airlines as its general sales agent (GSA) in the Northern Emirates. The partnership sees dnata act as the essential link between Singapore's flag carrier and local trade, supporting its commercial operations beyond Dubai, to extend across five additional emirates

15 Jul

City Sightseeing, part the world's leading open-top bus brand, relaunches its operations in Dubai with its unique, award-winning city tour featuring new, enhanced health and safety measures. First launched in the UAE in 2014 as a joint venture with the dnata Travel Group, City Sightseeing Dubai has grown to become one of the city's most popular and recognisable tour options

26 Aug

REHLATY by dnata Travel, the unique travel brand designed by Emiratis for the Emirati traveller, reveals its upcoming plans to ignite women's passion for travel across the UAE, including new all-women group travel itineraries

Travel

dnata's Travel services division saw a strong uptick in travel services sold, with demand returning quickly wherever travel restrictions were eased.

Leveraging its strong market presence and expertise, dnata Travel Group brands launched various new products and services in the UAE during the year, capitalising on Dubai's open borders for international travel, as well as the city's hosting of Expo 2020 Dubai and other major conferences and sporting events.

1 Sep

The dnata Travel store at Dubai's Mall of the Emirates reopens following a renovation project. A new-look one-stop travel shop is revealed, as traveller demand for retail support from the UAE's longest-standing travel company increases

19 Oct

dnata Travel Group brands win seven accolades at the 2021 World Travel Awards Middle East. Titles include: *'Middle East's Leading Airline GSA'*, *'Middle East's Leading Corporate Travel Company'*, *'Bahrain's Leading Travel Management Company'*, and *'Saudi Arabia's Leading Travel Agency'*. A highlight for the Group at the prestigious travel industry awards includes the success of Arabian Adventures across the following three categories for a second consecutive year: *'UAE's Leading Desert Safari Company'*, *'Leading Destination Management Company'*, and *'Leading Tour Operator'*

15 Nov

dnata becomes the first TMC in the Middle East to sign regional preferred partnership agreements with reputable duty of care solution providers. The enhanced solutions include sending destination-specific travel alerts to travellers, on the ground medical and security support, enhanced traveller tracking solutions, and more

25 Nov

Dubai Harbour, the city's new cruise hub, welcomes its first cruise passengers and the Arabian Adventures team is there to greet Germany's AIDAbella on its maiden call, marking the start of a new season. Arabian Adventures, one of the region's leading Destination Management Companies and cruise handling specialists, previously partnered with AIDA Cruises to manage passenger turnaround activities and shore excursions, operating throughout five ports in the Gulf region

30 Nov

Destination Asia Singapore wins two accolades at the World MICE Awards 2021, including *'Singapore's Best MICE Organiser 2021'*, and *'Asia's Best MICE Organiser 2021'*

17 Dec

Travel Republic launches the first ever 'triple lock protection' in the UK. The introduction of the new 'Secure Trust Account' for package holiday customers guarantees that when a customer books a flight-inclusive package holiday, the money for their accommodation and transfers will be kept secure in a separate Trust account

28 Feb

In collaboration with Dubai's Department of Economy and Tourism (DET), the dnata Travel Group launches My City Expert to offer residents and tourists a new way to experience Dubai. Designed to become a user's dedicated Dubai 'travel companion', My City Expert makes it possible to book in real-time a host of more than 1,200 tours, attractions, and experiences

2 Mar

Expanding on three decades of success, dnata as the GSA for Emirates in Fujairah – is delighted to support the airline with the opening of its first retail sales office in the emirate. The new store offers travellers a one-stop shop for Emirates products including flight bookings, travel inspiration, or general enquiries

6 Mar

dnata Travel Management, the region's leading corporate travel company, announces a new partnership with ExpensePoint, to offer its innovative system to its corporate travel customers. The advanced solution makes expense reporting simple and fast, providing automated receipt reading, mileage tracking, easy approvals, multi-language and currency solutions, credit card integration and real-time expenses data

8 Mar

dnata Travel partners with Mauritius Tourism as UAE traveller bookings to the island nation soar. Representatives from the official tourism authority of the Republic of Mauritius identify the UAE as an important growth market for tourism, and reveal plans to attract even more travellers from the emirates this year, working with dnata

15 Mar

dnata renews its regional partnership with one of the world's largest VAT reclaim specialists, unlocking additional savings opportunities for corporate customers by proactively providing foreign VAT reclaim opportunities for duty travel

Gold Medal UK is awarded '*Best Long-Haul Operator 2022*' at the Travel Weekly Globe Travel Awards in London. These awards were based on tens of thousands of votes from frontline travel agents, highlighting their recognition for the travel suppliers who had done their utmost to support them during the global pandemic

16 Mar

dnata becomes the exclusive representation partner for Sun Resorts as the Mauritius-based hotel group caters for increased demand from GCC travellers. Adding to its extensive hotel representation portfolio, dnata will act as sales and marketing partner for Sun Resorts properties across the GCC countries, offering travellers local expertise and personalised service

16 Mar

30 Mar

Gold Medal is launched in the Kingdom of Saudi Arabia as part of the brand's expansion plan. Gold Medal offers an extensive portfolio of scheduled flights, hotels, holidays, car hire, tours and excursions to independent travel agents internationally

Our people

Our people

Health and wellbeing remained at the top of our people agenda in 2021-22, as we navigated new COVID-19 variants and ongoing pandemic challenges to our operations. Under the Group's wellbeing programme 'Sehaty', our inhouse medical team supported employees with webinars and boot camps focussed on different health topics; provided employees with convenient access to vaccination and COVID-19 PCR tests; and worked closely with the business to ensure a safe return to work and normal operations.

As Emirates and dnata restored and scaled up operations, we recalled employees previously put on furlough and unpaid leave, and launched a global drive to recruit new talent for our immediate and future business needs.

The Group remains focussed on attracting, retaining and engaging the talent needed to deliver future business success. As our financial results recovered, a number of pay and benefits that were reduced during the pandemic were restored.

In September, dnata became the first global air and travel services provider to sign up to the International Air Transport Association's (IATA) 25by2025 initiative that aims to advance gender diversity in the aviation industry. dnata commits to increasing the number of women in senior positions and under-represented roles with a target to reach a minimum representation of 25% or increase current levels by a minimum of 25% by 2025 across all divisions.

Health & wellness

As part of our Sehaty and culture of health strategy, Emirates undertook a range of initiatives designed to strengthen and promote health and wellness for all employees. This included implementing a comprehensive COVID-19 vaccination programme, so that employees and their families were protected.

Online boot camps and regular bulletins on health and wellness topics were provided by our in-house team of health professionals, focusing on specific health issues such as mental health; nutrition & diet, movement and musculoskeletal health. In addition, targeted health webinars for men and women were delivered, aimed at addressing their specific health priorities. A comprehensive Quit Smoking toolkit was created and shared with employees and guided mindfulness sessions were introduced, with the recordings made available for employees to view at their convenience.

In October, Emirates and dnata employees took up the challenge to be active for at least 30 minutes daily as part of the Dubai Fitness Challenge, via a range of activities hosted by employees.

Employee engagement

We refocused our people priorities during the year to deliver a suite of people centric programmes. This year, we relaunched our employee reward and recognition programme, Najm. This included a simplified and more automated nomination and approval process, a revamped rewards catalogue, the ability to offer instant recognition, and a digital platform to expand ease of access for colleagues around the globe. As a result, we have seen over 10,000 people awarded Najms for their outstanding achievements.

We also put in place building blocks to identify our key future talent under the Mustaqbali ('My Future') programme.

dnata launched an employee-wide culture survey to assess feedback on working for dnata, which saw a tremendous response rate from across its global workforce. The management team will use the culture survey to enhance its people strategy.

As employee utilisation of digital workplace tools accelerated during the pandemic, we retired our hardcopy Group employee newsletter after 25 years of publication, and increased employee engagement on Microsoft Teams Live, Yammer and other digital channels. By February, we recorded over 50,000 active users on our Yammer communities.

In March, we marked International Women's Day with content on breaking the gender bias, and saw the roll-out of diversity training for HR and leaders across some business units.

Learning and development

Employees across the Emirates Group continued to engage in learning through classroom, online and virtual courses made available by the company. During 2021-22, our people attended nearly 23,000 hours of training facilitated by our Learning & Talent (L&T) team, ranging from regulatory and operational learning to sales skills and leadership development.

As recovery gathered pace around the world, the L&T team also partnered with operational teams to provide comprehensive training programmes to ensure our people were ready to support our ramp up and restart of operations.

On the professional development front, our colleagues are connecting and learning from each other through digital tools and new ways of work. During the year, employees from 35 countries attended workshops from the expanded Professional Skills Portfolio delivered through Microsoft Teams, learning through shared experiences and perspectives.

Our people have embraced digital learning, with over 1.8 million videos viewed on LinkedIn Learning and over 780,000 learning modules completed on our internal platform, My Learning Zone this year.

Over 160 new online courses for the Group were launched in 2021-22, including an interactive programme to help our people drive loyalty through Emirates Skywards.

We also implemented large-scale programmes to support leadership development at dnata Airport operations, as well as amongst Commercial leaders and UAE Nationals in various roles at Emirates Group.

As part of our strategy to continually upgrade our learning solutions and expand our people engagement, work has begun to integrate cutting-edge technology into future learning experiences.

Safety

Safety remains a core value of the Emirates Group, particularly as we ramped up flight operations across Emirates and dnata. This year, we introduced a new cloud-based safety reporting system, Coruson. The new reporting app, which allows users to easily upload images and supporting documents, can be downloaded onto personal and corporate devices, making safety data more accessible to all, in real time.

Our communities

Our communities

We aim to positively impact the communities we serve through the provision of essential air transport services for the movement of people and goods. We engage in programmes that support entrepreneurs, innovation and careers in travel and aviation.

Through Emirates' extensive sponsorships portfolio of sports, culture and arts around the globe, we aim to bring our customers and fans closer to their passions and inspire young people in their pursuit of sports or culture.

The airline's non-profit charity organisation, the Emirates Airline Foundation, aims to improve the quality of life for children in need and works with NGO partners on projects around the world to provide shelter, education, medical services, and other humanitarian and philanthropic services.

dnata's corporate social responsibility programme, dnata4good, was relaunched this year to focus on 3 key areas: humanitarian, education and wildlife conservation and nature. Through this programme, dnata supports communities through employee mobilisation and financial support.

1 Apr On World Autism Day, Emirates Airline Foundation highlights the work of the Safe Centre for Autism in Dubai in supporting children and families with lockdown challenges, pandemic uncertainty and return to educational settings. The Foundation has supported the Safe Centre since 2012

6 Apr Emirates collaborates with Mawaheb artists to design bespoke boxes for its onboard Ramadan service. Mawaheb (which means 'talent' in Arabic) is a Dubai-based art studio for adults with special needs, and this initiative supports people of determination by providing them a platform to showcase their creativity and capabilities

12 Apr Emirates and Sharjah Entrepreneurship Centre (Sheraa) sign MoU to cultivate start-up ecosystem and support the next generation of entrepreneurs in the UAE

30 May Emirates returns to Roland Garros 2021 for the 9th consecutive year as Official Airline and Premium Partner. The airline's commitment to Roland Garros is a natural extension of its extensive global tennis sponsorship portfolio, which includes three of the four Grand Slams as well as 60 other tournaments in 32 countries each year through a partnership with the ATP. Emirates continues to use sports as a platform to connect fans and deliver world-class experiences to its customers

27 Jun Emirates shows its support for small and medium-sized businesses on World MSME Day (micro, small, medium-sized enterprises), with a limited time incentive from its Emirates Business Rewards programme

22 Aug Emirates Aviation University signs an MoU with the UAE's Ministry of Presidential Affairs - The Scholarships Office, offering scholarships to support the national agenda in promoting higher education for UAE nationals

24 Aug dnata works together with Hellmann Worldwide Logistics and flydubai, providing free end-to-end logistics, freight and handling services to WeCareDXB to help those affected by the torrential rains and floods in India. The organisation collects over 2.5 tonnes of clothes and blankets

25 Aug With Lebanon experiencing a severe shortage of essential goods and medicines, Emirates supported the Lebanese community with an increased extra baggage allowance for customers to pack extra items to support family and friends when they travel home to Lebanon in August and September

30 Aug Emirates returns as Official Airline of the US Open Tennis Championships for the 10th year, connecting tennis fans around the world with its reinstated flight services to 12 US cities, and also sharing the excitement with those unable to attend via a range of activities on social media and digital platforms

1 Sep dnata relaunches dnata4good, its CSR programme, through which it supports communities both financially and via employee mobilisation. dnata4good will focus resources on initiatives under three key pillars: Humanitarian, Education and Wildlife conservation and nature

8 Sep On International Literacy Day, the Emirates Airline Foundation highlights the many partner projects that support literacy and education worldwide

8 Sep dnata's catering team continues to support communities globally. The Vancouver team in Canada delivers more than 7,000 meals to charities across the city, bringing smiles to the faces of those in need

17 Oct Emirates and the International Cricket Council (ICC) unveils a bespoke A380 livery for the long-awaited Emirates ICC Men's T20 World Cup tournament which is hosted in the UAE and Oman after a 5-year hiatus. Emirates is a long-standing supporter of the game of cricket for 20 years, and is the Official Airline and Global Partner of the ICC

31 Oct Thousands of dnata employees participate in the October4Good challenge to make a positive difference to the lives of others. Volunteers across the globe paint walls to restore rehabilitation centres; plant trees; clean beaches, rivers and parks; donate blood to health banks and hair to cancer patients; and support meaningful causes with money, time, and expertise

2 Dec The Emirates Dubai Rugby 7s, one of Dubai's biggest sporting and social events, returns with full spectator attendance with the easing of pandemic measures

7 Feb On the side-lines of the Emirates Airline Festival of Literature, Emirates hosts Japanese author Toshikazu Kawaguchi for an engaging fan session at the airline's Expo 2020 Dubai Pavilion to explore time-travel

27 Mar The world's best racehorses, jockeys and trainers come together in Dubai for the 26th Dubai World Cup meeting, one of the world's most anticipated equestrian events. The Emirates-sponsored US$ 12 million Group 1 Dubai World Cup is a hotly contested race broadcasted worldwide to millions

30 Mar Emirates Aviation University holds 5th annual Water Rocket Competition in collaboration with Boeing, supporting STEM education and future engineers in aviation and aerospace

Our planet

Our planet

We recognise our responsibility in preserving our planet's resources and are committed to minimising the environmental impact of our operations across all our businesses and activities, including our supply chain, as outlined in the Emirates Group Environmental Policy.

During 2021-22, we continued to progress various initiatives under the Emirates Group Environmental Sustainability Framework which helps us put the policy into practice and direct our efforts into three focus areas: reducing emissions; consuming responsibly; and preserving wildlife and habitats.

One of the year's highlights was the recognition that our destination management company, Arabian Adventures, received for its market-leading standards of service and sustainability across its Dubai operations. The Travelife Partner award is the leading international sustainability certification in the travel industry.

Reducing emissions

Emirates supports the International Air Transport Association's collective industry commitment to reach net zero carbon emissions by 2050. Cognizant that fulfilling this ambition will require broader stakeholder engagement beyond the aviation sector, Emirates is constantly reviewing the opportunities that will help to achieve this goal.

These include operational fuel efficiency, sustainable aviation fuel, and renewable energy. Emirates' comprehensive fuel efficiency programme focuses on reducing fuel burn and emissions, wherever it is operationally feasible. Pilots use a range of fuel-efficient techniques, including using idle reverse thrust on landing and shutting one engine down while taxiing when safe to do so. Ground power is used wherever possible, instead of the onboard auxiliary power unit (APU). Well-maintained aircraft and reducing the weight on board, for example by optimising potable water uplift, also contribute to fuel-efficient flight operations.

This year, dnata made a commitment to reduce its carbon footprint by 20% by 2024, and by 50% by 2030. To achieve this target, at its existing facilities in the UK, Singapore and Ireland, dnata has installed renewable energy features such as solar panels, air-source heat pumps and electric vehicle charging. It will also incorporate reduction initiatives in the construction and operation of its new facilities. The dnata City East complex in London Heathrow has already achieved a BREEAM 'Excellent' environmental rating for its design stage.

In addition to driving continuous operational efficiencies through technology, people and process improvements, dnata will also increase its investments in electric and hybrid ramp, GSE and material handling equipment as part of an ongoing fleet conversion strategy to new sustainable technologies, where available.

In 2021, dnata invested in two fully electric A380 capable aircraft towbarless tractors for aircraft towing operations in DXB. One of these units was the first unit of its kind to handle the B777X at the Dubai Air Show in November.

Sustainable aviation fuel: Emirates supports initiatives that contribute to the deployment of sustainable aviation fuels (SAF), although SAF availability is still very limited on our network, and the price premium remains a commercial challenge. Emirates is now subject to SAF supply mandates in Norway, Sweden and France, and we are advocating for the emissions benefits of using SAF under these mandates to be transferred to airlines purchasing the SAF. This is currently not possible due to requirements on the fuel suppliers to surrender the SAF sustainability documentation to the regulators.

Emirates continues to participate in the Clean Skies for Tomorrow coalition, established by the World Economic Forum to promote the development and deployment of SAF. We supported the preparation of a SAF Policy Toolkit, released in November 2021. The Toolkit was developed with the collaboration of member governments of the Clean Skies for Tomorrow SAF Ambassadors group, including the UAE government. Emirates is also a member of the UAE SAF Committee, which has been set up by the Ministry of Energy and Infrastructure to prepare a roadmap for SAF in the UAE.

At the Dubai Airshow in November, Emirates and GE Aviation signed an MoU to develop a programme that will see a Boeing 777-300ER, powered by GE90 engines, conduct a test flight using 100% SAF by the end of 2022.

Renewable energy: In March, The Sevens Stadium in Dubai inaugurated the region's first and largest solar carport at a sporting facility. The carport's 4,500 solar panels will generate 3.6 GWH of clean energy in its first year, sufficient to power most of the Stadium's operations throughout the year, reducing the facility's CO_2 emissions by 1,496 tonnes annually.

6,500 solar panels were installed at dnata's catering and cargo facilities in Singapore. The solar array is expected to generate over 4 million kWh of electricity per year and to reduce annual carbon emissions by approximately 2,000 tonnes.

These latest initiatives add to our existing solar energy investments including at Emirates Engineering Centre and Emirates Flight Catering.

In 2021, our catering units in Ireland switched to wind generated electricity for 100% of their power demand.

At the 2021 Emirates Dubai 7s, hosted at The Sevens Stadium, nearly 30,000 litres of biodiesel was used to power activity and amenities such as the World Rugby Broadcast, registration and referee tents, changing rooms, ATMs in the village, as well as lights and x-ray machines at the main entrance.

Consuming responsibly

We are committed to reducing our environmental impact through responsible consumption, encompassing the life cycle of purchasing, sourcing, consuming and managing the disposal of products and equipment. We prioritise suppliers that can demonstrate ethical and sustainable practices, while delivering good value and quality.

Upcycling: This year, Emirates partnered with UAE-based Falcon Aircraft Recycling to dismantle and recycle Emirates' first retired Airbus A380. Approximately 190 tonnes of various metals, plastics, carbon fibre composites and other materials will be removed from the aircraft and transferred for recycling or repurposing via Falcon Aircraft Recycling's partner Wings Craft. Net profits from the sale of all items upcycled and recycled from Emirates' first retired A380 will benefit the Emirates Airline Foundation. The first bespoke upcycled items from this aircraft were showcased and made available for pre-order at the Dubai Airshow 2021, with more retail items to be launched in the coming months.

Single-use plastics: We've made progress and continue to identify opportunities to reduce single-use plastic on board where possible, given safety and hygiene requirements. We follow the waste management hierarchy and carefully consider the environmental impact of a product at the design stage. Each year, we divert over 150 million single-use plastic items from landfill by:

- Replacing plastic straws, inflight retail bags and stirrers with responsibly-sourced paper and wooden alternatives, and
- Using blankets (in Economy Class) each made from 28 recycled plastic bottles.

In October, we launched a toy range made from recycled plastic for our young flyers, in line with the EXPO 2020 theme of sustainability. In February, we introduced a new range of reusable kit bags in Economy Class which substantially reduces the use of virgin plastic.

Recycling: We recycle materials where possible. For instance, we segregate large glass and plastic bottles on board for recycling in Dubai. Each month, we divert about 150,000 plastic bottles and 120 tonnes of glass from landfill through the efforts of our crew on board and Emirates Flight Catering.

Owned and managed by the Emirates Group, The Sevens Stadium hosts an array of international sports tournaments and events, and an active calendar of community sports. Its ongoing environmental initiatives include modern watering systems that utilize non-potable water, and engaging with event partners on waste reduction initiatives. For instance, 52% of the waste generated at the 2021 Emirates Dubai 7s, was diverted from landfill through recycling.

Food waste: Teams at Emirates Flight Catering and across dnata's catering operations around the world continually look at innovative solutions and technologies to reduce food waste.

In May, dnata signed an MoU with Singapore's Blue Aqua Food Tech. The partnership sees Blue Aqua upcycle organic waste from dnata's catering and ground handling operations into alternative insect protein for aquafeeds.

Emirates Flight Catering works closely with many of its airline customers to analyse consumption trends and use predictive data to optimise the loading of inflight catering, which reduces waste as well as fuel burn associated with carrying excess weight. It also uses an AI-enabled food waste management system to improve reporting and data collection.

Preserving wildlife and habitats

Habitat conservation: For almost 20 years, Emirates has helped to support a sustainable and balanced ecosystem at the Dubai Desert Conservation Reserve (DDCR) through an ongoing investment of over AED 28 million.

Representing close to 5% of Dubai's total land area, the DDCR protects the incredible wildlife and vegetation within the vibrant UAE ecosystem. Careful protected area management, along with promoting natural processes have helped to rewild the desert habitat. In 2003, DDCR's list of species consisted of approximately 150. Today, the conservation reserve boasts over 560 species of plants and trees, birds, mammals, reptiles and arthropods. This includes over 31,000 native trees, of which 29,000 are now sustainable without irrigation, like the native Ghaf tree (Prosopis cineraria), which has roots that can go down to 30 metres, enabling it to reach the water table in the DDCR.

The DDCR has also become a centre for sustainable tourism, with authentic desert experiences in store and a careful selection of activities that do not undermine the natural habitats of the local flora and fauna. The DDCR runs a strict 'Approved Excursion' accreditation process for tour operators, who undergo specialised training to get acquainted with the reserve's flora, fauna and sustainable practices to protect the desert's ecosystem.

In 2021, over 125,000 visitors made their way to the DDCR, and plans are underway for a Visitor's Centre at the reserve to enhance the visitor experience and will also be used as a platform to develop educational programmes for schools and higher educational institutions.

Emirates also supports the protection of Australia's wilderness and bush through the conservation based Emirates One&Only Wolgan Valley, located in the World Heritage-listed Greater Blue Mountains region.

Wildlife: Wildlife conservation and nature is one of the pillars of dnata4good, dnata's corporate responsibility programme. The dnata4good team actively engages, encourages and supports wildlife conservation and nature campaigns across our operating regions. For instance, through Wild Over Wildlife, our collaborative initiative with University of Pretoria, we support extensive wildlife research and we support global wildlife conservation efforts.

Emirates and dnata are actively involved in the fight against illegal wildlife trafficking. Emirates and dnata are members of the United for Wildlife Transport Taskforce, and both are signatories to the Buckingham Palace Declaration.

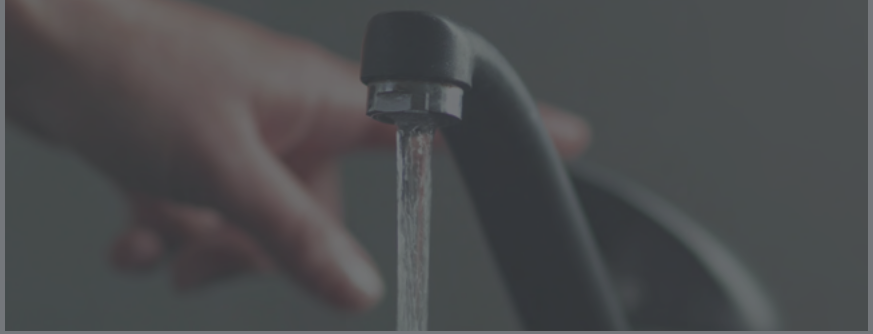
This year, we welcomed the launch of the United for Wildlife Middle East and North Africa Regional Chapter in Dubai. The Chapter will further enhance the regional response to the illegal wildlife trade, and work with United for Wildlife's international Financial and Transport Taskforces to share information and resources, strengthen existing partnerships and better respond to support local priorities.

Emirates SkyCargo was one of the first airlines to adopt a zero tolerance policy on illegal wildlife trade which includes big cats, elephants, rhinos and pangolins, among other types of wildlife, and has implemented a complete ban on hunting trophies.

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 2022. 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.

Sustainability performance

Priority	Performance indicator	Unit	2021-22	2020-21	Higher/ (lower) %
Aircraft fuel consumption, fuel efficiency and CO_2 efficiency [1, 2]	Fleet age	years	8.2	7.3	12.3
	Jet fuel (total fleet including training aircraft and engine maintenance activities)	tonnes	5,797,560	3,494,233	65.9
	Aviation gasoline (training aircraft)	tonnes	421	231	82.3
	Sustainable aviation fuel	tonnes	153	77	98.7
	Passenger fuel efficiency (passenger fleet)	L/100pkm	5.41	NA	-
	Freighter fuel efficiency (freighter fleet including mini-freighters)	L/ftk	0.268	NA	-
	Combined fuel efficiency (total fleet excluding training aircraft)	L/tk	0.329	0.346	(4.9)
	Passenger CO_2 efficiency (passenger fleet)	g CO_2 / pkm	134.2	NA	-
	Freighter CO_2 efficiency (freighter fleet including mini-freighters)	g CO_2 / ftk	664.7	NA	-
	Combined CO_2 efficiency (total fleet excluding training aircraft)	kg CO_2 / tk	0.815	0.858	(5.0)
Aircraft noise and local air quality	Fleet cumulative margin to Chapter 4 noise standards	EPNdB	(12.1)	(11.8)	(2.5)
	Fleet cumulative margin to Chapter 4 noise standards	%	(7.1)	(7.0)	(0.1) pt
	Nitrogen oxide (NOx) emissions (landing and take-off cycle)	tonnes < 3,000 ft	8,159	5,379	51.7
	Carbon monoxide (CO) emissions (landing and take-off cycle)	tonnes < 3,000 ft	4,559	3,027	50.6
	Unburnt hydrocarbons (UHC) emissions (landing and take-off cycle)	tonnes < 3,000 ft	460	309	48.9
	Fleet margins below regulatory limits for NOx	%	(10.15)	(10.68)	0.53 pt
	Fleet margins below regulatory limits for CO	%	(56.54)	(57.26)	0.72 pt
	Fleet margins below regulatory limits for UHC	%	(64.56)	(65.61)	1.05 pts
	Fuel jettison events [3]				
	Total events		12	3	300.0
	Jettisoned fuel	tonnes	268	94	185.1



Priority	Performance indicator	Unit	2021-22	2020-21	Higher/ (lower) %
Vehicle and ground service equipment fuel consumption	Diesel	litres	29,472,541	19,521,565	51.0
	Petrol	litres	9,072,973	4,838,615	87.5
Electricity and water [4]	Electricity consumption	MWh	396,123	366,525	8.1
	Water consumption	ML	2,503	1,661	50.7
Materials and waste [5]	Waste directed to disposal	tonnes	30,096	10,636	183.0
	Waste diverted from disposal	tonnes	5,161	3,885	32.8
CO_2 emissions [6]	*Scope 1*				
	Aircraft operations	tonnes	18,322,078	11,042,736	65.9
	Ground operations	tonnes	100,625	63,934	57.4
	Total Scope 1 emissions	tonnes	18,422,703	11,106,670	65.9
	Scope 2				
	Electricity	tonnes	166,372	153,940	8.1
	Total Scope 2 emissions	tonnes	166,372	153,940	8.1
	Total CO_2 emissions	tonnes	18,589,075	11,260,610	65.1
Energy consumption	Energy from fuel consumption	TJ	256,036	154,357	65.9
	Energy from electricity consumption	TJ	1,426	1,319	8.1
	Total energy consumption	TJ	257,462	155,676	65.4

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 in 2020-21 due to the impact of the pandemic on operations.

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 Data collection on waste and recycling expanded in 2021-22 to include cabin waste and Dubai International Airport-based operations, where data were not previously available. A portion of waste reported as directed to disposal is being diverted from disposal/recycled in practice, but the available data do not currently reflect this.

6 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 152* destinations in 79 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 or operational restrictions.

Emirates destinations ●

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

SOUTH AMERICA
BUENOS AIRES
QUITO
RIO DE JANEIRO
SAO PAULO

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

AFRICA
ABIDJAN
ABUJA
ACCRA
ADDIS ABABA
ALGIERS
CAIRO
CAPE TOWN
CASABLANCA
CONAKRY
DAKAR
DAR ES SALAAM
DURBAN
ELDORET
ENTEBBE
HARARE
JOHANNESBURG
KHARTOUM
LAGOS
LILONGWE
LUANDA
LUSAKA
MAURITIUS
NAIROBI
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
LONDON
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
SHARJAH
SOHAR
UMM AL QUWAIN

ASIA
BANGKOK
COLOMBO
GALLE
HUA HIN
KRABI
MALE
PHUKET
SAMUI
SINGAPORE

AUSTRALASIA
ADELAIDE
AUCKLAND
BRISBANE
CAIRNS
LAUNCESTON
MELBOURNE
PERTH
SYDNEY
WOLGAN VALLEY

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 ●

NORTH AMERICA
ATLANTA
AUSTIN
BALTIMORE
BOSTON
CHARLOTTE
CHICAGO
DALLAS/FORT WORTH
DETROIT
EL PASO
GRAND RAPIDS
HOUSTON
INDIANAPOLIS
LAREDO
LOS ANGELES
LUBBOCK
MCALLEN
MELBOURNE
NASHVILLE
NEWARK
NEW YORK
ONTARIO
ORLANDO
PHILADELPHIA
SAN DIEGO
SANFORD
SAN FRANCISCO
TAMPA
TORONTO
VANCOUVER
WASHINGTON
WICHITA

SOUTH AMERICA
ARACAJU
BELEM
BOA VISTA
BRASILIA
CAMPINA GRANDE
CAMPINAS
COMANDATUBA
CURITIBA
FERNANDO DE NORONHA
FLORIANOPOLIS
FORTALEZA
FOZ DO IGUACU
GUARULHOS
ILHEUS
JERICOACOARA
JOAO PESSOA
JUAZEIRO DO NORTE
MACAPA
MACEIÓ
MANAUS
NATAL
PETROLINA
PORTO ALEGRE
PORTO SEGURO
RECIFE
RIO DE JANEIRO
SALVADOR
SANTAREM
SAO LUIS
SAO PAULO
TERESINA

EUROPE
AMSTERDAM
BARI
BELFAST
BELGRADE
BERGAMO
BIRMINGHAM
BOLOGNA
BRINDISI
BRISTOL
BRUSSELS
BUCHAREST
CAGLIARI
CARDIFF
CHELTENHAM
CHESTER
CORK
DONCASTER
DUBLIN
EAST MIDLANDS
EDINBURGH
FLORENCE
FRANKFURT
GENEVA
GENOA
GLASGOW
HALIFAX
KINGSTON
KNUTSFORD
LAMEZIA TERME
LEEDS
LONDON CITY
LONDON GATWICK
LONDON HEATHROW
LONDON STANSTED
LUTON
MADRID
MANCHESTER
MILAN LINATE
MILAN MALPENSA
NAPLES
NEWCASTLE
OLBIA
PALERMO
PISA
PRAGUE
PRESTON
PRESTWICK
ROME FIUMICINO
SANDYCROFT
SHANNON
SOFIA
SOLIHULL
ST. PETERSBURG
SWINDON
TURIN
VENICE
VERONA
WARSAW
WINCHESTER
ZURICH

AFRICA
CAPE TOWN
ZANZIBAR

MIDDLE EAST
ABU DHABI
AL AIN
AL KHOBAR
AMMAN
BAHRAIN
DUBAI INTERNATIONAL
DUBAI WORLD CENTRAL
ERBIL
FUJAIRAH
JEDDAH
JUBAIL
MARKA
MUSCAT
RIYADH
SALALAH
SHARJAH
TAIF
YANBU

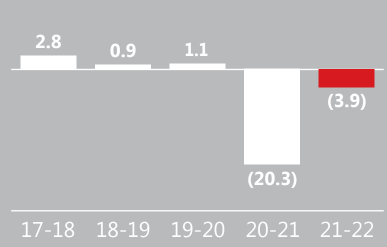
ASIA
BALI
BANGKOK
BENGALURU
CEBU
CHIANG MAI
CLARK
DANANG
DELHI
FAISALABAD
HANOI
HO CHI MINH
HONG KONG
ISLAMABAD
JAKARTA
KARACHI
KOH SAMUI
KOTA KINABALU
KUALA LUMPUR
KYOTO
LAHORE
LANGKAWI
MANILA / MAKATI
MULTAN
MUMBAI
PENANG
PESHAWAR
PHUKET
QUETTA
SINGAPORE
TOKYO
YOGYAKARTA

AUSTRALASIA
ADELAIDE
AUCKLAND
BRISBANE
CAIRNS
CANBERRA
COOLANGATTA
DARWIN
MELBOURNE
PERTH
SYDNEY
TOWNSVILLE

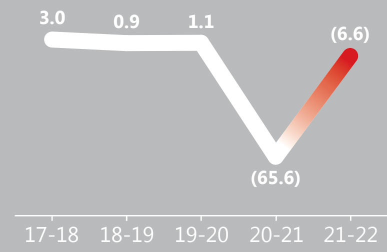
Financial information

Emirates financial commentary

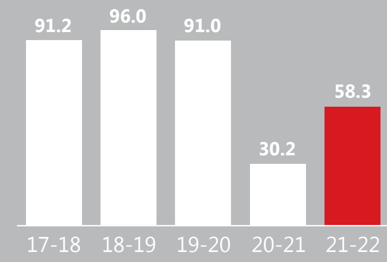
(Loss)/profit attributable to the Owner in AED bn



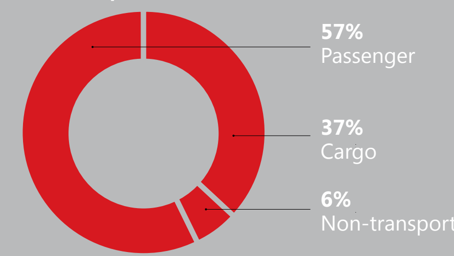
(Loss)/profit margin in %



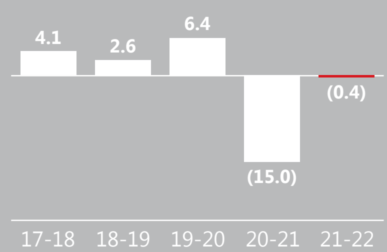
Revenue in AED bn



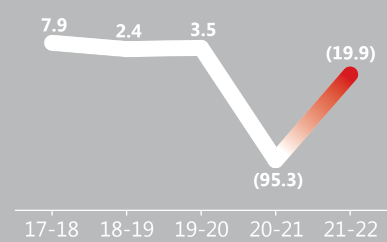
Revenue split in %



Operating (loss)/profit in AED bn



Return on Owner's funds in %



Revenue in AED m	**2021-22**	**2020-21**	**% change**	**% of total**
Passenger	32,917	11,230	193.1	56.5
Cargo	21,654	17,106	26.6	37.2
Transport revenue	**54,571**	**28,336**	**92.6**	**93.7**
Sale of goods	2,561	1,334	92.0	4.4
Hotel operations	602	296	103.4	1.0
Others	548	264	107.6	0.9
Non-transport revenue	**3,711**	**1,894**	**95.9**	**6.3**
Total	**58,282**	**30,230**	**92.8**	**100.0**

The financial year 2020-21 was the worst year on record for the aviation industry with the largest-ever decline in passenger numbers, industry losses crossing USD 130bn, thousands of people losing their jobs and several airlines going bankrupt. Nonetheless, the airline industry persevered and is now on the path to recovery. When we began the financial year 2021-22, COVID-19 vaccination programmes were being rolled out at an unprecedented scale around the world. As countries started to ease travel restrictions, our business rebounded strongly. The momentum accelerated over the summer and continued to grow steadily into the winter season and beyond. The outlook for the coming year looks promising as the worst is behind us.

After recording a loss of AED 5.8bn in the first half of the financial year, our performance improved significantly in H2 as we made a profit of AED 1.9bn, closing the year at a loss of AED 3.9bn, a remarkable turnaround reducing losses by 80.7% compared to last year. Backed by a strong operational performance, our cash assets rose by 38.2% and stood strong at AED 20.9bn (2020-21: AED 15.1bn) as of Mar'22.

We continued to operate a young and efficient fleet, 5 A380 aircraft, all equipped with our new Premium Economy, were acquired and 2 older Boeing 777 aircraft (including one freighter) were phased out this year. In December 2021, we welcomed our 123rd and final A380 aircraft into our fleet. By the end of the year, all of our Boeing 777 and more than half of our A380 aircraft were in active service as we reconnected the world to 90% of our pre-pandemic network.

Despite the challenges, our quest to find innovative ways to enhance our product offerings and service levels for our customers continued. We announced a significant investment of over USD 1bn to retrofit 120 of our Boeing 777 and A380 aircraft with the new Premium Economy seats and latest cabin interiors. The retrofit programme will last for two years, starting in H2 of FY 22-23. At the Dubai Airshow 2021, Emirates announced the investment in two new Boeing 777F aircraft which will be delivered in FY 22-23 and conversion of four Boeing 777-300ER passenger aircraft into full freighters.

This year, Emirates joined the nation in celebrating the UAE's 50th jubilee and welcomed the world to Expo 2020 Dubai through numerous initiatives which encouraged visits to the UAE. Emirates also became the first airline to launch a new account-based payment method for purchasing air tickets - 'Emirates Pay', available in select markets for customers purchasing tickets via our website.

Our ultimate owner, the Government of Dubai, continued to support our recovery and injected equity of AED 3.5bn in the current year.

Profitability

While we are well past the deepest point of the pandemic, international travel still faces some headwinds caused by travel restrictions imposed by various governments and geopolitical uncertainties. However, we saw evidence of strong, high yielding pent-up travel demand for Emirates' products where travel restrictions were eased. At the same time, a tighter rein on costs ensured that we drove better margins, particularly in the second half of the financial year.

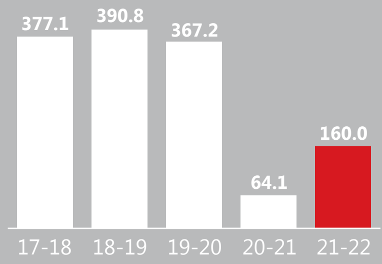
These factors were reflected in Emirates' operational performance as our operating loss reduced to AED 0.4bn (2020-21: AED 15bn). We reported a net loss of AED 3.9bn (2020-21: AED 20.3bn) this year with a loss margin of 6.6%.

Revenue

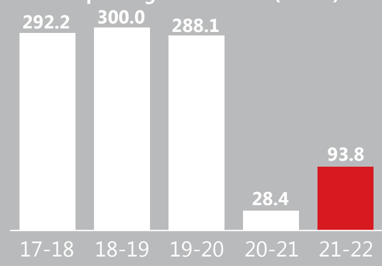
During the year, we transported 19.6 million passengers and carried 2.1 million tonnes of cargo. Our revenues increased to AED 58.3bn (2020-21: AED 30.2bn), a rise of 92.8% over last year. Transport revenue, which forms over 93% (2020-21: 94%) of Emirates' revenue, increased by 92.6% to AED 54.6bn (2020-21: AED 28.3bn).

Non-transport revenue, comprising sale of consumer goods, hotel operations, catering operations, sales at F&B outlets and tour operator services contributed 6.3% (2020-21: 6.3%) of Emirates' revenue and mounted to AED 3.7bn (2020-21: AED 1.9bn) due to improved economic activity this year as the world started to recover from the pandemic.

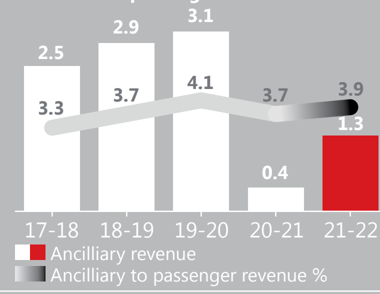
Available seat kilometres (ASKM) in bn



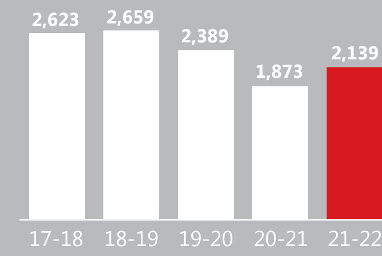
Revenue passenger kilometres (RPKM) in bn



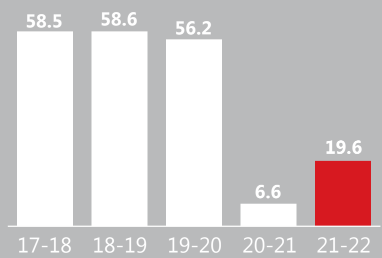
Ancilliary revenue in AED bn and as a % **of passenger revenue**



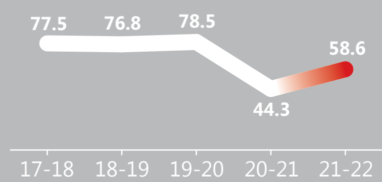
Cargo carried in tonnes'000



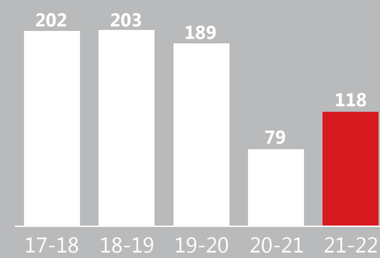
Passenger numbers in millions



Passenger seat factor in %

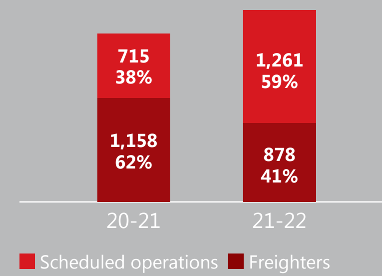


Aircraft departures* in thousands



*includes both passenger and cargo flights.

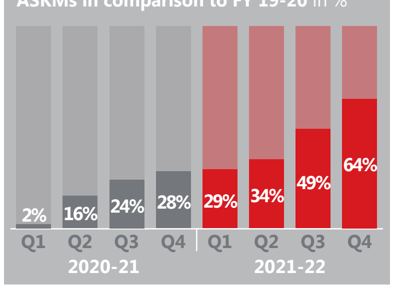
Cargo carried in tonnes'000 and as a % to total



Passenger revenue

As countries eased up on their COVID-induced restrictions, we successfully ramped up our operations in line with the travel demand. This resulted in our passenger capacity (measured in ASKMs) increasing by almost 150% compared to the previous year. Our core passenger revenue increased in line with capacity and stood at AED 32.9bn (2020-21: AED 11.2bn) for the full year. Strong demand for our quality product offerings helped us earn a healthy yield of 35 fils per RPKM (2020-21: 40 fils per RPKM).

ASKMs in comparison to FY 19-20 in %



This financial year had a weak start due to border closures and travel restrictions still in play. Being an international airline with no domestic network, this posed significant challenges for us. However, as the governments started to adjust to the New Normal, we saw a surge in air travel in Q3 especially during the holiday season in December. The positive trend continued in Q4 and overall, ASKMs grew from 28% at the start of the year to 64% of pre-COVID level by the end of the financial year.

The increase in capacity resulted in higher passenger numbers, RPKMs, and seat factor - underscoring passengers' confidence in our brand. Compared to last year, passenger numbers almost tripled and stood at 19.6m (2020-21: 6.6m). Our passenger traffic, measured in RPKMs, increased significantly and reached 93.8bn (2020-21: 28.4bn) which took our overall seat factor to 58.6% (2020-21: 44.3%). Seat factors for both our premium and economy cabins increased in line with our overall seat factor.

This year we also launched a new scheduled passenger route to Miami in Florida – our 12th destination in the US.

We continued to support our customers by extending flexible options on our ticket validity and refund policies, and providing complimentary global cover for COVID-19 related medical costs. We also provided additional baggage options in various markets to enable flyers to support their families during this time.

Our award-winning customer loyalty programme, Skywards, expanded offerings to its members through various campaigns and continued to support members by extending the validity of reward miles and allowing a longer duration to retain elite status.

This year, Emirates joined hands with several new interline and codeshare partners - including Aeromar, airBaltic, Airlink, Azul, Cemair, Garuda, Gulf Air, South African Airways, TAP Portugal, Maldivian; and reinforced existing strategic partnerships with Qantas and flydubai. These measures will provide increased and seamless destination choices to our customers.

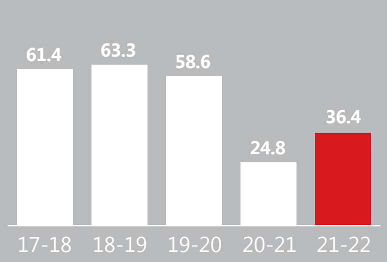
Our ancillary offerings, primarily including flight upgrades and paid seats, generated revenue of AED 1.3bn (2020-21: AED 0.4bn) and form 3.9% (2020-21: 3.7%) of our passenger revenue.

Cargo revenue

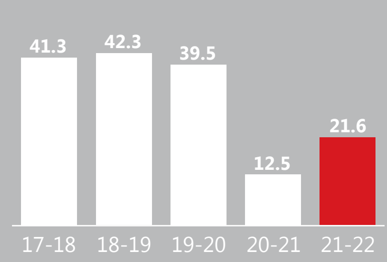
SkyCargo maintained its momentum this year as revenue increased by 26.6% to AED 21.7bn (2020-21: AED 17.1bn), resulting from: i) robust demand for essential goods and medical supplies, ii) accelerated vaccination programmes, and iii) global supply chain issues making air cargo popular due to lower lead times and better connectivity.

Cargo volumes increased by 14.2% to 2.1m tonnes (2020-21: 1.9m tonnes) and reached almost 90% of FY 19-20 level. As passenger travel ramped up, belly capacity also increased resulting in scheduled operations contributing 59% (2020-21: 38%) of overall cargo tonnage carried this year. A reduction was noted in cargo tonnage for freighter operations due to an aircraft retirement and shift of volumes towards scheduled operations. Overall, FTKMs increased by 30.6% and stood at 12.7bn (2020-21: 9.8bn) as we maintained our strong position in the air freight industry. The yield per FTKM remained robust at 170 fils per FTKM (2020-21: 175 fils per FTKM).

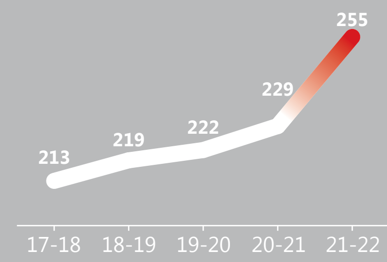
Available tonne kilometres (ATKM) in bn



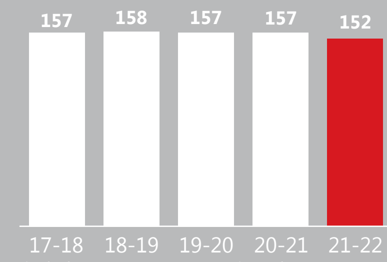
Revenue tonne kilometres (RTKM) in bn



Yield in fils per RTKM

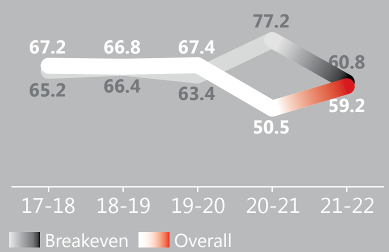


Destinations in numbers*

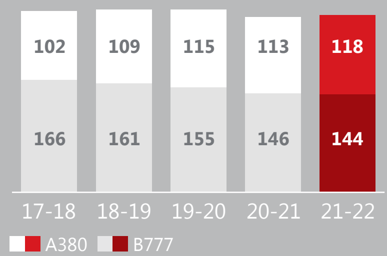


*includes temporary suspensions due to COVID-19 pandemic or operational restrictions.

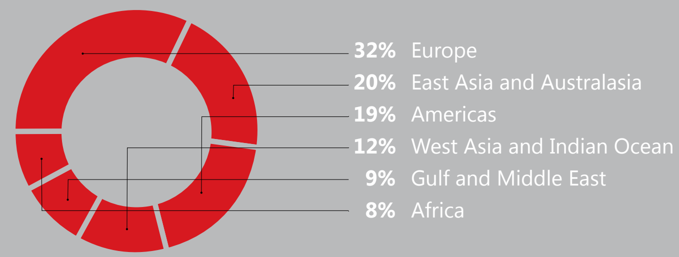
Overall and breakeven load factor in %



Number of aircraft



Geographical revenue in %



Cargo revenue (continued)

Our freighter network, served by dedicated wide-body freighters, passenger-freighters and mini-freighters expanded further this year, augmenting the top line in most of our key markets as compared to last year. We increased our presence in North America through the introduction of new scheduled freighter operations to Rockford.

We continued to deliver innovative and bespoke solutions for our customers, supporting the food industry, animal transport, sporting events, and other critical economic activity. Significant increases in revenue were noted in most of our product categories, especially pharma and perishable goods.

Revenue from transport of pharmaceutical products crossed AED 2bn mark for the first time in SkyCargo's history – reinforcing our position as the global market leader for the air transport of temperature-controlled items. SkyCargo has played a crucial role in the secure and rapid distribution of COVID-19 vaccines.

By the end of the year, it had transported more than 1 billion doses of COVID-19 vaccines mainly originating from Brussels, Johannesburg, Amsterdam, Chicago and Hyderabad. We also assisted the global medical industry by transporting more than 10,000 tons of equipment for hospitals and laboratories mainly from Europe to the Gulf region and Far East.

SkyCargo facilitated movement of 260,000 tonnes of perishables this year from various agricultural markets including India, Kenya, Norway, Ecuador and Pakistan, an increase of 10% year-on-year. Our charter business also remained strong amidst supply chain disruptions as we operated 137 charters of rubber products, 135 charters of COVID-related essential vaccines and eight horse charters for the Tokyo Olympics. Charter business this year was over 3 times the pre-pandemic level.

Towards the end of the year, Emirates SkyCargo announced reactivation of its Dubai DWC network for dedicated freighter aircraft which marks a return to dual hub cargo operations in Dubai after nearly two years.

Total capacity and load factor

Passenger traffic experienced a strong rebound in the current year despite turbulence caused by new virus strains. As travellers' confidence revived in response to easing restrictions, Emirates responded with agility and restarted services or added additional flights wherever possible.

Our overall capacity, measured in ATKMs, increased by 46.9% and stood at 36.4bn (2020-21: 24.8bn). The number of departures also saw a growth of 48.7% and stood at 118 thousand, slightly above 60% of pre-pandemic levels with Q4 of the current year peaking at 79%. This positions us well on a growth trajectory as we strive to return to 100% of pre-pandemic capacity by FY 23-24.

Overall load factor strengthened to 59.2% (2020-21: 50.5%) and together with an increase in ATKMs, this took our revenue generating load (RTKMs) to 21.6bn (2020-21: 12.5bn), a leap of 72.2% compared to last year. Our RTKMs for Q4 were almost 75% of the pre-COVID level.

After a one-off peak of 77.2% last year, due to high fixed costs and significant reduction in revenues, the airline's break-even load factor stabilised to 60.8% resulting from growth in revenue this year and the continued effects of cost control measures.

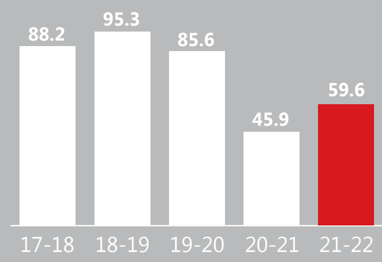
Overall yield

With optimum pricing of the capacity flown supported by steady cargo performance, overall yield strengthened by 11.4% to 255 fils per RTKM (2020-21: 229 fils per RTKM).

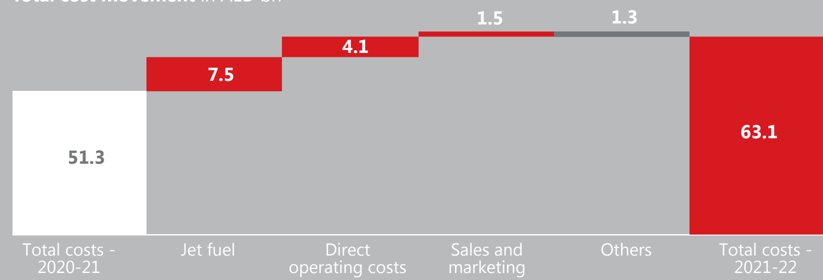
Revenue distribution

Our revenue continues to be geographically diverse and transport revenue increased in all our markets this year. However, swift reopening of borders and strong cargo demand in Europe and Americas gave a stronger boost to our revenue in these regions as their share increased by 6% pts. each. Revenue shares of all other regions remained largely consistent with last year and FY 19-20 barring East Asia and Australasia. This region's contribution to our transport revenue reduced by 8% pts. year-on-year due to travel restrictions.

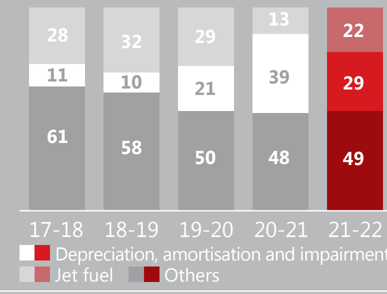
Total operating costs in AED bn



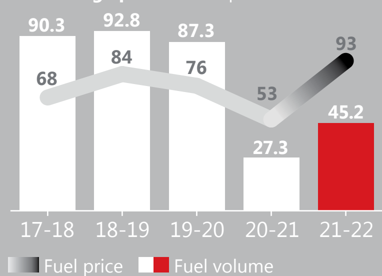
Total cost movement in AED bn



Key operating costs as a % of total costs

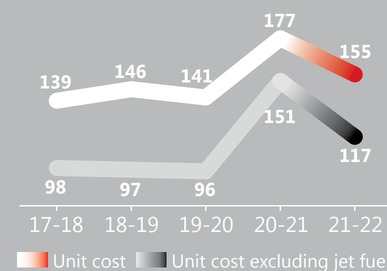


Fuel volume in million barrels and **average price** in USD per barrel



Total costs in AED m	2021-22	2020-21	% change	% of total
Depreciation, amortisation and impairment	18,166	19,665	(7.6)	28.8
Jet fuel	13,855	6,398	116.6	21.9
Direct operating costs	9,991	5,853	70.7	15.8
Employee costs	8,441	7,830	7.8	13.4
Sales and marketing	3,225	1,764	82.8	5.1
Other operating costs	5,940	4,438	33.8	9.4
Total operating costs	**59,618**	**45,948**	**29.8**	**94.4**
Net finance costs	**3,584**	**4,226**	**(15.2)**	**5.7**
Other financial (gains) / losses	**(70)**	**1,088**	**(106.5)**	**(0.1)**
Total costs	**63,132**	**51,262**	**23.2**	**100.0**

Unit cost in fils per ATKM



Total costs

Our total costs for the year were AED 63.1bn (2020-21: AED 51.3bn), an increase of 23.2% over the previous year. Excluding ownership costs, which are largely fixed in nature (Depreciation, amortisation and impairment), total costs increased by 42.3% in line with capacity.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment charges of AED 18.2bn (2020-21: AED 19.7bn) continued to remain the largest component of our total costs for the second consecutive year at 28.8% (2020-21: 38.5%). Excluding the impact of one-off impairments of AED 0.7bn recognised last year, there was a drop of AED 0.8bn in these charges due to aircraft retirements, reduced depreciation charge following impairments recognised in the previous year and lower capital spend on aircraft maintenance. These reductions were partially offset by an increase in depreciation expense on aircraft delivered in the current and previous year, and accelerated depreciation of BFEs expected to be replaced during the upcoming cabin retrofit programme.

Employee strength (in numbers)	2021-22	2020-21	% change	% of total
UAE				
Cabin crew	15,166	14,372	5.5	33.1
Flight deck crew	3,283	2,964	10.8	7.2
Engineering	2,924	2,289	27.7	6.4
Others	10,699	9,510	12.5	23.3
Total - UAE	**32,072**	**29,135**	**10.1**	**70.0**
Overseas stations	4,101	4,169	(1.6)	8.9
Total - airline	**36,173**	**33,304**	**8.6**	**78.9**
Subsidiary companies	**9,670**	**7,497**	**29.0**	**21.1**
Closing employee strength	**45,843**	**40,801**	**12.4**	**100.0**

Jet fuel

As our operations grew this year, fuel costs surged to AED 13.9bn (2020-21: AED 6.4bn), primarily driven by increase of 74.9% in average fuel prices and 65.9% in volumes. As a result, fuel spend was up by 9.4% pts. to 21.9% of total costs compared to last year.

The market prices for jet fuel were volatile throughout the year, however, the impact of increase in prices was partially mitigated as 44% of our total fuel uplift was hedged, lowering our fuel bill by AED 1.6bn (2020-21: loss of AED 1.1bn). This restricted the increase in fuel cost per ATKM to 46.2% which averaged at 38 fils (2020-21: 26 fils).

Direct operating costs

Direct operating costs include aircraft related handling, in-flight catering, overflying, landing & parking, crew layover and aircraft maintenance expenses. Together, these costs increased by 70.7% and reached AED 10.0bn (2020-21: AED 5.9bn) forming 15.8% of our total costs. In-flight catering costs almost tripled in sync with the increase in passenger numbers, while the other costs rose in line with capacity.

Employee costs

Employee costs went up by 7.8% to AED 8.4bn (2020-21: AED 7.8bn) mainly due to spikes in crew flying and productivity pay in the airline as operations grew, and general employee-related costs in group companies mainly due to the recovery of EKFC's catering business and re-opening of shops across ELR's global businesses. With the restoration of operations, we ramped up the recruitment process in H2 of the financial year which led to an increase of 12.4% in closing employee strength as compared to the last year. Employee costs are presented net of AED 45m worth of credits received from various government-run support schemes across our network.

Sales and marketing expenses

Sales and marketing costs increased by 82.8% to AED 3.2bn (2020-21: AED 1.8bn). Advertisement and promotion costs increased by 40.7% which depicts a strong focus on investing in our brand, despite the challenges. Volume-driven expenses including commissions & incentives paid to agencies, distribution & reservation costs, and credit card services charges tripled compared to prior year as the demand for air travel regained momentum. Further, Emirates spent over AED 200m this year on the Expo 2020 Dubai event where we welcomed passengers to the 'world's greatest show'.

Other operating costs

Other operating costs mainly comprise cost of goods sold, facilities related spend, IT costs and corporate overheads, which increased by 33.8% to AED 5.9bn (2020-21: AED 4.4bn). Cost of goods sold were twice as high year-on-year following the trend of increasing non-transport revenue. All other costs remained stable due to a tight cost management.

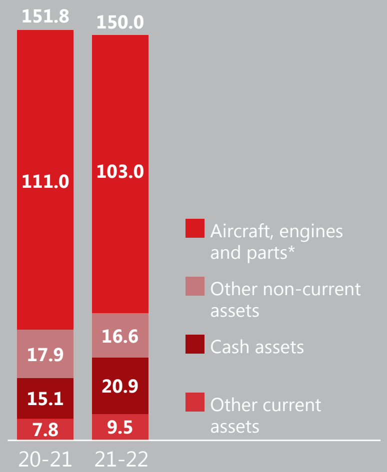
Unit cost per ATKM

Our unit cost per ATKM fell to 155 fils (2020-21: 177 fils) as ATKMs increased at a higher rate compared to operating costs - part of which are fixed in nature, mainly fleet related depreciation and amortisation.

Net finance costs

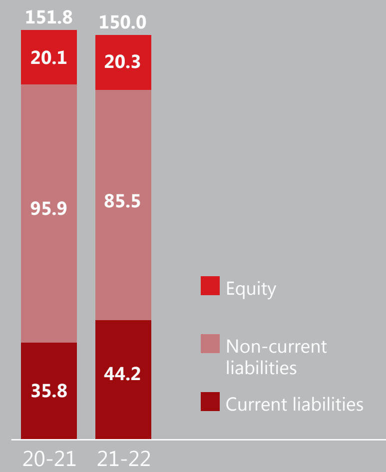
Net finance costs reduced by 15.2% to AED 3.6bn (2020-21: AED 4.2bn) primarily on account of a significant reduction in total borrowings and lease liabilities, and a general decrease in benchmark interest rates.

Assets in AED bn

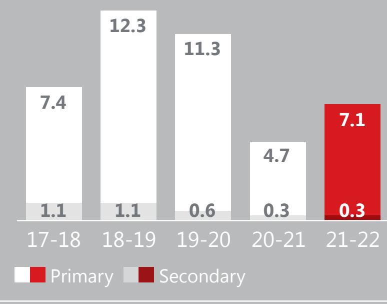


* includes aircraft and engine related overhaul events and pre-delivery payments.

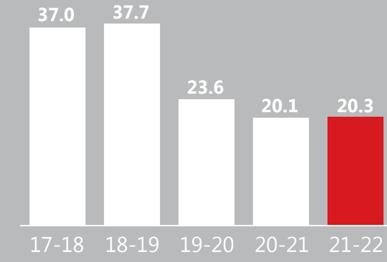
Equity and liabilities in AED bn



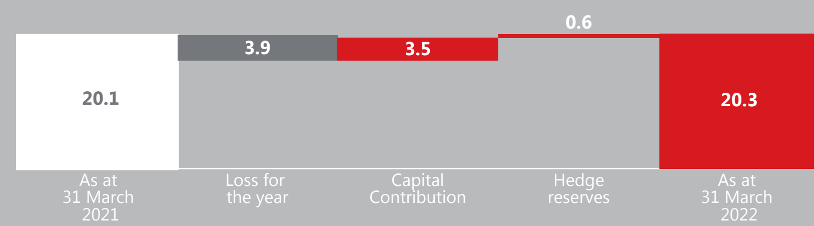
Capital expenditure in AED bn



Total equity in AED bn



Total equity movement in AED bn



Statement of financial position

Emirates' balance sheet remained healthy with total assets of AED 150.0bn (2020-21: AED 151.8 bn).

Assets

Non-current assets of AED 119.6bn (2020-21: AED 128.9bn) were down 7.2% or AED 9.3bn due to depreciation and amortisation charges of AED 18.2bn partly offset by additions of AED 8.8bn in property, plant and equipment, right-of-use and intangibles assets. The additions include NBV of AED 65m pertaining to IT division related assets which were transferred from dnata effective 31 March 2022.

Cash assets, backed by robust cash inflows from operations, showed a remarkable turnaround and reached pre-COVID levels, closing at AED 20.9bn (2020-21: AED 15.1bn). These cash reserves provide us with a strong financial foundation as we start the next financial year.

Current assets, excluding cash assets, increased to AED 9.5bn from AED 7.8bn mainly due to growth in trade receivables of AED 2.3bn.

Capital expenditure

We continued the expansion of our fleet and other customer-focused initiatives as capital expenditure increased by 48.7% and stood at AED 7.4bn (2020-21: AED 5.0bn).

Primary capital expenditure comprising aircraft spend (including pre-delivery payments, aircraft, engines and parts), major aircraft & engine maintenance costs and spare engines represented 95.4% or AED 7.1bn of the annual capital spend (2020-21: 93.3% or AED 4.7bn). This spend includes the addition of 5 A380s delivered this year (2020-21: 3 A380s).

The airline is also continuously investing in new technologies to enhance customers' experience and bring efficiencies across business processes. Our capital projects in progress include various such initiatives.

Emirates continued the journey to empower its travel trade partners in delivering better, tailored products to Emirates' customers by offering them more choices of channels and commercial models to access our content and future new distribution capability.

Equity

Emirates' total equity remained stable at AED 20.3bn (2020-21: AED 20.1bn).

Opening equity was reduced by the loss for the year of AED 3.9bn. Given the demands on liquidity primarily during the first half of the financial year, our ultimate shareholder, Government of Dubai, extended support by injecting a further AED 3.5bn in the form of equity.

Other significant movements in the total equity included AED 0.6bn of net credits from hedge reserves owing to the favourable movements in hedged currencies and benchmark interest rates.

Liabilities

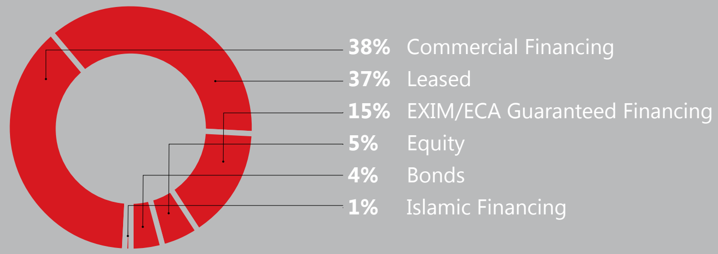
Total liabilities slightly reduced to AED 129.7bn (2020-21: AED 131.7bn), a drop of 1.5%.

Borrowings and lease liabilities reduced by AED 11.4bn to AED 96.2bn (2020-21: AED 107.6bn). The movements in the balance are explained more fully under the section 'Debt'.

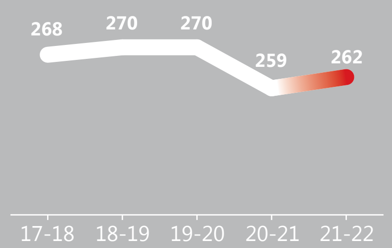
Deferred revenue almost doubled compared to the previous year and ascended to AED 12.3bn (2020-21: AED 6.3bn), a result of significantly improved passenger travel demand leading to an increase in the balance of 'passenger and cargo sales in advance'. Skywards related deferrals grew to AED 2.1bn as members earned more miles compared to redemptions during the year.

Other noteworthy movements include an increase of AED 3.5bn or 33.6% in trade and other payables, as a result of the increase in operating activity.

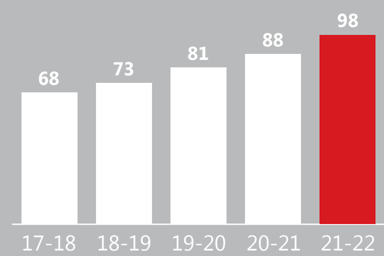
Sources of funding over last 10 years in %



Number of aircraft



Average fleet age in months



Fleet information

Aircraft	Total as at 31 March 2022	Owned*	Leased	Total as at 31 March 2021	Change since 31 March 2021	Future deliveries	Options
A 380-800	118	61	57	113	5	-	-
B 777-300ER	124	66	58	125	(1)	-	-
B 777-200LR	10	6	4	10	-	-	-
B 787-9	-	-	-	-	-	30	-
B 777-X	-	-	-	-	-	115	61
A 350-900	-	-	-	-	-	50	-
Passenger	**252**	**133**	**119**	**248**	**4**	**195**	**61**
B777 Freighters	10	-	10	11	(1)	2	-
Freighters	**10**	-	**10**	**11**	**(1)**	**2**	-
Total aircraft	**262**	**133**	**129**	**259**	**3**	**197**	**61**

*Includes aircraft acquired on secured financing.

Fleet acquisition and financing

During the first half of the financial year, restrictions continued on passenger air travel across several of our key markets as the world battled with new variants of COVID-19. However, as countries started re-opening their borders during the second half of the year, we saw a gradual return in passenger demand leading to higher sales and cash collections. Supported by a strong cargo business throughout the year, our average daily cash collection from all sales channels, net of refunds, almost doubled in H2 of the financial year compared to H1.

With robust cash reserves generated by operations, equity injections of AED 3.5bn, and various cost saving and liquidity improvement measures, we were able to meet all our financial obligations on time.

Despite the challenging environment, Emirates remains optimistic about the increase in long term travel demand. Our order book has 197 aircraft – 50 Airbus 350-900s, 115 Boeing 777-8x/9x , 30 Boeing 787-9 and 2 Boeing 777F, excluding options and purchase rights. We have already received committed offers to fund the two Boeing 777F aircraft through Islamic finance leases which are due to be delivered in the forthcoming year.

The high seat factor on the A380 continues to demonstrate the customer preference for this aircraft as we took 5 new deliveries this year. The Boeing 777 aircraft remains a strong pillar of our fleet. During the year, we phased out 2 older aircraft (including one freighter). As we anticipate delays in new aircraft deliveries, we extended operating leases for 12 aircraft, most of which were due to retire in the current year. Emirates continues to maintain a young fleet age of 8.2 years (98 months), considerably lower than the industry average, consisting of 144 Boeing aircraft and 118 twin-deck A380 aircraft.

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. During the year, Emirates raised a total of AED 9.7bn (2020-21: AED 14.5bn) in financing for aircraft and general corporate purposes, funded through term loans, revolving credit and short-term trade facilities.

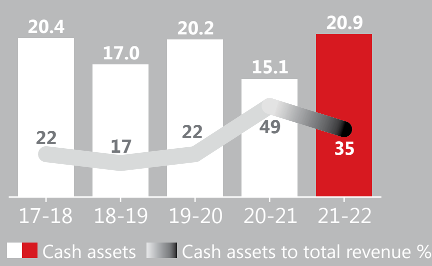
Emirates achieved a significant milestone this year as it signed a first-of-its-kind USD 750 million five-year dual-tranche facility. This is a competitively priced landmark transaction for a sales-receivable backed financing structure, aimed to diversify Emirates' liquidity pool.

Capitalising on our strong liquidity position, we successfully repaid AED 4.5bn out of the total of AED 17.5bn raised during the COVID-19 crisis (starting March 2020) in addition to meeting all our ongoing debt obligations.

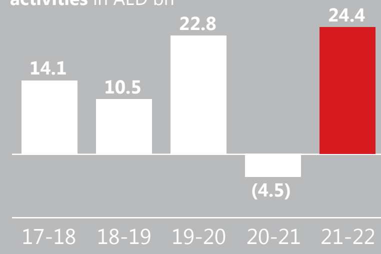
Having raised more than AED 212.4bn (USD 57.8bn) total financing over the last 10 years, Emirates continues to maintain a well-diversified and evenly spread financing portfolio. Tapping into various sources of funding, both in terms of structure and geography, Emirates remains on track with its long-term 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. To further bolster our 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.

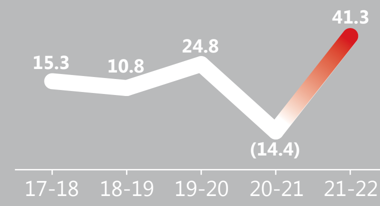
Cash assets in AED bn **and Cash assets to total revenue** in %



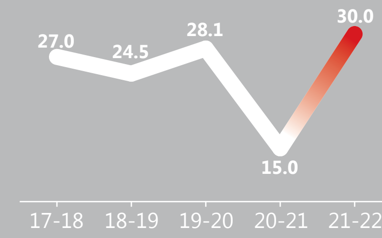
Cash generated from/(used in) operating activities in AED bn



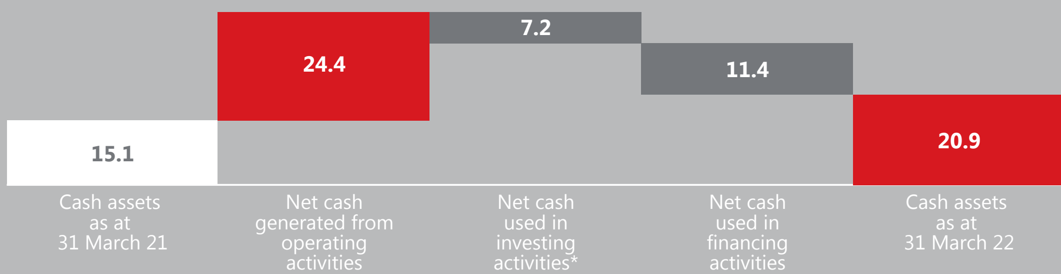
Operating cash margin in %



EBITDA margin in %

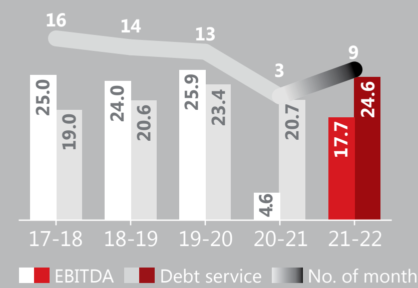


Cash flow in AED bn



*excluding movement in short-term bank deposits.

EBITDA and debt service in AED bn



Cash position

Cash assets

After a drop of AED 5.1bn last year, Emirates' cash assets, which include short term bank deposits, increased appreciably by 38.2% and reached AED 20.9bn (2020-21: AED 15.1bn) as at the year-end. These represent surplus funds left after meeting all our financial obligations and investment requirements.

Cash assets stood at 35.3% (2020-21: 48.9%) of total revenue this year. While this is outside the target range of 25% +/- 5%, we expect to normalise this as soon as the business returns to normal and revenues increase further.

Cash flow movement

The growth in operations complemented by our efforts in managing working capital helped us generate AED 24.4bn from operating activities this year, the highest ever in Emirates' history. This is despite us fulfilling AED 8.3bn of refund requests.

As cash flows from operations turned positive this year, our operating cash margin jumped by 55.7% pts. compared to last year and touched 41.3%.

Despite the challenging environment, Emirates' investing activities doubled this year and investment outflows stood at AED 7.2bn (2020-21: AED 3.5bn) primarily relating to new aircraft, engines and parts.

Cash used in financing activities amounted to AED 11.4bn (net), reflecting; debt service of AED 24.6bn, partially offset by equity injections of AED 3.5bn and proceeds of AED 9.7bn from term loans. The loans obtained this year were mainly for managing working capital needs and funding new aircraft deliveries.

EBITDA and debt service

Cash profit from operations excluding working capital movements or EBITDA bounced back to AED 17.7bn (2020-21: AED 4.6bn) as our growth in revenues outpaced the increase in costs.

As with previous years, we continued to honour all our financial obligations on time. Debt service payments amounted to AED 24.6bn (2020-21: AED 20.7), an increase of 18.8% compared to the previous year. This was due to; i) debt repayments towards working capital facilities availed during the pandemic including AED 1.2bn of early settlements, and ii) increase in repayments due to financing obtained for aircraft delivered in the current and previous year.

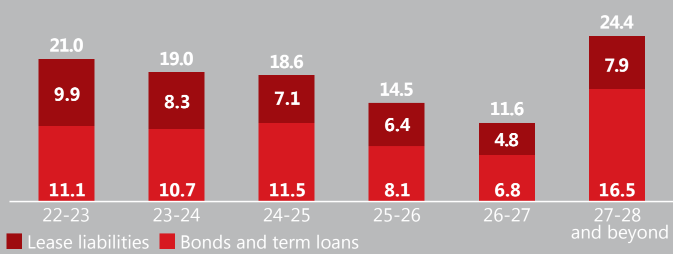
	2021-22	2020-21	2019-20	2018-19	2017-18
EBITDA in AED bn	**17.7**	**4.6**	**25.9**	**24.0**	**25.0**
Less: Debt service					
Repayment of borrowings and lease liabilities	(21.3)	(16.6)	(18.5)	(7.0)	(6.0)
Repayment of operating lease rentals	-	-	-	(11.7)	(11.7)
Interest paid	(3.3)	(4.1)	(4.9)	(1.9)	(1.3)
Total	**(24.6)**	**(20.7)**	**(23.4)**	**(20.6)**	**(19.0)**
EBITDA after debt service in AED bn	**(6.9)**	**(16.1)**	**2.5**	**3.4**	**6.0**

EBITDA after debt service payments was AED 6.9bn (negative), however, equity injections and better working capital management provided the stimuli needed to service our debt.

EBITDA recovered to 9 months (2020-21: 3 months) of debt service payments this year as operating losses reduced. While this is still lower than the pre-COVID level, our EBITDA margin jumped to 30% (2020-21: 15%), signalling our path to recovery. We stand confident in our ability to meet all our financial obligations over the next year and beyond.

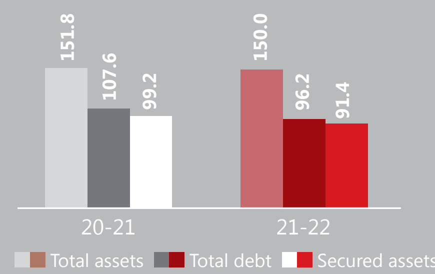
The payments shown in the table (including those of previous years) exclude refinancing of certain borrowings and lease liabilities at commercially better rates. The related cash inflows and outflows are reported at their gross values in the consolidated statement of cash flows and in the relevant notes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

Debt repayment profile* in AED bn

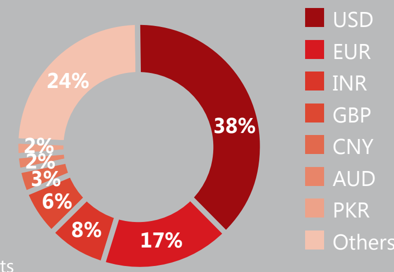


*including future interest.

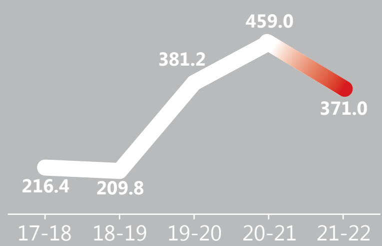
Debt collateralisation in AED bn



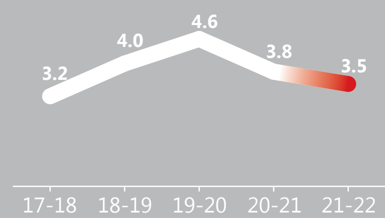
Revenue by currency in %



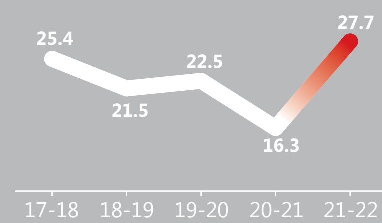
Net debt to equity ratio in %



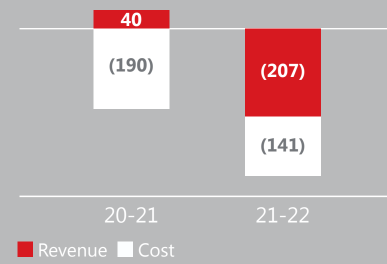
Effective interest rate on borrowings and lease liabilities in %



Cash assets to net debt in %



Currency impact in AED m



Debt

Emirates' borrowings and lease liabilities reduced by AED 11.4bn to AED 96.2bn (2020-21: AED 107.6bn) primarily due to repayments of AED 24.6bn for amortising bonds, lease liabilities and term loans (including interest) which were largely met through cash flows generated from operations. COVID-19 related lease waivers, favourable movements in benchmark interest rates and currencies further reduced our lease liabilities by AED 1.0bn. These decreases were offset by additions of AED 10.5bn in term loans and lease liabilities, and AED 3.7bn in interest and other insignificant movements.

Net debt to equity ratio

With a stable equity, higher cash assets and lower borrowings, our net debt to equity ratio improved to 371% (2020-21: 459%).

Debt repayment profile

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. As at the reporting date, almost 92% of our debt was amortising in nature.

Cash assets to net debt ratio

Robust cash reserves and significant loan repayments led to an improvement in our cash assets to net debt ratio which closed at 27.7% (2020-21: 16.3%).

Debt collateralisation

Of the total debt of AED 96.2bn, AED 38.2bn represents lease liabilities which are supported by right-of-use assets. From the remaining debt, 80.9% or AED 46.9bn is secured against property, plant & equipment and receivables while the balance AED 11.1bn is adequately covered against the carrying value of unencumbered assets.

Financial risk management

Jet fuel price risk

Being our single-largest variable cost element, we are exposed to volatility in the price of jet fuel. To manage this risk, we consider hedging 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 a fixed interest rate basis with the balance 38% being on floating interest rates.

The effective interest rate for borrowings and lease liabilities reduced to 3.5% (2020-21: 3.8%) 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 38% (2020-21: 36%) of our transport revenues and 90% (2020-21: 92%) of our total costs are denominated in US Dollar or currencies pegged to USD.

The movements in exchange rates had an adverse impact of AED 348m on Emirates' results (2020-21: adverse impact of AED 150m) this year. The impact includes one-off devaluation in FX rates in certain markets experiencing geopolitical instability.

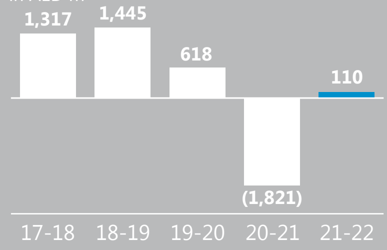
The following six currencies accounted for close to 39% (2020-21: 40%) of our transport revenue this year:

Currency average rate (in AED)

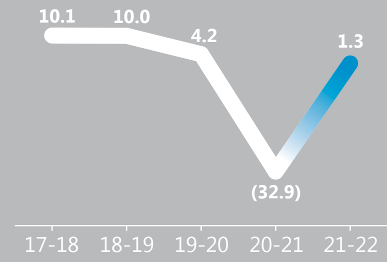
	2021-22	2020-21	% change
EUR	4.279	4.280	(0.1)
INR	0.049	0.050	(0.0)
GBP	5.024	4.789	4.9
CNY	0.570	0.538	5.8
AUD	2.715	2.615	3.8
PKR	0.022	0.023	(1.9)

dnata financial commentary

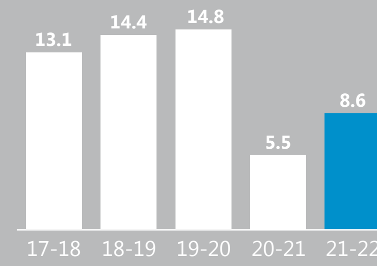
Profit/(loss) attributable to the Owner in AED m



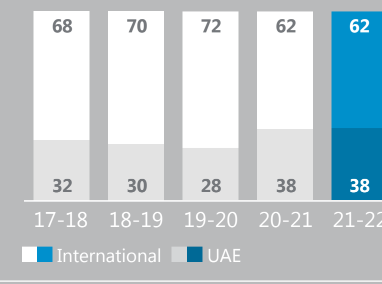
Profit/(loss) margin in %



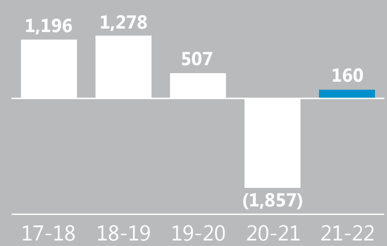
Total revenue in AED bn



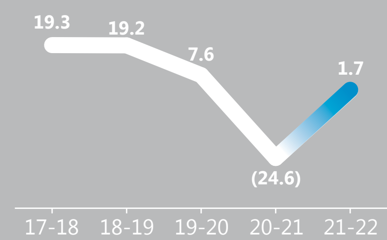
Geographical revenue in %



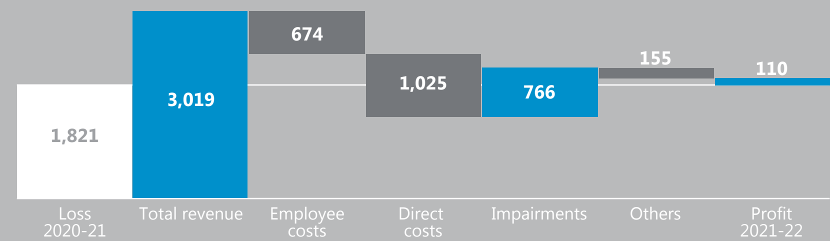
Operating profit/(loss) in AED m



Return on Owner's funds in %



Loss to profit movement in AED m



Following the ravaging economic effects of the COVID-19 pandemic on the aviation and travel sectors last year, 2021-22 was a year of recovery. With the increase in the roll out of vaccines globally, lifting of lockdowns and reduction in the severity of the virus, international travel restrictions eased and customer demand picked up. However, the rebound was kept in check by the emergence of new variants and waves.

After reporting a loss last year, dnata returned to profitability – an excellent performance during challenging times which is testament to our relentless commitment to quality, safety, people, and customers. All three core lines of business – airport operations, inflight catering and travel services – saw a surge in business activities that led to a solid increase in total revenue for dnata. Cash reserves remained stable because of strong inflows from operating activities which underscores the strength of our operating model.

Our people demonstrated exceptional professionalism and resilience during the COVID-19 crisis. We remain committed to the safety and wellbeing of our people and are carefully building up our human resource needs in line with market recovery, prioritising the return of our staff put on furlough or made redundant, where possible.

We continued our focus on strategic partnerships and critical spending to build a strong foundation for future growth. During the year, we announced a significant investment at Amsterdam airport to operate one of the world's largest and most advanced cargo facilities. Strong emphasis on quality and customer services also helped us enter into a strategic partnership with easyJet to manage the end-to-end inflight retail services across the airline's network. On the technology front, we invested in the 'OneCargo Management system' to digitalise processes and maximise efficiencies across our cargo operations.

Looking ahead, dnata is geared up for a smooth take-off as soon as lingering clouds of uncertainty from COVID-19 and geopolitical instability clear up further in the upcoming year. We look forward to helping drive a robust revival of our industry as we continue on our journey to become the world's most admired air services provider.

Total revenue (including other operating income)

Our total revenue improved substantially by 54.5% to AED 8.6bn (2020-21: AED 5.5bn) as our key markets began to show signs of recovery. The strongest rally was seen in the airport operations division with the largest contribution from the UAE business. Inflight catering was up following a 135.5% increase in meals uplifted. The upturn in travel services was relatively moderate as the emergence of the Omicron variant during the peak travel season severely dented travel bookings.

Other operating income of AED 208m was broadly in line with last year (2020-21: AED 200m).

Overall, the share of geographical revenue from operations outside the UAE was consistent with last year at 62%.

Profitability

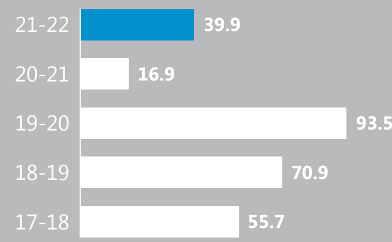
dnata reported profit attributable to the Owner of AED 110m, a remarkable turnaround of AED 1,931m from last year's loss of AED 1,821m. This was mainly driven by an upswing in trading activity in 2021-22 and cost reduction measures introduced since the start of the pandemic. In addition, our current year bottom line also benefitted from no impairment charges against goodwill & other intangible assets (2020-21: AED 766m).

Our profit margin and return on Owner's funds closed at 1.3% and 1.7% respectively following negative returns last year.

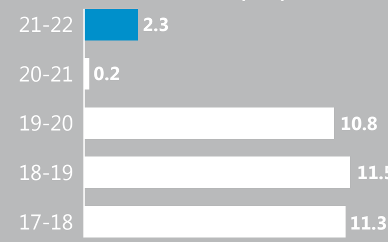
Revenue by Line of Business

Revenue in AED m	2021-22	2020-21	% change	% of total
Airport operations	5,720	3,934	45.4	68.5
Inflight catering	1,671	1,046	59.8	20.0
Travel services	694	130	433.8	8.3
Other services	267	231	15.6	3.2
Total	**8,352**	**5,341**	**56.4**	**100.0**

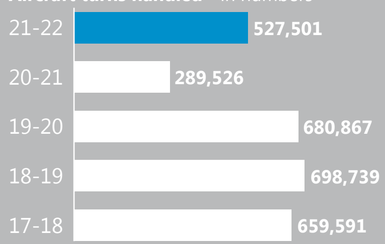
Inflight catering - Meals uplifted
number in millions



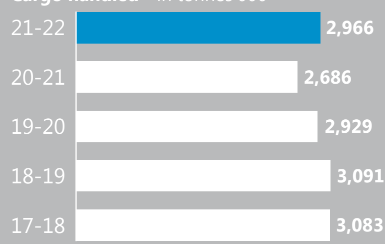
Travel services
- Total Transaction Value (TTV) in AED bn



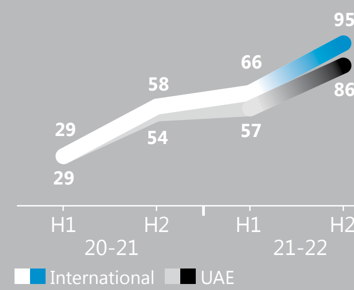
Airport operations -
Aircraft turns handled - in numbers



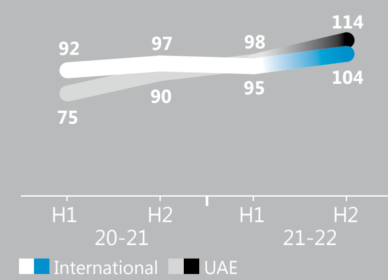
Airport operations -
Cargo handled - in tonnes'000



Aircraft turns handled
as a % of pre-pandemic levels (FY 19-20)



Cargo handled -
as a % of pre-pandemic levels (FY 19-20)



Airport operations

Airport operations continues to be the largest business segment of dnata. Revenue increased by 45.4% to AED 5.7bn (2020-21: AED 3.9bn) due to higher traffic as more countries lifted travel restrictions and reduced quarantine measures.

Revenue from ground handling operations grew by 70.0% to AED 3.6bn. This was driven by an increase of 82.2% in aircraft turns handled to 528k (2020-21: 290k) and are now at 77.5% of pre-pandemic level (compared with FY 19-20). UAE, our biggest market, saw a significant jump in revenue – up 68.8% to AED 1.8bn – as aircraft turns handled rose by 71.9% to 134k. Similarly, our international businesses registered a 71.2% growth in ground handling revenue that reached AED 1.8bn as volumes were up 86.0%. Notable contributions in international businesses were seen in the US, Italy, Australia, Switzerland and Brazil. As the world continued to recover from the crisis we witnessed steady growth in operations and as a result, volumes in H2 of FY 21-22 reached 95.1% and 85.9% of pre-pandemic levels internationally and in the UAE respectively.

Revenue from cargo handling business, that was more resilient during the pandemic, further improved by 16.1% to AED 2.1bn as cargo volumes rose by 10.4% to 3.0 million tonnes – now in line with pre-COVID level. This performance is a testimony to the agility of our business and operations as we enhanced our global offering in response to customer demand and business opportunities while keeping a strong focus on quality and safety. Revenue in the UAE surged 29.3% to AED 0.6bn as volumes grew by 29.0% to 742 thousand tonnes. Other prominent upswings in cargo revenue included the UK and the Netherlands.

We continued to make strategic investments in infrastructure including opening of a workshop dedicated to providing advanced maintenance for airside passenger buses at Dubai airport, a state-of-the-art cargo centre in London and additional cargo facilities in Sydney. We also expanded our global footprint and established operations in Zanzibar to provide ground and passenger handling services at the new international terminal. In addition, we announced a long-term investment in our cargo operations in Amsterdam that will significantly enhance cargo capacity in the Netherlands.

Inflight catering

Our inflight catering business has seen a partial recovery from the pandemic as revenue rose by 59.8% to AED 1.7bn (2020-21: AED 1.0bn), reaching 50.4% of pre-pandemic level. The number of meals catered increased by 135.5% to 39.9m (2020-21: 16.9m). Significant improvement in volumes was seen in our Australia business as domestic travel revived. Other major upsides were witnessed in the UK and Sharjah (UAE) businesses.

Major customer wins during the year included BA CityFlyer, which led to dnata Catering launching operations at London City Airport and the global inflight retail services contract for easyJet. The easyJet contract marks a significant milestone for dnata's growing catering and retail business, cementing its position as a leading end-to-end inflight and airport service provider globally. dnata delivers a tailor-made on-board retail programme and innovative solutions for the airline, supporting it to further enhance its retail range onboard and customer satisfaction.

Overall, the business is now well-placed to better capture volume growth as demand increases.

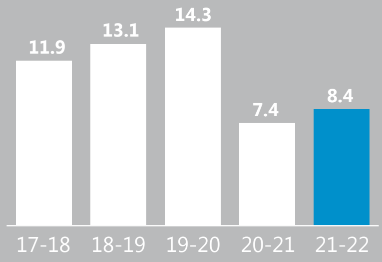
Travel services

The travel business continued to be affected by the impact of the pandemic this year as varying travel restrictions, vaccination requirements and testing procedures either prevented or discouraged travellers in differing ways across the globe. Revenue recovered to AED 0.7bn (2020-21: AED 0.1bn), but remained only 19.6% of the pre-pandemic level.

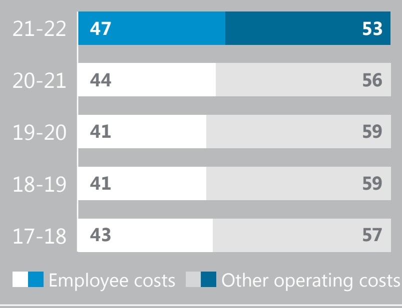
In dnata Travel's largest source market, the UK, trading began to improve but stalled again as the Omicron variant affected customer demand. Recovery in Q4 gathered momentum but was slower than expected due to geopolitical uncertainties. The trading recovery in the UAE was quicker as demand for staycations and trips to the Indian Ocean increased. Trading in our Asia business was minimal as most of South-East Asia remained in lockdown for the majority of the year.

The outlook for the next financial year is much more positive as key destinations and source markets continue to relax or remove restrictions and measures that have made travel difficult and more expensive.

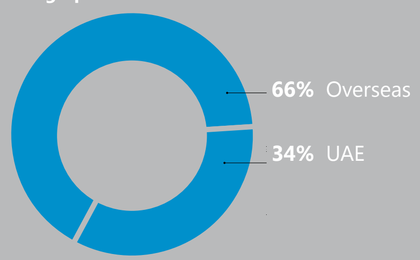
Operating costs* in AED bn



Employee costs as % of total operating costs



Geographical workforce in %



Operating costs in AED m	**2021-22**	**2020-21**	**% change**	**% of total**
Employee costs	3,964	3,290	20.5	47.2
Direct costs	2,121	1,096	93.5	25.2
- Airport operations	1,012	715	41.5	12.0
- Inflight catering	742	326	127.6	8.8
- Travel services	367	53	592.5	4.4
- Others	-	2	(100.0)	-
Depreciation, amortisation and impairment	879	1,662	(47.1)	10.5
Facilities related expenditure	368	325	13.2	4.4
Information technology costs	276	270	2.2	3.3
Sales and marketing expenses	87	35	148.6	1.0
Corporate overheads*	705	720	(2.1)	8.4
Total operating costs	**8,400**	**7,398**	**13.5**	**100.0**

*Includes net loss allowance for impairment of trade receivables.

Operating costs

dnata's total operating costs, including the provision for impairment of trade receivables, climbed 13.5% to AED 8.4bn (2020-21: AED 7.4bn) in line with the growth in operations across the three lines of business. The increase mainly related to employee expenses and direct costs. This was partially offset by a significant reduction in impairment charges on non-financial assets as market conditions and future prospects of the underlying businesses improved. Strengthening of major currencies against USD also pushed up the operating costs.

Employee costs

Employee costs, the single largest component of operating costs at 47.2%, increased by 20.5% to AED 4.0bn (2020-21: AED 3.3bn). After a reduction of 29.2% last year, employee numbers rose again this year by 14.7% reaching 39,376 at year end, commensurate with the recovery of trading activities. The increase in costs was also driven by higher overtime and staff retention pay-outs in our international businesses. The biggest impact on the employee costs, however, was the reduction in the COVID related payroll grants from various governments – down 46.3% to AED 366m (2020-21: AED 682m).

Employee strength in numbers	**2021-22**	**2020-21**	**% change**	**% of total**
Airport operations	28,205	23,500	20.0	71.6
Inflight catering	6,718	6,175	8.8	17.1
Travel services	3,193	3,118	2.4	8.1
Others	1,260	1,551	(18.8)	3.2
Closing employee strength	**39,376**	**34,344**	**14.7**	**100.0**

Direct costs

Direct costs rose by 93.5% year-on-year to AED 2.1bn (2020-21: AED 1.1bn) as businesses regained momentum.

Airport operations related direct costs were 41.5% higher at AED 1.0bn (2020-21: AED 0.7bn) due to increases in contract labour, fuel and spares, and passenger transport costs - in line with the spike in the business activity across the network and driven by inflationary pressures.

Inflight catering related direct costs increased by 127.6% to AED 742m (2020-21: AED 326m) consistent with the increase in revenue. The number of meals uplifted increased significantly in the UK, US, Australia, Italy and UAE.

Direct costs for travel services soared by 592.5% to AED 367m (2020-21: AED 53m), in sync with higher revenue as demand for travel bookings improved, particularly in the UK.

Other operating costs

Depreciation, amortisation and impairment charges fell by 47.1% to AED 0.9bn (2020-21: AED 1.7bn) because of one-off impairments of AED 0.7bn on intangible assets recognised in the prior year which were triggered by historic plunge in demand and uncertain future cashflows.

Facilities related expenditure was up by 13.2% to AED 368m (2020-21: AED 325m) on account of reduced COVID-19 related reliefs received from governments across our international businesses.

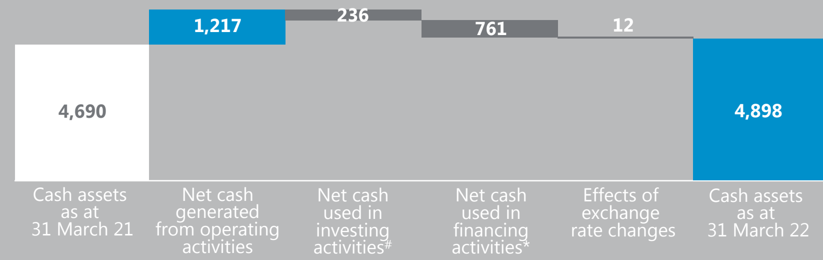
Sales and marketing expenses jumped by 148.6% to AED 87m (2020-21: AED 35m) as mainly the travel businesses resumed marketing activities.

Corporate overheads were down 2.1% to AED 705m (2020-21: AED 720m) primarily due to lower provision for impairment of trade receivables in the current year.

Assets in AED m	2021-22	2020-21	% change	% of total
PPE, ROU assets, investment property & intangible assets	6,331	6,632	(4.5)	42.7
Investments accounted for using the equity method	391	455	(14.1)	2.6
Trade and other receivables	2,853	2,195	30.0	19.3
Cash assets	4,898	4,690	4.4	33.0
Other assets	351	302	16.2	2.4
Total	**14,824**	**14,274**	**3.9**	**100.0**

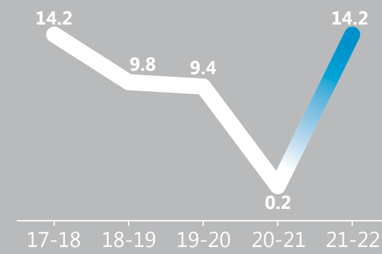
Equity and liabilities in AED m	2021-22	2020-21	% change	% of total
Equity	6,527	6,535	(0.1)	44.0
Borrowings and lease liabilities	3,783	4,058	(6.8)	25.5
Trade and other payables & deferred revenue	3,788	2,845	33.1	25.6
Other liabilities	726	836	(13.2)	4.9
Total	**14,824**	**14,274**	**3.9**	**100.0**

Cash flow in AED m

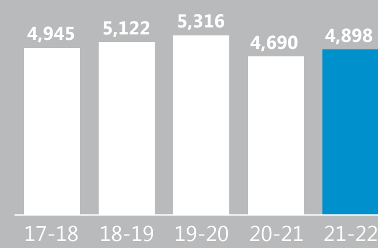


#excluding movement in short term bank deposits.
*excluding movement in bank overdrafts.

Operating cash margin in %



Cash assets in AED m



Statement of financial position

Assets

Total assets increased by 3.9% to AED 14.8bn (2020-21: AED 14.3bn).

Property, plant and equipment ('PPE'), right-of-use ('ROU') assets, investment property and intangible assets combined were down 4.5% to AED 6.3bn (2020-21: AED 6.6bn). A strong US Dollar decreased the value of these assets by AED 109m.

PPE decreased by 11.1% to AED 1.8bn (2020-21: AED 2.1bn) due to depreciation charges of AED 371m and transfer of the Information Technology division assets to Emirates effective 31 March 2022. These were partly offset by various investments made during the year, including; i) expansion in cargo facilities in Amsterdam, Sydney and London, and ii) purchase of new ground handling and catering equipment in the UK, US and UAE.

ROU assets were in line with last year at AED 2.0bn (2020-21: AED 2.0bn). The impact of new leases across North America and in Dubai was evened out by depreciation charges and an adverse foreign exchange movement.

Intangible assets reduced marginally by 5.6% to AED 2.0bn (2020-21: AED 2.1bn) as the impacts of amortisation and unfavourable forex were compensated by computer software additions in the UK and UAE. Goodwill, the largest component of intangible assets, was consistent with last year.

Investments accounted for using the equity method slid by 14.1% to AED 391m (2020-21: AED 455m) principally due to sale of our joint venture investment in Bollore Logistics LLC in the UAE.

Trade and other receivables increased by 30.0% to AED 2.9bn (2020-21: AED 2.2bn) reflecting the growth in business activity.

Equity

Total equity remained in line with previous year at AED 6.5bn.

Liabilities

Total liabilities increased by AED 558m and stood at AED 8.3bn (2020-21: AED 7.7bn).

Borrowings and lease liabilities declined by AED 275m to AED 3.8bn (2020-21: AED 4.1bn). Term loans reduced by AED 204m to AED 1.3bn (2020-21: AED 1.5bn) as repayments of AED 0.4bn were partly countered by new loans of AED 0.2bn obtained to fund capital projects in the UK airport operations and additions to the investment property portfolio.

Lease liabilities decreased by 2.3% to AED 2.3bn (2020-21: AED 2.4bn). This was driven by repayments of AED 0.5bn, balanced in part by; i) new leases in airport operations in the US, Australia and UAE, and ii) lease remeasurements, mainly from a warehouse contract extension in Amsterdam.

Trade and other payables (including deferred revenue) increased by 33.1% to AED 3.8bn (2020-21: AED 2.8bn) as a consequence of the rebound in global travel demand.

Cash position

Cash assets grew by AED 208m to AED 4.9bn (2020-21: AED 4.7bn). With a strong recovery in trading activity, particularly in airport operations, cash generated from operating activities returned a healthy AED 1.2bn after only AED 10m last year. This reflects that the relatively modest profit before tax of AED 134m was largely due to non-cash expenses such as depreciation and amortisation. As a result, operating cash margin also increased to 14.2% (2020-21: 0.2%). The cash generated from operating activities was mainly utilised for net repayment of loans and lease obligations of AED 0.8bn and net investments of AED 0.2bn resulting in an increase in cash assets of AED 0.2bn.

The return to profitability and improvement in our liquidity position at the year end puts us in a strong position as we begin the next financial year. With volumes moving towards pre-pandemic levels, we are focussed on deploying additional resources and capacity efficiently to improve our competitive position. We are also alert to the continued uncertainty and the need to protect the strength of our balance sheet and liquidity levels. We will remain steadfast and agile to get through this period of uncertainty and continue to deliver for our customers, people and shareholder in the years to come.

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 2022, 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 2022;
- the consolidated statement of comprehensive income for the year ended 31 March 2022;
- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of changes in equity for the year ended 31 March 2022;
- the consolidated statement of cash flows for the year ended 31 March 2022; 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 • 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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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Independent Auditor's Report to the Owner of Emirates (continued)

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 end-to-end walkthroughs of the finance and operational processes surrounding the revenue systems, 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 testing as described above, the accuracy of historical expiry data was tested and compared to that used in the calculation of the amount of revenue to recognise from unused revenue documents to assess reasonableness. 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.

Independent Auditor's Report to the Owner of Emirates (continued)

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 2,073 million as at 31 March 2022 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.

Independent Auditor's Report to the Owner of Emirates (continued)

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Key audit matter	How our audit addressed the Key audit matter

Impairment of the airline cash generating unit (CGU)
 	
Given that COVID-19 continues to have an impact on the airline industry, management has performed an impairment assessment at the airline CGU level. 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 and forecast COVID-19 situation. 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 key assumptions applied by management in estimating the recoverable amount of the CGU included:
• an anticipated gradual recovery of airline operations to 95% of pre-COVID-19 revenues by financial year 2024-25;
• 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 financial year 2024-25; 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;
	  • comparing planned capital expenditure to management's forecast of aircraft delivery timing and contractually agreed aircraft values; and
	  • performing look back testing using previous impairment models to ascertain the appropriateness of management's assumptions;
	• we compared the long-term growth rates to external airline industry economic data and economic forecasts; and
	• we performed 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.

Independent Auditor's Report to the Owner of Emirates (continued)

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Key audit matter	How our audit addressed the Key audit matter
Provision for aircraft return conditions Emirates operated 129 aircraft under lease arrangements at 31 March 2022 (2021: 131). 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 5,754 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.

Independent Auditor's Report to the Owner of Emirates (continued)

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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
9 May 2022

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

Consolidated Income Statement for the year ended 31 March 2022

	Note	2022 AED m	2021 AED m
Revenue	5	58,282	30,230
Other operating income	6	898	697
Operating costs	7	(59,618)	(45,948)
Operating loss		**(438)**	**(15,021)**
Finance income	8	153	288
Finance costs	8	(3,737)	(4,514)
Other financial gains / (losses)	9	70	(1,088)
Share of results of investments accounted for using the equity method	15	149	35
Loss before tax		**(3,803)**	**(20,300)**
Income tax expense - net	10	(31)	(10)
Loss for the year		**(3,834)**	**(20,310)**
Profit / (loss) attributable to non-controlling interests		83	(31)
Loss attributable to Emirates' Owner		**(3,917)**	**(20,279)**

Consolidated Statement of Comprehensive Income for the year ended 31 March 2022

	Note	2022 AED m	2021 AED m
Loss for the year		**(3,834)**	**(20,310)**
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit obligations	22 (a)	(93)	(6)
Items that are or may be reclassified subsequently to the consolidated income statement			
Currency translation differences	20	(5)	(3)
Cash flow hedges	20	652	5,645
Other comprehensive income for the year		**554**	**5,636**
Total comprehensive income for the year		**(3,280)**	**(14,674)**
Total comprehensive income attributable to non-controlling interests		84	(31)
Total comprehensive income attributable to Emirates' Owner		**(3,364)**	**(14,643)**

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

Consolidated Statement of Financial Position as at 31 March 2022

	Note	2022 AED m	2021 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	12	76,144	79,258
Right-of-use assets	13	36,715	43,486
Intangible assets	14	5,704	5,266
Investments accounted for using the equity method	15	693	660
Trade and other receivables	17	32	163
Derivative financial instruments	28	223	-
Deferred tax assets	24	53	53
		119,564	**128,886**
Current assets			
Inventories	16	2,344	2,322
Trade and other receivables	17	6,833	4,763
Derivative financial instruments	28	363	698
Short term bank deposits	18	16,914	11,063
Cash and cash equivalents	18	3,966	4,045
		30,420	**22,891**
Total assets		**149,984**	**151,777**

	Note	2022 AED m	2021 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	19	15,647	12,147
Other reserves	20	504	(143)
Retained earnings		3,582	7,593
Attributable to Emirates' Owner		**19,733**	**19,597**
Non-controlling interests		580	550
Total equity		**20,313**	**20,147**
Non-current liabilities			
Trade and other payables	25	866	187
Borrowings and lease liabilities	21	78,432	89,637
Derivative financial instruments	28	13	216
Provisions	22	6,212	5,883
Deferred tax liabilities	24	-	2
		85,523	**95,925**
Current liabilities			
Trade and other payables	25	13,013	10,199
Deferred revenue	23	12,257	6,347
Borrowings and lease liabilities	21	17,813	17,939
Derivative financial instruments	28	35	91
Provisions	22	997	1,098
Current tax liabilities		33	31
		44,148	**35,705**
Total liabilities		**129,671**	**131,630**
Total equity and liabilities		**149,984**	**151,777**

The consolidated financial statements were approved on 9 May 2022 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 2022

	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 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	-	(84)	-	(84)	-	(84)
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	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**
(Loss) / profit for the year	-	-	(3,917)	(3,917)	83	(3,834)
Other comprehensive income for the year	-	647	(94)	553	1	554
Total comprehensive income for the year	**-**	**647**	**(4,011)**	**(3,364)**	**84**	**(3,280)**
Capital contribution by Emirates' Owner (Note 19)	3,500	-	-	3,500	-	3,500
Other capital contributions	-	-	-	-	2	2
Dividends	-	-	-	-	(56)	(56)
Transactions with owners	**3,500**	**-**	**-**	**3,500**	**(54)**	**3,446**
31 March 2022	**15,647**	**504**	**3,582**	**19,733**	**580**	**20,313**

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

Consolidated Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 AED m	2021 AED m
Operating activities			
Loss before tax		(3,803)	(20,300)
Adjustments for:			
Lease rental waivers	6	(267)	(283)
Depreciation, amortisation and impairment	7	18,166	19,665
Provision for retirement benefit obligations	7 (b)	529	579
Net loss allowance for impairment of trade receivables	7	29	35
Finance costs - net	8	3,584	4,226
Other financial (gains) / losses	9	(70)	1,088
Net loss on disposals / write-offs of property, plant & equipment and intangible assets		100	57
Unrealised exchange losses		64	78
Share of results of investments accounted for using the equity method	15	(149)	(35)
Payments of retirement benefit obligations		(389)	(977)
Income tax paid		(31)	(57)
Change in inventories		(22)	348
Change in trade and other receivables		(1,998)	(162)
Change in trade and other payables, deferred revenue and provisions		8,682	(8,716)
Net cash generated from / (used in) operating activities		**24,425**	**(4,454)**

	Note	2022 AED m	2021 AED m
Investing activities			
Additions to property, plant and equipment		(6,181)	(3,502)
Additions to intangible assets		(1,374)	(827)
Proceeds from sale of property, plant and equipment		83	191
Investments in associates and joint ventures	15	(8)	-
Movement in short term bank deposits		(5,851)	954
Interest received		114	482
Dividends from investments accounted for using the equity method	15	112	58
Net cash used in investing activities		**(13,105)**	**(2,644)**
Financing activities			
Capital contributed by Emirates' Owner	19	3,500	11,346
Proceeds from term loans	21 (b)	9,657	14,469
Repayment of bonds and term loans		(13,056)	(8,640)
Principal element of lease payments		(8,209)	(7,949)
Interest paid		(3,294)	(4,081)
Settlement on account of ineffective fuel derivatives		70	(2,186)
Capital contributed by non-controlling interests		2	18
Dividends paid to non-controlling interests		(56)	(75)
Net cash (used in) / generated from financing activities		**(11,386)**	**2,902**
Net change in cash and cash equivalents		**(66)**	**(4,196)**
Cash and cash equivalents at beginning of the year		4,045	8,232
Effect of exchange rate changes on cash and cash equivalents		(13)	9
Cash and cash equivalents at end of the year	18	**3,966**	**4,045**

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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' / 'Owner'), 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.

Passenger air traffic at the start of the financial year 2021-22 continued to be impacted by the pandemic-driven travel restrictions. The emergence and the spread of new variants of the virus forced governments of various countries to further tighten restrictions or reconsider their decision to open borders for travel. However, the second half of the financial year saw a gradual decrease in world-wide infections as the vaccinated population increased. As a result, air-traffic flows improved and travel requirements became less stringent, Emirates ramped up its passenger operations, expanded its network and at 31 March 2022 was flying to 127 passenger destinations or 90% of its pre-pandemic network. Overall seat capacity grew to 67% of pre-COVID levels by the end of the financial year. Cargo operations remained robust during the current year.

Consequently, cash flows generated from operating activities stood at AED 24.4 billion and the net loss to the Owner reduced significantly by 81% compared to the prior year.

The crisis now shows signs of waning internationally, but management continues to closely monitor the operations and liquidity position. Given the demands on liquidity, primarily during the first half of the financial year, Emirates' Owner extended support by injecting a further AED 3.5 billion in the form of equity.

Taking into consideration the improved financial results, forecast revenue and liquidity levels, and with the continued financial support of the Owner, 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, amendments to existing standards in respect of the Interest Rate Benchmark Reform – Phase 2, as explained, were effective and have been adopted by Emirates.

2. Summary of significant accounting policies (continued)

Effective and adopted in the current year (continued)

Interest Rate Benchmark Reform – Phase 2

The Interest Rate Benchmark Reform applies to Inter-Bank Offering Rate ('IBOR') linked interest on financial assets and liabilities. Emirates had adopted Phase 1 of the Interest Rate Benchmark Reform from 1 April 2020 which provided temporary relief from applying specific accounting requirements with respect to discontinuation of hedge accounting during the period of uncertainty i.e., before the benchmark rates get eventually replaced. Phase 1 had no material impact on the consolidated financial statements for the year ended 31 March 2021.

Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 under the Interest Rate Benchmark Reform – Phase 2 became mandatory for the current financial year and have been adopted from 1 April 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

These amendments provide the following reliefs:

a) when changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the consolidated income statement; and

b) the hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Emirates is impacted by these changes on its IBOR linked term loans, lease liabilities and hedge relationships, as explained below.

Term loans
Any change to cash flows arising from the replacement of IBOR will be incorporated by changing the respective effective interest rates. Therefore, the carrying amounts of such term loans will not be adjusted and the impact of the changes in cash flows will be reflected through revised future interest expense recognised over the remaining contractual terms.

Lease liabilities
Upon replacement of the underlying benchmark interest rate, lease liabilities will be remeasured using the revised future cash flows and discount rates. Consequently, a corresponding adjustment will be recognised in the respective right-of-use assets.

Hedge relationships
Hedge documentation will be amended with respect to impacted interest rate swaps designated as hedging instruments in qualifying hedge relationships. In particular, the alternative benchmark interest rate (e.g., SOFR) will replace the previous contractual rate driver i.e., USD LIBOR as the designated hedged risk. Under the relief available, hedge relationships will not discontinue because of the changes to hedge documentation. Further, the accumulated amount recognised in the hedge reserve will be deemed to be based on the alternative benchmark interest rate.

Emirates has exposures to some interbank offered rates on its financial instruments that will be replaced or reformed as part of the IBOR being undertaken globally. Emirates' main IBOR exposure as of 31 March 2022 related to USD LIBOR. Based on the announcement by the ICE Benchmark Administration (IBA), the FCA-regulated and authorised administrator of LIBOR, the publication of applicable USD LIBORs is expected to cease after June 2023. Management has set up a committee which monitors and manages the risk associated to the transition to alternative benchmark rates and periodically reports on the progress.

As of 31 March 2022, IBOR based borrowings and lease liabilities amounted to AED 53.2 billion, while the notional principal amounts of interest rate swaps used to hedge variability in cash flows arising from such borrowings and lease liabilities amounted to AED 8.5 billion.

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. None of these have been early adopted and are not expected to have a material impact on Emirates.

Basis of consolidation and equity accounting

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 deconsolidated from the date that control ceases.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting (continued)

The acquisition method of accounting is used to account for business combinations by Emirates, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business, 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.

Identifiable assets acquired, liabilities and contingent liabilities, if any, incurred or assumed in a business combination, with limited exceptions, 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.

Acquisition-related costs are expensed as incurred.

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.

The excess 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 acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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 at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

Inter-company transactions, balances and unrealised gains arising on transactions between Emirates and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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 using the equity method of accounting 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 using the equity method of accounting and include goodwill (net of accumulated impairment loss, if any) identified on acquisition, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise Emirates' share of the post-acquisition profits or losses of the investee in the consolidated income statement, and Emirates' share of movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Emirates' share in the associate or joint venture's transactions with their respective owners are accounted in Emirates' consolidated statement of changes in equity as share of other changes in equity.

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.

All material unrealised gains arising on transactions between Emirates and its associates and joint ventures are eliminated to the extent of Emirates' interest in these entities. All material unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting (continued)

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.

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.

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.

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

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.

Revenue

Passenger 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'. Revenue 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.

2. Summary of significant accounting policies (continued)

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.

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.

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 single transaction other than a business combination, at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. 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 asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by Emirates 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 current tax asset and liability balances on a net basis.

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.

2. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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 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. Other borrowing costs are expensed in the period in which they are incurred.

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 on a straight-line basis over the lease term, and included within operating costs in the consolidated income statement.

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, lease modifications that are not accounted for as separate leases, or lease extensions/ renewals that were not part of the original lease term (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 a sale under IFRS 15, a financial liability equal to the sale value is recognised in the consolidated financial statements under '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 is recognised and measured on business combinations acquired by Emirates, as described within the 'Basis of consolidation and equity accounting' policy. Goodwill on acquisitions of subsidiaries is included in intangible assets in the consolidated statement of financial position.

Goodwill is not amortised but 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.

Intangible assets 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	10 to 15 years, or based on the usage pattern of the underlying contract
Computer software	3 – 8 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)

Inventories

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

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 the 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.

Cash and bank balances are subject to impairment requirements. However, Emirates considers these to have low credit risk based on external credit ratings of the counterparties as listed in Note 31.

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)

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 the hedged item that Emirates actually hedges and the quantity of the hedging instrument that Emirates actually uses to hedge that quantity for the 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. 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 gains / (losses)'.

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 gains / (losses)'.

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 gains / (losses)'.

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.

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.

2. Summary of significant accounting policies (continued)

Retirement benefit obligations (continued)

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.

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 for each restoration obligation 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. Unwinding of the associated discount is recognised as a finance cost over the lease term. Subsequent changes to the estimated cost for each restoration obligation is accounted for as a remeasurement to the provision for aircraft return conditions with a corresponding impact to the related right-of-use asset, if available, and depreciated over the remaining lease term. Otherwise, the remeasurement is accounted as a credit to the consolidated income statement within 'Operating costs'.

Trade payables

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

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 expired.

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 accounting judgements have been made relating to the application of accounting policies and reported amounts of assets, liabilities, income and expense. The significant judgements made by management in applying the accounting policies 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.

3. Critical accounting estimates and judgements (continued)

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 reflects 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.

Impairment testing for non-financial assets

The continuing disruption being caused by COVID-19 to Emirates' operations is considered as an indicator for potential impairment of non-financial assets and accordingly, management has performed an impairment review of Emirates' significant cash generating units ('CGUs'). The related accounting estimates and judgements are disclosed below. In accordance with the requirements of IAS 36, Emirates conducts the impairment review of its non-financial assets within each identified CGU using the value-in-use method.

Airline CGU

The Emirates airline network is 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. 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.

Significant judgements exercised include:

- an anticipated gradual recovery of airline operations to 95% of pre-COVID-19 revenues by financial year 2024-25;
- with the exception of terminal growth of 1.5%, no additional growth is included in the forecast cash flows post 2024-25 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 risk adjusted weighted average cost of capital).

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 2024-25 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.

Other CGUs

Similar judgements have been exercised to other CGUs (primarily pertaining to catering, consumer goods, hotel related operations and investments in associates & joint ventures) using cash flows adjusted for the impact of COVID-19, discount rates ranging from 6.3% to 8.7% and terminal growth rates ranging between 1.5% to 4.5%. Reasonably possible changes to the significant judgements in the impairment tests would not lead to a material impairment charge.

As a result of this exercise, no impairment loss has been recognised in respect of the airline and other CGUs in the consolidated income statement for the year ended 31 March 2022.

3. Critical accounting estimates and judgements (continued)

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.

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(a).

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

	2022 AED m	2021 AED m
Passenger	32,917	11,230
Cargo	21,654	17,106
Consumer goods	1,591	942
Hotel operations	602	296
Catering operations	512	193
Food and beverage	458	199
Others	548	264
	58,282	**30,230**

6. Other operating income

	2022 AED m	2021 AED m
Lease rental waivers (Note 21 (a))	267	283
Liquidated damages and other aircraft related compensations	109	18
Others	522	396
	898	**697**

7. Operating costs

	2022 AED m	2021 AED m
Depreciation, amortisation and impairment (see (a))	18,166	19,665
Jet fuel	13,855	6,398
Employee (see (b))	8,441	7,830
Handling	3,285	2,004
Sales and marketing	3,225	1,764
Facilities and IT	1,889	1,735
Aircraft maintenance	1,863	1,197
Cost of goods sold	1,784	855
Overflying	1,678	1,017
Landing and parking	1,480	955
In-flight catering	1,416	499
Crew layover	269	181
Net foreign exchange loss	193	45
Net loss allowance for impairment of trade receivables	29	35
Other operating costs	274	349
Corporate overheads	1,771	1,419
	59,618	**45,948**

7. Operating costs (continued)

(a) Depreciation, amortisation and impairment includes:

	2022 AED m	2021 AED m
Depreciation of:		
- Property, plant and equipment (Note 12)	9,074	9,580
- Right-of-use assets (Note 13)	8,177	8,817
Amortisation of intangible assets (Note 14)	915	558
Impairment loss on:		
- Property, plant and equipment (Note 12)	-	536
- Right-of-use assets (Note 13)	-	105
- Intangible assets (Note 14)	-	69
	18,166	**19,665**

(b) Employee costs include AED 529 m (2021: AED 579 m) in respect of retirement benefit obligations (Note 22 (a)).

(c) Operating costs include expenses related to short term leases of AED 228 m (2021: AED 237 m), non-index based variable leases of AED 107 m (2021: AED 82 m) and low value leases of AED 57 m (2021: AED 33 m).

8. Finance income and costs

	2022 AED m	2021 AED m
Finance income		
Interest income on bank deposits:		
Related parties (Note 30)	103	189
Others	50	99
	153	**288**
Finance costs		
Interest expense on lease liabilities:		
Aircraft	(2,139)	(2,548)
Non-aircraft	(141)	(173)
	(2,280)	**(2,721)**
Interest expense on term loans and bonds	**(1,155)**	**(1,463)**
Other finance costs	**(302)**	**(330)**
	(3,737)	**(4,514)**
Finance costs - net	**(3,584)**	**(4,226)**

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

Finance costs include an amount of AED 217 m (2021: AED 241 m) on borrowings and lease liabilities from companies under common control (Note 30).

9. Other financial gains / (losses)

Other financial gains of AED 70 m (2021: losses of AED 1,088 m) relate to over-hedged jet fuel quantities.

10. Income taxes

	2022 AED m	2021 AED m
Current tax expense	35	29
Deferred tax credit (Note 24)	(4)	(19)
	31	**10**

Emirates has secured tax exemptions by virtue of double taxation agreements and airline reciprocal arrangements in most of the jurisdictions in which it operates. 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. Currently there is no corporate income tax in the UAE. However, in January 2022, the UAE's Ministry of Finance announced the introduction of a Federal Corporate Tax regime on business profits of corporations effective for financial years starting on or after 1 June 2023. Management is currently assessing the impact of the upcoming regulations to the business, which will be applicable to Emirates from 1 April 2024.

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 and cargo services, is the main reportable segment. Catering operations is another reportable segment which provides in-flight and institutional catering services. 'Others' comprise 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 2022 is as follows:

	Airline AED m	Catering operations AED m	Others AED m	Recon-ciliation AED m	Total AED m
Total segment revenue	55,498	1,498	2,718	(141)	59,573
Inter-segment revenue	(170)	(986)	(135)	-	(1,291)
Revenue from external customers	55,328	512	2,583	(141)	58,282
Segment (loss) / profit for the year	(4,285)	32	419	-	(3,834)
Finance income	153	2	1	(3)	153
Finance costs	(3,708)	(8)	(24)	3	(3,737)
Income tax (expense) / credit - net	(36)	-	5	-	(31)
Depreciation, amortisation and impairment	(17,688)	(202)	(276)	-	(18,166)
Share of results of investments accounted for using the equity method	-	-	149	-	149
Segment assets	142,089	3,225	5,661	(991)	149,984
Investments accounted for using the equity method	-	-	693	-	693
Additions to property, plant and equipment	5,907	167	27	-	6,101
Additions to right-of-use-assets	646	143	89	-	878
Additions to intangible assets	1,325	2	3	-	1,330

11. Segment information (continued)

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

Geographical information

	2022 AED m	2021 AED m
Revenue from external customers:		
Europe	18,618	7,864
East Asia and Australasia	11,629	8,460
Americas	11,188	4,104
West Asia and Indian Ocean	6,686	3,634
Gulf and Middle East	5,480	3,100
Africa	4,681	3,068
	58,282	**30,230**

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.

Emirates' major revenue earning asset is its 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 2021	**101,068**	**7,145**	**8,972**	**13,740**	**6,998**	**2,779**	**140,702**
Additions	-	121	642	10	66	5,262	6,101
Transfer from capital projects	5,082	-	-	20	71	(5,173)	-
Disposals / write-offs	(721)	(145)	(2,082)	-	(416)	-	(3,364)
Currency translation differences	-	-	-	(5)	11	-	6
Transfer from dnata (Note 30)	-	-	-	1	534	-	535
31 March 2022	**105,429**	**7,121**	**7,532**	**13,766**	**7,264**	**2,868**	**143,980**
Accumulated depreciation and impairment							
1 April 2021	**40,369**	**3,292**	**6,607**	**5,865**	**5,311**	**-**	**61,444**
Charge for the year (Note 7(a))	6,238	500	1,487	449	400	-	9,074
Disposals / write-offs	(647)	(45)	(2,082)	-	(408)	-	(3,182)
Currency translation differences	-	-	-	(5)	11	-	6
Transfer from dnata (Note 30)	-	-	-	1	493	-	494
31 March 2022	**45,960**	**3,747**	**6,012**	**6,310**	**5,807**	**-**	**67,836**
Net book amount							
31 March 2022	**59,469**	**3,374**	**1,520**	**7,456**	**1,457**	**2,868**	**76,144**

The net book amount of aircraft includes an amount of AED 54,673 m (2021: AED 55,679 m) in respect of assets provided as security against financing obligations.

Land of AED 571 m (2021: AED 571 m) is carried at cost and is not depreciated.

Property, plant and equipment includes borrowing cost capitalised during the year amounting to AED 25 m (2021: AED 16 m). The interest on general borrowings for qualifying assets was capitalised using an annual weighted average capitalisation rate of 3.5% (2021: 3.8%).

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 2,201 m (2021: AED 1,841 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 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	-	-	-	-	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 (Note 7(a))	5,868	594	2,184	444	490	-	9,580
Impairment loss (Note 7(a))	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**

13. Right-of-use assets

	Aircraft	Aircraft spare engines	Land and buildings	Others	Total
	AED m	AED m	AED m	AED m	AED m
Net book amount at 1 April 2020	**47,343**	**88**	**5,543**	**18**	**52,992**
Additions	-	-	489	-	489
Remeasurements	(1,038)	-	(31)	-	(1,069)
Depreciation charge for the year (Note 7(a))	(7,653)	(55)	(1,104)	(5)	(8,817)
Impairment loss (Note 7(a))	(90)	-	(15)	-	(105)
Currency translation differences	-	-	(4)	-	(4)
Net book amount at 31 March 2021	**38,562**	**33**	**4,878**	**13**	**43,486**
Additions	-	-	878	-	878
Remeasurements	843	43	(351)	(1)	534
Depreciation charge for the year (Note 7(a))	(7,161)	(44)	(967)	(5)	(8,177)
Currency translation differences	-	-	(6)	-	(6)
Net book amount at 31 March 2022	**32,244**	**32**	**4,432**	**7**	**36,715**

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 478 m (2021: AED 454 m) as the legal title will be transferred to Emirates upon completion of the lease term.

14. Intangible assets

	Goodwill	Contractual rights	Computer software	Service rights	Trade names	Total
	AED m	AED m	AED m	AED m	AED m	AED m
Cost						
1 April 2021	**729**	**4,349**	**2,054**	**282**	**6**	**7,420**
Additions	-	1,164	166	-	-	1,330
Disposals	-	(12)	(11)	-	-	(23)
Transfer from dnata (Note 30)	-	-	198	-	-	198
31 March 2022	**729**	**5,501**	**2,407**	**282**	**6**	**8,925**
Accumulated amortisation and impairment						
1 April 2021	**3**	**569**	**1,380**	**201**	**1**	**2,154**
Charge for the year (Note 7(a))	-	699	208	7	1	915
Disposals	-	(12)	(10)	-	-	(22)
Transfer from dnata (Note 30)	-	-	174	-	-	174
31 March 2022	**3**	**1,256**	**1,752**	**208**	**2**	**3,221**
Net book amount						
31 March 2022	**726**	**4,245**	**655**	**74**	**4**	**5,704**

Computer software includes an amount of AED 133 m (2021: AED 94 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 6.3% to 8.7% (2021: 6.5% to 9.5%), EBITDA margins consistent with historical trends and growth rates based on management's expectations for market development. The long term terminal growth rates ranging from 1.5% to 4.5% (2021: 1% to 4%) 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 material impairment charge.

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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	2022 AED m	2021 AED m
Catering operations	UAE	Catering operations	369	369
Consumer goods	UAE	Others	212	212
Food and beverage	USA	Others	120	120
Food and beverage	UAE	Others	25	25
			726	**726**

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

15. Investments in subsidiaries, associates and joint ventures

	Percentage of beneficial interest	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Material 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 individually material to Emirates. Further, no individual associate or joint venture is material to Emirates.

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

Movement of investments accounted for using the equity method

	2022 AED m	2021 AED m
Balance brought forward	**660**	**691**
Investments during the year	8	-
Share of results	149	35
Dividends	(112)	(58)
Currency translation differences	(12)	(8)
Balance carried forward	**693**	**660**

The aggregate financial information of associates is set out below:

	2022 AED m	2021 AED m
Share of results of associates	50	27
Share of total comprehensive income of associates	**50**	**27**
Aggregate carrying value of investments in associates	**45**	**41**

The aggregate financial information of joint ventures is set out below:

	2022 AED m	2021 AED m
Share of results of joint ventures	99	8
Share of total comprehensive income of joint ventures	**99**	**8**
Aggregate carrying value of investments in joint ventures	**648**	**619**

16. Inventories

	2022 AED m	2021 AED m
In-flight consumables	1,228	1,304
Consumer goods	595	510
Engineering	391	395
Others	130	113
	2,344	**2,322**

In-flight consumables include AED 960 m (2021: AED 973 m) relating to items which are not expected to be consumed within twelve months after the reporting period.

17. Trade and other receivables

	2022 AED m	2021 AED m
Trade receivables - net of provision	4,971	2,699
Prepayments	586	776
Related parties (Note 30)	452	184
Lease and other deposits	193	215
Other receivables	663	1,052
	6,865	**4,926**
Less: Receivables over one year	(32)	(163)
	6,833	**4,763**

The carrying amounts of trade, related party and other receivables approximate their fair values 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 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 holding high credit ratings with no material balances overdue. These receivables are presented net of provision.

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17. Trade and other receivables (continued)

The loss allowance was determined as follows:

Description	Current AED m	Below 3 months past due AED m	3 - 6 months past due AED m	Above 6 months past due AED m	Total AED m
2022					
Gross carrying amount - trade receivables	4,290	586	87	117	5,080
Expected loss rate	0.4%	0.5%	9%	68%	
Loss allowance	19	3	8	79	109
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

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

	2022 AED m	**2021** AED m
Balance brought forward	**95**	**94**
Charge for the year	48	77
Unused amounts reversed	(19)	(42)
Amounts written off as uncollectible	(12)	(35)
Currency translation differences	(3)	1
Balance carried forward	**109**	**95**

The net provision for impairment losses for trade receivables AED 29 m (2021: AED 35 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

	2022 AED m	2021 AED m
Bank deposits	17,719	12,027
Cash and bank	3,161	3,081
Cash and bank balances	**20,880**	**15,108**
Less: Short term bank deposits - with original maturity of more than 3 months	(16,914)	(11,063)
Cash and cash equivalents as per the consolidated statement of financial position	**3,966**	**4,045**

Cash and bank balances earned an effective interest rate of 1.0% (2021: 1.8%) per annum.

Cash and bank balances include AED 15,838 m (2021: AED 9,391 m) held with financial institutions under common control.

19. Capital

Capital of AED 15,647 m (2021: AED 12,147 m) represents the permanent capital of Emirates. During the year ended 31 March 2022, Emirates' Owner contributed additional capital of AED 3,500 m (2021: 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 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	(84)	-	-	(84)
Currency translation differences	-	-	(3)	(3)
31 March 2021	**(84)**	**(44)**	**(15)**	**(143)**
Net gain on fair value of cash flow hedges	-	2,078	-	2,078
Hedge ineffectiveness transferred to the consolidated income statement	-	(70)	-	(70)
Transferred to the consolidated income statement upon settlement	-	(1,356)	2	(1,354)
Currency translation differences	-	-	(7)	(7)
31 March 2022	**(84)**	**608**	**(20)**	**504**

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

	2022 AED m	2021 AED m
Revenue	(70)	(45)
Operating costs (Jet fuel)	1,591	(1,072)
Finance costs	(165)	(93)
Operating costs (Net foreign exchange loss)	(2)	-
	1,354	**(1,210)**

21. Borrowings and lease liabilities

	Non-current AED m	Current AED m	Total AED m
2022			
Lease liabilities (Note 21 (a))	30,147	8,096	38,243
Term loans (Note 21 (b))	46,726	8,894	55,620
Bonds (Note 21 (c))	1,559	823	2,382
	78,432	**17,813**	**96,245**
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**

	2022 AED m	2021 AED m
Borrowings and lease liabilities are denominated in the following currencies:		
US Dollar	81,446	89,696
UAE Dirham	7,313	9,091
Euro	4,079	4,375
Japanese Yen	1,641	2,099
Pound Sterling	1,550	2,021
Others	216	294
	96,245	**107,576**

The effective interest rate per annum on lease liabilities was 5.4% (2021: 5.4%), term loans was 2.3% (2021: 2.5%) and bonds was 4.5% (2021: 4.5%).

21 (a). Lease liabilities

	2022 AED m	2021 AED m
Balance brought forward	**46,553**	**54,903**
Additions	798	489
Interest (Note 8)	2,280	2,721
Remeasurements	(321)	(1,068)
Waivers (Note 6)	(267)	(283)
Repayments	(10,433)	(10,618)
Currency translation differences	(367)	409
Balance carried forward	**38,243**	**46,553**
Gross lease liabilities:		
Within one year	9,945	10,894
Between 2 and 5 years	26,624	31,316
After 5 years	7,868	12,750
	44,437	**54,960**
Future interest	(6,194)	(8,407)
Present value of lease liabilities	**38,243**	**46,553**
The present value of lease liabilities relate to:		
Aircraft	35,203	42,534
Non-aircraft	3,040	4,019
Repayable as follows:		
Within one year (Note 21)	**8,096**	**8,646**
Between 2 and 5 years	22,735	26,106
After 5 years	7,412	11,801
Total over one year (Note 21)	**30,147**	**37,907**

21 (a). Lease liabilities (continued)

	2022 AED m	2021 AED m
Lease liabilities are denominated in the following currencies:		
US Dollar	30,034	36,009
UAE Dirham	2,636	3,476
Euro	2,166	2,654
Japanese Yen	1,641	2,099
Pound Sterling	1,550	2,021
Others	216	294
	38,243	**46,553**

Lease liabilities include AED 1,983 m (2021: 2,546 m) payable to companies under common control on normal commercial terms.

21 (b). Term loans

	2022 AED m	2021 AED m
Balance brought forward	**58,047**	**51,294**
Additions	9,657	14,469
Transfer from trade and other payables (see (a))	633	-
Interest (see (b))	980	-
Repayments (see (b))	(13,121)	(7,821)
Currency translation differences	(89)	105
Balance carried forward	**56,107**	**58,047**
Less: Transaction costs	(487)	(214)
	55,620	**57,833**
Term loans are repayable as follows:		
Within one year (Note 21)	**8,894**	**8,478**
Between 2 and 5 years	31,433	32,278
After 5 years	15,293	17,077
Total over one year (Note 21)	**46,726**	**49,355**
Term loans are denominated in the following currencies:		
US Dollar	49,030	50,497
UAE Dirham	4,677	5,615
Euro	1,913	1,721
	55,620	**57,833**

(a) During the current year, accrued interest, previously included within 'Trade and other payables' was reclassified to 'Term loans' to better reflect the nature of the balance.

(b) Interest and repayments were previously presented as a net balance whilst in the current year they have been shown gross for enhanced disclosure purposes.

21 (b). Term loans (continued)

Contractual repricing dates are set at three to six month intervals. Term loans amounting to AED 46,902 m (2021: AED 44,836 m) are secured on aircraft, plant & equipment and certain receivable balances.

The fair value of the term loans amounts to AED 55,995 m (2021: AED 58,284 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 5,603 m (2021: AED 4,007 m) provided by financial institutions under common control on normal commercial terms.

21 (c). Bonds

	2022 AED m	2021 AED m
Balance brought forward	**3,207**	**4,026**
Transfer from trade and other payables (see (a))	10	-
Interest (see (b))	111	-
Repayments (see (b))	(933)	(819)
Balance carried forward	**2,395**	**3,207**
Less: Transaction costs	(13)	(17)
	2,382	**3,190**
Bonds are repayable as follows:		
Within one year (Note 21)	**823**	**815**
Between 2 and 5 years	1,353	1,960
After 5 years	206	415
Total over one year (Note 21)	**1,559**	**2,375**

(a) During the current year, accrued interest, previously included within 'Trade and other payables' was reclassified to 'Bonds' to better reflect the nature of the balance.

(b) Interest and repayments were previously presented as a net balance whilst in the current year they have been shown gross for enhanced disclosure purposes.

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

The fair value of the bonds is AED 2,385 m (2021: AED 3,274 m) based on listed prices and falls into level 1 of the fair value hierarchy.

22. Provisions

	2022 AED m	2021 AED m
Non-current		
Retirement benefit obligations (Note 22 (a))	1,455	1,222
Aircraft return conditions (Note 22 (b))	4,757	4,661
	6,212	**5,883**
Current		
Aircraft return conditions (Note 22 (b))	997	1,098
	7,209	**6,981**

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 2022 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 3.0% (2021: 2.0%) and a discount rate of 3.50% (2021: 2.75%) per annum. The present values of the defined benefit obligations at 31 March 2022 were computed using the actuarial assumptions set out above.

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

	2022 AED m	2021 AED m
Funded scheme		
Present value of defined benefit obligations	2,500	2,426
Less: Fair value of plan assets	(2,491)	(2,425)
	9	**1**
Unfunded scheme		
Present value of defined benefit obligations	**1,446**	**1,221**
Provision recognised in the consolidated statement of financial position	**1,455**	**1,222**

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 9 m (2021: 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 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:

	2022 AED m	2021 AED m
Balance brought forward	**2,425**	**2,705**
Contributions received	190	220
Benefits paid	(181)	(1,065)
Change in fair value	57	565
Balance carried forward	**2,491**	**2,425**

Contributions received include the transfer of accumulated benefits from unfunded schemes. Emirates expects to contribute approximately AED 196 m for existing plan members during the year ending 31 March 2023.

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:

	2022 AED m	2021 AED m
Balance brought forward	**1,221**	**1,608**
Current service cost	135	146
Interest cost	28	36
Remeasurement :		
- changes in experience / demographic assumptions	85	(17)
- changes in financial assumptions	8	23
Payments made during the year	(112)	(575)
Transfer from dnata (Note 30)	81	-
Balance carried forward	**1,446**	**1,221**

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:

	2022 AED m	2021 AED m
Defined benefit plan		
Funded scheme		
Contributions expensed	180	218
Net change in the present value of defined benefit obligations over plan assets	8	(5)
	188	**213**
Unfunded scheme		
Current service cost	135	146
Interest cost	28	36
	163	**182**
Defined contribution plan		
Contributions expensed	178	184
Recognised in the consolidated income statement (Note 7 (b))	**529**	**579**

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%	(61)
	- 0.5%	66
Expected salary increases	+ 0.5%	66
	- 0.5%	(61)

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 10 years (2021: 11 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

	2022 AED m	2021 AED m
Balance brought forward	**5,759**	**6,211**
Unwinding of discount	288	326
Utilised on return of aircraft & engines	(579)	(477)
Unutilised amounts reversed	(84)	(300)
Remeasurements	370	(1)
Balance carried forward	**5,754**	**5,759**
The provision is expected to be utilised as follows:		
Within one year (Note 22)	**997**	**1,098**
Over one year (Note 22)	**4,757**	**4,661**

23. Deferred revenue

	2022 AED m	2021 AED m
Passenger and cargo sales in advance (Note 23 (a))	10,184	4,558
Frequent flyer programme (Note 23 (b))	2,073	1,789
	12,257	**6,347**

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.

23 (b). Frequent flyer programme

	2022 AED m	2021 AED m
Balance brought forward	**1,789**	**1,842**
Additions	1,364	342
Recognised	(1,080)	(395)
Balance carried forward	**2,073**	**1,789**

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:

	2022 AED m	2021 AED m
Deferred tax asset	53	53
Deferred tax liability	-	(2)
	53	**51**

The movement in deferred taxes are as follows:

	2022 AED m	2021 AED m
Balance brought forward	**51**	**22**
Credited to the consolidated income statement (Note 10)	4	19
Currency translation differences	(2)	10
Balance carried forward	**53**	**51**

25. Trade and other payables

	2022 AED m	2021 AED m
Trade payables and accruals	12,969	9,874
Related parties (Note 30)	910	512
	13,879	**10,386**
Less: Payables over one year	(866)	(187)
	13,013	**10,199**

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

	2022 AED m	2021 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**1,008**	**899**

Guarantees and letters of credit include AED 123 m (2021: AED 133 m) provided by companies under common control on normal commercial terms.

27. Commitments

Capital commitments

	2022 AED m	2021 AED m
Aircraft (contracted and non-contracted)	141,556	139,564
Non-aircraft	83	175
Joint ventures	52	30
	141,691	**139,769**

Aircraft related capital commitments pertain to future deliveries of 197 aircraft as at 31 March 2022 and includes commitments for aircraft spare engines and simulators.

Operational commitments

	2022 AED m	2021 AED m
Sales and marketing	**2,710**	**2,388**

28. Derivative financial instruments

Description	2022 Term	2022 AED m	2021 Term	2021 AED m
Cash flow hedge				
Non-current assets				
Interest rate swaps	2023-2032	223		-
		223		**-**
Current assets				
Jet fuel forward contracts		349		698
Interest rate swaps		12		-
Currency forwards		2		-
		363		**698**
Cash flow hedge				
Non-current liabilities				
Interest rate swaps	2023-2032	(13)	2022-2032	(216)
		(13)		**(216)**
Current liabilities				
Interest rate swaps		(34)		(86)
Currency forwards		(1)		(5)
		(35)		**(91)**

	2022 AED m	2021 AED m
Jet fuel forward contracts		
Change in fair value of outstanding hedging instruments since 1 April	1,312	3,582
Hedge ratio	1:1	1:1
Weighted average hedged rate (in USD per barrel)	53	54

	2022 AED m	2021 AED m
Interest rate swaps		
Change in fair value of outstanding hedging instruments since 1 April	321	227
Hedge ratio	1:1	1:1
Weighted average hedged rate	1.9%	1.9%

The notional principal amounts outstanding are:

	2022 AED m	2021 AED m
Jet fuel forward contracts	314	4,632
Interest rate swaps	8,528	9,894
Currency forwards	1,155	755

The notional principal amounts outstanding include AED 2,814 m (2021: AED 3,402 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
2022					
Assets					
Derivative financial instruments	-	586	-	-	586
Trade and other receivables (excluding prepayments)	6,279	-	-	-	6,279
Short term bank deposits	16,914	-	-	-	16,914
Cash and cash equivalents	3,966	-	-	-	3,966
Total	**27,159**	**586**	**-**	**-**	**27,745**
Liabilities					
Borrowings and lease liabilities	-	-	-	96,245	96,245
Provision for aircraft return conditions	-	-	-	5,754	5,754
Trade and other payables	-	-	90	13,789	13,879
Derivative financial instruments	-	48	-	-	48
Total	**-**	**48**	**90**	**115,788**	**115,926**

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
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**

30. Related party transactions and balances

Emirates transacts with associates, joint ventures and companies controlled by 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.

	2022 AED m	2021 AED m
Trading transactions:		
(i) Sale of goods and services		
Sale of goods - Companies under common control	247	94
Sale of goods - Joint ventures	68	18
Sale of goods - Associates	40	39
Services rendered - Companies under common control	116	72
Services rendered - Joint ventures	11	15
Sale of frequent flyer miles - Companies under common control	344	226
	826	**464**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	3,564	1,043
Purchase of goods - Associates	123	67
Services received - Companies under common control	2,066	1,556
	5,753	**2,666**

	2022 AED m	2021 AED m
Other transactions:		
(i) Finance income		
Companies under common control (Note 8)	103	189
(ii) Finance cost		
Companies under common control (Note 8)	217	241
(iii) Compensation to key management personnel		
Salaries and short term employee benefits	112	73
Post-employment benefits	8	12
	120	**85**

Emirates also uses a 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.

Effective 31 March 2022, beneficial ownership of the assets and liabilities in the Information Technology division (a shared corporate function) was transferred from dnata to Emirates at their carrying value of AED 155m.

30. Related party transactions and balances (continued)

	2022 AED m	2021 AED m
Year end balances		
(i) Receivables - sale of goods and services (Note 17)		
Companies under common control	300	80
Joint ventures	74	40
Associates	8	8
	382	**128**
(ii) Other receivables (Note 17)		
Companies under common control	65	48
Joint ventures	1	3
	66	**51**

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.

	2022 AED m	2021 AED m
(iii) Loans and advances to key management personnel (Note 17)		
Balance brought forward	**5**	**8**
Additions during the year	1	-
Repayments during the year	(2)	(3)
Balance carried forward	**4**	**5**
Receivable within one year	**1**	**2**
Receivable over one year	**3**	**3**
(iv) Payables - purchase of goods and services (Note 25)		
Companies under common control	845	486
Associates	17	7
	862	**493**
(v) Other payables (Note 25)		
Companies under common control	48	19

31. Financial risk management

Financial risk factors

Emirates is exposed to a variety of financial risks which involve analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Emirates' aim has been to achieve an appropriate balance between risk and return and minimise potential adverse effects on its 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 S&P Global Ratings ('S&P') or its 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 and procures derivative financial instruments from banks and financial institutions with good credit ratings. Exposure to credit risk is also managed through regular analysis of the ability of counterparties and potential counterparties to meet their obligations. As of 31 March 2022, approximately 91% (2021: 91%) 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 at the end of the reporting period based on 'S&P' ratings or its equivalent for Emirates' main banking relationships:

	2022 AED m	2021 AED m
AA- to AA+	358	862
A- to A+	20,091	13,180
BBB+	147	278
Lower than BBB+	16	396
Unrated	235	346

The sale of passenger and cargo transportation is largely achieved through International Air Transport Association (IATA) approved sales agents, Emirates' area offices, retail stores and through online channels. All IATA agents have to meet a minimum financial criterion 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 Program. The credit risk associated with such sales agents and the related balances within trade receivables is therefore low and further reduced by the credit risk analytics performed by Emirates. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or regions. Sales through area offices, retail stores and through online channels are required to be settled in cash or using major credit cards, thus mitigating credit risk. For some trade receivables, Emirates obtains security in the form of guarantees, cash deposits etc., which can be called upon if the counterparty is in default under the terms of the agreement.

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 history, existing market conditions as well as forward-looking estimates at the end of each reporting period. These judgements are continually reassessed due to the changed economic environment resulting from the global spread of COVID-19. As of 31 March 2022, the provision for impairment of trade and other receivables amounted to AED 109 m (2021: AED 95 m) and has been disclosed under Note 17. This note also discloses the loss rates applied on trade receivables falling in different age brackets.

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 the airline considers hedging 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. Fuel accounted for 23% of Emirates' operating costs during the year (2021: 14%).

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, Chinese Yuan and Indian Rupee 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 earns 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 330 m (2021: AED 327 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 USD LIBOR for US Dollar, EIBOR for UAE Dirham and EURIBOR for Euro denominated borrowings. 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 bank deposits are mainly denominated in UAE Dirham and US Dollar.

Effects of Interest rate benchmark reform

The adoption of interest rate benchmark reforms and the consequent transition to alternative reference rates will impact Emirates' current risk management strategy and possibly accounting for certain financial instruments.

Emirates has exposures to some IBORs on its financial instruments that will be replaced or reformed as part of the interest rate benchmark reforms being undertaken globally.

As of 31 March 2022, borrowing and lease liabilities with a carrying value of AED 53.2 bn and derivative financial instruments with a notional value of AED 8.5 bn were indexed to USD LIBOR, which is Emirates' main IBOR exposure. These balances are expected to be impacted by the transition for which the alternative reference rate is SOFR. As of 31 March 2022, based on the announcement by the ICE Benchmark Administration (IBA), the FCA-regulated and authorised administrator of LIBOR, the publication of certain US dollar LIBOR is expected to cease after 30 June 2023.

Emirates has set up a committee which monitors and manages the transition to alternative benchmark rates and periodically reports to the senior management on the progress and any risks arising. As of 31 March 2022, none of the impacted financial instruments have been transitioned to alternative benchmark rates.

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.

	2022		2021	
	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
- USD 5 on price	-	-	-	(422)

	2022		2021	
	Effect on profit AED m	**Effect on equity** AED m	**Effect on profit** AED m	**Effect on equity** AED m
Currency risk				
Euro				
+ 1%	6	(35)	8	(36)
- 1%	(6)	35	(8)	36
Pound Sterling				
+ 1%	1	(14)	2	(18)
- 1%	(1)	14	(2)	18
Indian Rupee				
+ 1%	1	1	1	1
- 1%	(1)	(1)	(1)	(1)
Chinese Yuan				
+ 1%	1	1	1	1
- 1%	(1)	(1)	(1)	(1)

31. Financial risk management (continued)

(ii) Market risk (continued)

	2022		2021	
	Effect on profit AED m	Effect on equity AED m	Effect on profit AED m	Effect on equity AED m
Interest rate risk				
Interest cost				
- 25 basis points				
UAE Dirham	9	9	12	12
US Dollar	90	13	84	(18)
	99	**22**	**96**	**(6)**
+ 25 basis points				
UAE Dirham	(9)	(9)	(12)	(12)
US Dollar	(90)	(13)	(84)	18
	(99)	**(22)**	**(96)**	**6**
Interest income				
- 25 basis points	(12)	(12)	(5)	(5)
+ 25 basis points	12	12	5	5

(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.

COVID-19 related restrictions on air travel continued during the year, as new variants of the virus spread across the world. However, during the second half of the financial year, with increased vaccinations and reduced severity of the virus, restrictions were gradually lifted in some of the key markets, and customer confidence returned with a noticeable increase in bookings. This resulted in Emirates remaining cash positive during the year after meeting all its financial obligations.

Additionally, the management pursued prudent measures to mitigate the impact on liquidity through saving costs, reducing discretionary capital expenditure, and improving working capital management.

During the year, the Owner also injected cash in the form of equity amounting to AED 3.5 billion (2021: AED 11.3 billion).

Management continues to closely monitor the cash and liquidity position. There is a constant focus on working capital optimisation and strategies have been put in place to manage the refinancing and/or 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.

31. Financial risk management (continued)

(iii) Liquidity risk (continued)

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
2022				
Borrowings and lease liabilities	20,957	63,697	24,429	109,083
Derivative financial instruments	34	11	3	48
Provision for aircraft return conditions	1,029	4,290	1,485	6,804
Trade and other payables	13,013	868	-	13,881
	35,033	**68,866**	**25,917**	**129,816**
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**

32. 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 losses in 2022, Emirates recorded a negative return on Owner's equity.

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. As at 31 March 2022, this ratio is 371.0% (2021: 459.0%).

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 2022, 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 2022;
- the consolidated statement of comprehensive income for the year ended 31 March 2022;
- the consolidated statement of financial position as at 31 March 2022;
- the consolidated statement of changes in equity for the year ended 31 March 2022;
- the consolidated statement of cash flows for the year ended 31 March 2022; 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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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Independent Auditor's Report to the Owner of dnata (continued)

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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 2022, the carrying value of goodwill was AED 1,447 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, EBITDA 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 its cash generating units containing goodwill 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; • we compared future expected revenue growth rates and EBITDA 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 • 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.

Independent Auditor's Report to the Owner of dnata (continued)

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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.

Independent Auditor's Report to the Owner of dnata (continued)

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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
9 May 2022

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

Consolidated Income Statement for the year ended 31 March 2022

	Note	2022 AED m	2021 AED m
Revenue	5	8,352	5,341
Other operating income		208	200
Net loss allowance for impairment of trade receivables	14	(44)	(122)
Operating costs	6	(8,356)	(7,276)
Operating profit / (loss)		**160**	**(1,857)**
Finance income		62	101
Finance costs		(123)	(123)
Share of results of investments accounted for using the equity method	12	35	(15)
Profit / (loss) before tax		**134**	**(1,894)**
Income tax (charge) / credit - net	7	(18)	16
Profit / (loss) for the year		**116**	**(1,878)**
Profit / (loss) attributable to non-controlling interests		6	(57)
Profit / (loss) attributable to dnata's Owner		**110**	**(1,821)**

Consolidated Statement of Comprehensive Income for the year ended 31 March 2022

	2022 AED m	2021 AED m
Profit / (loss) for the year	**116**	**(1,878)**
Items that will not be reclassified to the consolidated income statement		
Remeasurement of retirement benefit obligations - net of deferred tax	(25)	(39)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	-	(18)
Items that are or may be reclassified subsequently to the consolidated income statement		
Currency translation differences	(49)	189
Cash flow hedges	13	(10)
Net investment hedge	(2)	(2)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	4	(1)
Other comprehensive income for the year	**(59)**	**119**
Total comprehensive income for the year	**57**	**(1,759)**
Total comprehensive income attributable to non-controlling interests	6	(54)
Total comprehensive income attributable to dnata's Owner	**51**	**(1,705)**

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

Consolidated Statement of Financial Position as at 31 March 2022

	Note	2022 AED m	2021 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,838	2,067
Right-of-use assets	9	2,033	2,024
Investment property	10	458	420
Intangible assets	11	2,002	2,121
Investments accounted for using the equity method	12	391	455
Trade and other receivables	14	15	31
Deferred tax assets	21	156	196
		6,893	**7,314**
Current assets			
Inventories	13	147	77
Trade and other receivables	14	2,838	2,164
Current tax assets		27	29
Derivative financial instruments	25	21	-
Short term bank deposits	24	3,740	3,730
Cash and cash equivalents	24	1,158	960
		7,931	**6,960**
Total assets		**14,824**	**14,274**

	Note	2022 AED m	2021 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	15	63	63
Other reserves	16	(346)	(312)
Retained earnings		6,825	6,803
Attributable to dnata's Owner		**6,542**	**6,554**
Non-controlling interests		(15)	(19)
Total equity		**6,527**	**6,535**
Non-current liabilities			
Trade and other payables	17	34	74
Deferred revenue	18	107	109
Borrowings and lease liabilities	20	2,834	2,993
Provisions	19	521	568
Deferred tax liabilities	21	82	95
		3,578	**3,839**
Current liabilities			
Trade and other payables	17	2,961	2,542
Deferred revenue	18	686	120
Borrowings and lease liabilities	20	949	1,065
Derivative financial instruments	25	-	7
Provisions	19	102	149
Current tax liabilities		21	17
		4,719	**3,900**
Total liabilities		**8,297**	**7,739**
Total equity and liabilities		**14,824**	**14,274**

The consolidated financial statements were approved on 9 May 2022 and signed by:

Sheikh Ahmed bin Saeed Al-Maktoum
Chairman and Chief Executive

Michael Doersam
Group Chief Financial Officer

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

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

		Attributable to dnata's Owner					
	Note	**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 2020		**63**	**(482)**	**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**	**(312)**	**6,803**	**6,554**	**(19)**	**6,535**
Profit for the year		-	-	110	110	6	116
Other comprehensive income for the year		-	(34)	(25)	(59)	-	(59)
Total comprehensive income for the year		**-**	**(34)**	**85**	**51**	**6**	**57**
Dividends		-	-	-	-	(4)	(4)
Dilution of interest in a subsidiary		-	-	(2)	(2)	2	-
Transactions with owners		**-**	**-**	**(2)**	**(2)**	**(2)**	**(4)**
Share of other changes in equity of investments accounted for using the equity method	12	-	-	(61)	(61)	-	(61)
31 March 2022		**63**	**(346)**	**6,825**	**6,542**	**(15)**	**6,527**

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

Consolidated Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 AED m	2021 AED m
Operating activities			
Profit / (loss) before tax		134	(1,894)
Adjustments for:			
Depreciation, amortisation and impairment	6	928	1,726
Finance costs - net		61	22
Lease rental waivers	20 (b)	(23)	(30)
Share of results of investments accounted for using the equity method	12	(35)	15
Gain on sale of investments accounted for using the equity method	12	(9)	-
Net (gain) / loss on disposals / write-offs of property, plant and equipment and intangible assets		(3)	5
Net loss allowance for impairment of trade receivables	14	44	122
Provision for retirement benefit obligations	6	257	261
Net movement in derivative financial instruments		3	10
Payments of retirement benefit obligations		(239)	(390)
Income tax paid		(1)	(40)
Change in inventories		(76)	89
Change in trade and other receivables		(791)	928
Change in trade and other payables, deferred revenue and other provisions		967	(814)
Net cash generated from operating activities		**1,217**	**10**

	Note	2022 AED m	2021 AED m
Investing activities			
Additions to property, plant and equipment	8	(230)	(192)
Additions to investment property	10	(55)	(53)
Additions to intangible assets	11	(85)	(83)
Dividends from investments accounted for using the equity method		10	20
Acquisition of subsidiaries, net of cash acquired		-	4
Proceeds from sale of property, plant and equipment and intangible assets		21	26
Proceeds from sale of investments accounted for using the equity method	12	40	-
Related party loans - net	27	4	1
Movement in short term bank deposits		(10)	(30)
Interest received		59	128
Net cash used in investing activities		**(246)**	**(179)**
Financing activities			
Proceeds from term loans	20 (a)	181	82
Repayment of term loans	20 (a)	(366)	(229)
Principal element of lease payments		(437)	(293)
Interest paid		(119)	(100)
Dividends paid to non-controlling interests		(4)	(8)
Net cash used in financing activities		**(745)**	**(548)**
Net change in cash and cash equivalents		**226**	**(717)**
Cash and cash equivalents at beginning of the year		816	1,480
Effect of exchange rate changes on cash and cash equivalents		(12)	53
Cash and cash equivalents at end of the year	24	**1,030**	**816**

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2022

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' / 'Owner'), 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 are:

- 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.

Taking into consideration the improved financial results, forecast revenue and liquidity levels, 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, amendments to existing standards in respect of the Interest Rate Benchmark Reform – Phase 2, as explained below, were effective and have been adopted by dnata.

Interest Rate Benchmark Reform – Phase 2

The Interest Rate Benchmark Reform applies to Inter-Bank Offering Rate ('IBOR') linked interest on financial assets and liabilities. dnata had adopted Phase 1 of the Interest Rate Benchmark Reform from 1 April 2020 which provided temporary relief from applying specific accounting requirements with respect to discontinuation of hedge accounting during the period of uncertainty i.e., before the benchmark rates get replaced. Phase 1 had no material impact on the consolidated financial statements for the year ended 31 March 2021.

Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 under the Interest Rate Benchmark Reform – Phase 2 became mandatory for the current financial year and have been adopted from 1 April 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

These amendments provide the following reliefs:

a) when changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the consolidated income statement.

b) the hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

dnata is impacted by these changes on its IBOR linked term loans. Refer Note 28 for dnata's IBOR based financial instruments as of 31 March 2022 and the related transition plan.

2. Summary of significant accounting policies (continued)

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. None of these have been early adopted and are not expected to have a material impact on dnata.

Basis of consolidation and equity accounting

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.

The acquisition method of accounting is used to account for business combinations by dnata, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred to the former owners of the acquired business, 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.

Identifiable assets acquired, liabilities and contingent liabilities, if any, incurred or assumed in a business combination, with limited exceptions, 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.

Acquisition-related costs are expensed as incurred.

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.

The excess 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 acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated income statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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.

Inter-company transactions, balances and unrealised gains arising on transactions between dnata and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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 using the equity method of accounting 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 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 using the equity method of accounting and include goodwill (net of accumulated impairment loss, if any) identified on acquisition after initially being recognised at cost.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting (continued)

Under the equity method of accounting, investments are initially recorded at cost and adjusted thereafter to recognise dnata's share of the post-acquisition profits or losses of the investee in the consolidated income statement, and dnata's share of movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. dnata's share in the associate or joint venture's transactions with their respective owners are accounted in dnata's consolidated statement of changes in equity as share of other changes in equity.

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.

All material unrealised gains arising on transactions between dnata and its associates and joint ventures are eliminated to the extent of dnata's interest in these entities. All material unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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.

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.

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

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)

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. Revenue from travel services is recognised on the performance of the related service obligation. Until then, this is held in the consolidated statement of financial position under current liabilities as 'Deferred revenue'.

Revenue from the sale of goods (including inflight catering) is recognised when the control of goods is transferred to the customer.

Lease income from assets under operating lease is recognised as income on a straight-line basis over the term of the lease. Rentals received in advance are held in the consolidated statement of financial position under liabilities as 'Deferred revenue'.

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 in the consolidated income statement 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 in the consolidated income statement on the satisfaction of the performance obligation.

Finance income and costs

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

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 operates 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 recognised if it arises from initial recognition of an asset or liability in a single transaction other than a business combination; at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. 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 asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, 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 current tax asset and liability balances on a net basis.

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.

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:

Plant and machinery	4 - 15 years
Buildings	15 - 33 years
Leasehold property	shorter of useful life or lease term
Office equipment and furniture	3 - 6 years
Motor vehicles	5 -10 years

The assets' 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 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. Other borrowing costs are expensed in the period in which they are incurred.

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 on a straight-line basis over the lease term and included within operating costs in the consolidated income statement.

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, 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, lease modifications that are not accounted for as separate leases, or lease extensions / renewals that were not part of the original lease term (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 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 a sale under IFRS 15, a financial liability equal to the sale value is recognised in the consolidated financial statements under "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.

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'.

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

Goodwill

Goodwill is recognised and measured on business combinations acquired by dnata, as described within the 'Basis of consolidation and equity accounting' policy. Goodwill on acquisitions of subsidiaries is included in intangible assets in the consolidated statement of financial position.

Goodwill is not amortised but 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.

Intangible assets 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 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.

2. Summary of significant accounting policies (continued)

Other intangible assets (continued)

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

Computer software	3 - 7 years
Customer relationships	3 - 15 years
Contractual rights	over the expected term of the rights
Trade names	10 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.

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.

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.

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.

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.

Cash and bank balances are also subject to impairment requirements. However, dnata considers these to have low credit risk based on external credit ratings of the counterparties as listed in Note 28.

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)

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.

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.

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.

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 the hedged item that dnata actually hedges and the quantity of the hedging instrument that dnata actually uses to hedge that quantity for the 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. 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.

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.

3. Critical accounting estimates and judgements

In the preparation of these consolidated financial statements, a number of estimates and accounting judgements have been made relating to the application of accounting policies and reported amounts of assets, liabilities, income and expense. The significant judgements made by management in applying the accounting policies 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)

The continuing disruption being caused by COVID-19 to dnata's operations is considered as an indicator for potential impairment of dnata's non-financial assets. In accordance with the requirements of IAS 36, management has performed an impairment review of its significant cash generating units ('CGUs') 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.

As a result of this exercise, no impairment loss (2021: 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 any material impairment charge.

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 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 19(a).

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

	2022 AED m	2021 AED m
Services		
Airport operations	5,720	3,934
Travel services	694	130
Others	267	231
	6,681	**4,295**
Sale of goods		
Inflight catering	1,536	888
Others	135	158
	1,671	**1,046**
	8,352	**5,341**

6. Operating costs

	2022 AED m	2021 AED m
Employee costs (see (a))	3,964	3,290
Direct costs		
- Airport operations	1,012	715
- Inflight catering	742	326
- Travel services	367	53
- Others	-	2
Depreciation, amortisation and impairment (see (c))	879	1,662
Facilities related expenditure	368	325
Information technology costs	276	270
Sales and marketing expenses	87	35
Corporate overheads	661	598
	8,356	**7,276**

(a) Employee costs include AED 257 m (2021: AED 261 m) in respect of retirement benefit obligations (Note 19 (a)). Employee cost support of AED 366 m (2021: AED 682 m) related to the COVID-19 pandemic received from various governments has been offset against the cost.

(b) Operating costs include expenses related to short term leases of AED 115 m (2021: AED 99 m), low value leases of AED 15 m (2021: AED 17 m) and non-index based variable lease payments of AED 7 m (2021: 1 m).

(c) Depreciation, amortisation and impairment include:

	2022 AED m	2021 AED m
Depreciation of:		
- Right-of-use assets (Note 9)	396	380
- Property, plant and equipment	339	344
- Investment property (Note 10)	17	20
Amortisation of intangible assets	127	152
Impairment on:		
- Intangible assets (Note 11)	-	766
	879	**1,662**

Depreciation and amortisation of AED 49 m (2021: AED 64 m) is included under Information technology costs.

7. Income taxes

	2022 AED m	2021 AED m
Current tax charge	1	23
Deferred tax charge / (credit)	17	(39)
	18	**(16)**
The income tax for the year can be reconciled to the accounting profit before tax as follows:		
Profit / (loss) before tax	134	(1,894)
Tax calculated at domestic tax rates applicable in respective tax jurisdictions	**(203)**	**(295)**
Effect of tax losses for which no deferred tax asset has been recognised	244	201
Effect of non-deductible expenses	7	122
De-recognition of previously recognised deferred tax assets	33	60
Effect of income exempt from tax	(58)	(97)
Effect of other items	(5)	(7)
Income tax charge / (credit) - net	**18**	**(16)**

In January 2022, UAE's Ministry of Finance announced the introduction of Federal Corporate Tax regime on business profits of corporations effective for financial years starting on or after 1 June 2023. Management is currently assessing the impact of the upcoming regulations to the business, which will be applicable to dnata from 1 April 2024.

8. Property, plant and equipment

	Plant and machinery AED m	Land, buildings and leasehold property AED m	Office equipment and furniture AED m	Motor vehicles AED m	Capital projects AED m	Total AED m
Cost						
1 April 2021	**2,435**	**1,584**	**1,578**	**196**	**55**	**5,848**
Additions	50	41	31	4	104	230
Transfer from capital projects	39	8	5	1	(53)	-
Disposals / write-offs	(206)	(4)	(444)	(22)	(1)	(677)
Transfer to Emirates (Note 27)	-	-	(535)	-	-	(535)
Currency translation differences	(19)	(21)	(13)	(2)	(5)	(60)
31 March 2022	**2,299**	**1,608**	**622**	**177**	**100**	**4,806**
Accumulated depreciation						
1 April 2021	**1,563**	**728**	**1,366**	**124**	**-**	**3,781**
Charge for the year	186	82	88	15	-	371
Disposals / write-offs	(200)	(3)	(444)	(12)	-	(659)
Transfer to Emirates (Note 27)	-	-	(494)	-	-	(494)
Currency translation differences	(11)	(9)	(12)	1	-	(31)
31 March 2022	**1,538**	**798**	**504**	**128**	**-**	**2,968**
Net book amount at						
31 March 2022	**761**	**810**	**118**	**49**	**100**	**1,838**

Land of AED 21 m (2021: AED 22 m) is carried at cost and is not depreciated.

8. Property, plant and equipment (continued)

	Plant and machinery AED m	Land, buildings and leasehold property AED m	Office equipment and furniture AED m	Motor vehicles AED m	Capital projects AED m	Total AED m
Cost						
1 April 2020	**2,309**	**1,412**	**1,541**	**191**	**71**	**5,524**
Acquisitions	-	1	-	-	-	1
Additions	43	13	19	5	112	192
Transfer from capital projects	45	53	34	-	(132)	-
Disposals / write-offs	(76)	(28)	(47)	(9)	(2)	(162)
Currency translation differences	114	133	31	9	6	293
31 March 2021	**2,435**	**1,584**	**1,578**	**196**	**55**	**5,848**
Accumulated depreciation						
1 April 2020	**1,387**	**587**	**1,278**	**110**	**-**	**3,362**
Charge for the year	176	85	109	19	-	389
Disposals / write-offs	(69)	(16)	(42)	(9)	-	(136)
Currency translation differences	69	72	21	4	-	166
31 March 2021	**1,563**	**728**	**1,366**	**124**	**-**	**3,781**
Net book amount at 31 March 2021	**872**	**856**	**212**	**72**	**55**	**2,067**

9. Right-of-use assets

	Land and buildings AED m	Plant and machinery AED m	Others AED m	Total AED m
Net book amount at 1 April 2020	**1,761**	**188**	**14**	**1,963**
Acquisitions	4	-	-	4
Additions	271	25	1	297
Remeasurements	(27)	(3)	(10)	(40)
Depreciation charge for the year (Note 6(c))	(329)	(47)	(4)	(380)
Currency translation differences	157	23	-	180
Net book amount at 31 March 2021	**1,837**	**186**	**1**	**2,024**
Additions	328	24	8	360
Remeasurements	85	4	-	89
Depreciation charge for the year (Note 6(c))	(346)	(48)	(2)	(396)
Currency translation differences	(42)	(2)	-	(44)
Net book amount at 31 March 2022	**1,862**	**164**	**7**	**2,033**

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 AED m	Buildings AED m	Total AED m
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 (Note 6(c))	-	20	20
31 March 2021	**-**	**91**	**91**
Net book amount at 31 March 2021	**123**	**297**	**420**
Cost			
1 April 2021	**123**	**388**	**511**
Additions	23	32	55
31 March 2022	**146**	**420**	**566**
Accumulated depreciation			
1 April 2021	**-**	**91**	**91**
Charge for the year (Note 6(c))	-	17	17
31 March 2022	**-**	**108**	**108**
Net book amount at 31 March 2022	**146**	**312**	**458**

Buildings include right-of-use assets with a net book amount of AED 35 m (2021: AED 37 m) and projects under construction of AED 33 m (2021: AED 1 m).

Investment property comprises of rental property in Dubai, leased out to one of dnata's joint venture. The fair value of investment property as at 31 March 2022 is AED 608 m (2021: AED 615 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% (2021: 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 53 m (2021: AED 45 m) is recognised in the consolidated income statement as revenue from 'Services - Others'.

11. Intangible assets

	Goodwill AED m	Computer software AED m	Customer relationships AED m	Contractual rights AED m	Trade names AED m	Total AED m
Cost						
1 April 2020	**2,159**	**904**	**666**	**640**	**112**	**4,481**
Acquisitions	-	2	-	-	12	14
Additions	-	83	-	-	-	83
Disposals / write-offs	-	(170)	-	-	-	(170)
Currency translation differences	166	33	31	40	13	283
31 March 2021	**2,325**	**852**	**697**	**680**	**137**	**4,691**
Accumulated amortisation and impairment						
1 April 2020	**225**	**545**	**248**	**609**	**69**	**1,696**
Charge for the year	-	87	57	16	11	171
Impairment loss (Note 6(c))	601	86	76	-	3	766
Disposals / write off	-	(165)	-	-	-	(165)
Currency translation differences	25	19	13	36	9	102
31 March 2021	**851**	**572**	**394**	**661**	**92**	**2,570**
Net book amount at 31 March 2021	**1,474**	**280**	**303**	**19**	**45**	**2,121**
Cost						
1 April 2021	**2,325**	**852**	**697**	**680**	**137**	**4,691**
Additions	-	85	-	-	-	85
Disposals / write-offs	-	(15)	-	-	-	(15)
Transfer to Emirates (Note 27)	-	(198)	-	-	-	(198)
Currency translation differences	(46)	(14)	(8)	(7)	(6)	(81)
31 March 2022	**2,279**	**710**	**689**	**673**	**131**	**4,482**
Accumulated amortisation and impairment						
1 April 2021	**851**	**572**	**394**	**661**	**92**	**2,570**
Charge for the year	-	80	49	4	11	144
Disposals / write-offs	-	(15)	-	-	-	(15)
Transfer to Emirates (Note 27)	-	(174)	-	-	-	(174)
Currency translation differences	(19)	(9)	(6)	(6)	(5)	(45)
31 March 2022	**832**	**454**	**437**	**659**	**98**	**2,480**
Net book amount at 31 March 2022	**1,447**	**256**	**252**	**14**	**33**	**2,002**

Computer software includes an amount of AED 113 m (2021: AED 81 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. 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, EBITDA 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 2022	Goodwill 2021	Discount rate	Terminal growth rate
		AED m	AED m	%	%
Airport operations	USA	308	308	9.0	2.0
Airport operations	Switzerland	143	140	9.0	2.5
Airport operations	Singapore	92	93	8.0	3.0
Airport operations	Netherlands	59	62	9.0	1.5
Inflight catering	Australia	334	340	9.0	1.5
Inflight catering	Italy	70	73	9.0	1.5
Inflight catering	Romania	48	51	10.0	1.5
Travel services - B2C	UK	168	176	10.5	1.5
Travel services - B2B	UK	128	134	10.5	1.5
Others	Various	97	97	9.0 - 12.0	1.5 - 3.0
		1,447	**1,474**		

Goodwill pertaining to Airport Operations, USA includes AED 300 m (2021: AED 300 m) for Ground Services International Inc. / Metro Air Service Inc. and AED 8 m (2021: AED 8 m) for ALX Cargo Center 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 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

Material subsidiaries

	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Airport Handling SpA	70	Ground handling services	Italy
dnata Airport Services Pty Ltd	100	Ground and cargo handling services	Australia
dnata BV	100	Ground and cargo handling services	Netherlands
dnata Limited	100	Ground and cargo handling services	United Kingdom
dnata Singapore Pte Ltd	100	Ground, cargo handling and catering services	Singapore
Dnata Switzerland AG	100	Ground and cargo handling services	Switzerland
Ground Services International Inc.	100	Ground handling services	United States of America
Metro Air Service Inc.	100	Mail handling services	United States of America
RM Servicos Auxilliares de Transporte Aereo Ltda	70	Ground handling services	Brazil
dnata US Inflight Catering LLC	100	Inflight catering services	United States of America
Alpha Flight Services Pty Ltd	100	Inflight catering services	Australia
dnata s.r.l.	100	Inflight catering services	Italy
dnata Catering SRL	64.2	Inflight catering services	Romania
dnata Catering Australia Subsidiary 2 Pty Ltd	100	Inflight catering services	Australia
dnata Catering UK Limited	100	Inflight catering services	United Kingdom
En Route International Limited	100	Bakery and food solutions	United Kingdom
Snap Fresh Pty Ltd	100	Inflight catering services	Australia
Gold Medal Travel Group Ltd	100	Travel agency	United Kingdom
Travel Republic Ltd	100	Online travel services	United Kingdom
Travel 2 Limited	100	Travel agency	United Kingdom
Travelbag Limited	100	Travel agency	United Kingdom
Transecure LLC	100	Leasing services	United Arab Emirates

None of the subsidiaries have non-controlling interests that are individually material to dnata. Further, no individual associate or joint venture is material to dnata.

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

Movement of investments accounted for using the equity method

	2022 AED m	2021 AED m
Balance brought forward	**455**	**551**
Share of results	35	(15)
Share of other comprehensive income - net of deferred tax	4	(19)
Share of other changes in equity	(61)	-
Dividends	(10)	(70)
Disposal	(31)	(3)
Other movements	-	2
Currency translation differences	(1)	9
Balance carried forward	**391**	**455**

During the year, dnata sold its interest in a joint venture, Bolloré Logistics LLC for a consideration of AED 40 m. A net gain of AED 9 m is included in 'Other operating income'.

Share of other changes in equity relates to dnata's joint venture, Transguard Group LLC, for the acquisition of an additional shareholding from the non-controlling interest in its subsidiary.

The aggregate financial information of associates is set out below:

	2022 AED m	2021 AED m
Share of results of associates	8	1
Share of total comprehensive income of associates	**8**	**1**
Aggregate carrying value of investments in associates	**37**	**33**

The aggregate financial information of joint ventures is set out below:

	2022 AED m	2021 AED m
Share of results of joint ventures	27	(16)
Share of other comprehensive income	4	(19)
Share of total comprehensive income of joint ventures	**31**	**(35)**
Aggregate carrying value of investments in joint ventures	**354**	**422**

13. Inventories

	2022 AED m	2021 AED m
Food and beverages	117	49
Spares and consumables	24	21
Others	6	7
	147	**77**

14. Trade and other receivables

	2022 AED m	2021 AED m
Trade receivables - net of provision	1,692	1,221
Related parties (Note 27)	293	232
Prepayments	516	207
Deposits and other receivables	352	535
	2,853	**2,195**
Less: receivables over one year	(15)	(31)
	2,838	**2,164**

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 relates to 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 looking 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 holding 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** AED m	**Below 3 months past due** AED m	**3 - 6 months past due** AED m	**Above 6 months past due** AED m	**Total** AED m
2022					
Gross carrying amount - trade receivables	681	556	168	472	**1,877**
Expected loss rate	1%	1%	2%	35.8%	
Loss allowance	7	6	3	169	**185**
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**

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

	2022 AED m	2021 AED m
Balance brought forward	**307**	**229**
Charge for the year	82	146
Unused amounts reversed	(38)	(24)
Amounts written off as uncollectible	(164)	(50)
Currency translation differences	(2)	6
Balance carried forward	**185**	**307**

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 28.

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15. Capital

Capital represents the permanent capital of dnata.

16. Other reserves

	Capital reserve AED m	Translation reserve AED m	Others AED m	Total AED m
1 April 2020	**(70)**	**(425)**	**13**	**(482)**
Net investment hedge (Note 20 (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**
Transferred to retained earnings	-	-	(3)	(3)
31 March 2021	**(70)**	**(241)**	**(1)**	**(312)**
Net investment hedge (Note 20 (a))	-	(2)	-	(2)
Cash flow hedges	-	-	25	25
Transferred to the consolidated income statement upon settlement	-	-	(12)	(12)
Share of other comprehensive income of investments accounted for using the equity method, net of deferred tax	-	-	4	4
Currency translation differences	-	(49)	-	(49)
Recognised in other comprehensive income	**-**	**(51)**	**17**	**(34)**
31 March 2022	**(70)**	**(292)**	**16**	**(346)**

The capital reserve includes the fair value of the options issued by dnata to acquire the non-controlling interest in subsidiaries.

17. Trade and other payables

	2022 AED m	2021 AED m
Trade payables and accruals	2,518	2,124
Related parties (Note 27)	250	106
Employee leave pay	193	202
Other payables	34	184
	2,995	**2,616**
Less: payables over one year	(34)	(74)
	2,961	**2,542**

Payables over one year include the non-current portion of acquisition related deferred or contingent consideration and the fair value of options issued to acquire non-controlling interests in subsidiaries.

The movement in the fair values of contingent consideration and options to acquire non-controlling interest are as follows:

	2022 AED m	2021 AED m
Balance brought forward	**73**	**65**
Interest charge	2	2
Payments	(2)	-
Remeasurement gain	(22)	-
Currency translation differences	(2)	6
Balance carried forward	**49**	**73**

18. Deferred revenue

	2022 AED m	2021 AED m
Sales in advance from travel services	678	112
Lease rentals received in advance	115	117
	793	**229**
The deferred revenue is expected to be recognised as follows:		
Within one year	**686**	**120**
Over one year	**107**	**109**

Revenue recognised during the year includes AED 120 m which was included in 'Deferred revenue' as at 31 March 2021.

Lease rentals received in advance pertain to a joint venture of dnata.

19. Provisions

	2022 AED m	2021 AED m
Non-current		
Retirement benefit obligations (Note 19 (a))	447	491
Other provisions (Note 19 (b))	74	77
	521	**568**
Current		
Other provisions (Note 19 (b))	102	149
	102	**149**
	623	**717**

19 (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 2022 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements.

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

	2022 AED m	2021 AED m
Funded schemes		
Present value of defined benefit obligations	712	770
Less: Fair value of plan assets	(639)	(665)
	73	**105**
Unfunded schemes		
Present value of defined benefit obligations	**374**	**386**
Provision recognised in consolidated statement of financial position	**447**	**491**

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 the fair value of plan assets are as follows:

	2022 AED m	2021 AED m
Present value of funded defined benefit obligations	132	145
Less: Fair value of plan assets	(131)	(144)
	1	**1**

The assessment of the present value of defined benefit obligations assumed expected long term salary increase of 3.0% (2021: 2.0%) and a discount rate of 3.5% (2021: 2.75%) per annum. The present values of the defined benefit obligations at 31 March 2022 were computed using the actuarial assumptions set out above. These assumptions are also applicable for the unfunded scheme.

19 (a). Retirement benefit obligations (continued)

The liability of AED 1 m (2021: 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:

	2022 AED m	2021 AED m
Balance brought forward	**144**	**137**
Contributions received	16	16
Change in fair value	-	37
Benefits paid	(29)	(46)
Balance carried forward	**131**	**144**

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:

	2022 AED m	2021 AED m
Present value of funded defined benefit obligations	267	266
Less: Fair value of plan assets	(226)	(197)
	41	**69**

The actuarial valuation for the Swiss plan included assumptions relating to the discount rate of 0.4% (2021: 0.2%) and expected salary increases of 1.0% (2021: 1.0%) per annum.

The movement in the present value of defined benefit obligations of the Swiss plan is:

	2022 AED m	2021 AED m
Balance brought forward	**266**	**241**
Current service cost	17	19
Interest cost	1	1
Remeasurement (gain) / loss	(15)	3
Employee contributions	8	9
Benefits paid	(15)	(10)
Currency translation differences	5	3
Balance carried forward	**267**	**266**

The movement in the fair value of the plan assets of the Swiss plan is:

	2022 AED m	2021 AED m
Balance brought forward	**197**	**186**
Interest income	-	1
Remeasurement - Return on plan assets, excluding amounts included in interest income	20	(2)
Employer contributions	11	11
Employee contributions	8	9
Benefits paid	(15)	(10)
Currency translation differences	5	2
Balance carried forward	**226**	**197**

19 (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:

	2022 AED m	2021 AED m
Present value of funded defined benefit obligations	313	359
Less: Fair value of plan assets	(282)	(324)
	31	**35**

The actuarial valuation for the Netherlands plan included assumption relating to the discount rate of 1.2% (2021: 0.8%).

The movement in the present value of defined benefit obligations of the Netherlands plan is:

	2022 AED m	2021 AED m
Balance brought forward	**359**	**356**
Interest cost	4	-
Past service cost	-	(25)
Remeasurement (gain) / loss	(25)	13
Benefits paid	(8)	(6)
Currency translation differences	(17)	21
Balance carried forward	**313**	**359**

The movement in the fair value of the plan assets of the Netherlands plan is:

	2022 AED m	2021 AED m
Balance brought forward	**324**	**331**
Interest income	3	3
Remeasurement - Return on plan assets, excluding amounts included in interest income	(23)	(27)
Employer contributions	1	1
Benefits paid	(8)	(6)
Currency translation differences	(15)	22
Balance carried forward	**282**	**324**

dnata expects to contribute, in respect of existing plan members of all its funded schemes, approximately AED 17 m during the year ending 31 March 2023.

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:

	2022 AED m	2021 AED m
Balance brought forward	**386**	**514**
Current service cost	39	56
Interest cost	9	11
Remeasurement:		
- changes in experience / demographic assumptions	48	(2)
- changes in financial assumptions	8	7
Benefits paid	(38)	(203)
Transfer to Emirates (Note 27)	(81)	-
Currency translation differences	3	3
Balance carried forward	**374**	**386**

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

19 (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:

	2022 AED m	2021 AED m
Defined benefit plans		
Funded schemes		
Contributions expensed	35	34
	35	**34**
Unfunded scheme		
Service cost	39	56
Interest cost	9	11
	48	**67**
Defined contribution plans		
Contributions expensed	**174**	**160**
Recognised in the consolidated income statement (Note 6(a))	**257**	**261**

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%	(21)	(20)
	- 0.5%	25	21
Expected salary increases	+ 0.5%	4	21
	- 0.5%	(4)	(20)

The weighted average durations of the defined benefit obligations are set out below:

	2022 Years	2021 Years
Funded scheme - Swiss plan	17.5	18.7
Funded scheme - Netherlands plan	18.0	19.7
Unfunded scheme	9.9	9.9

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.

19 (b). Other provisions

	2022 AED m	2021 AED m
Balance brought forward	**226**	**144**
Charge for the year	35	33
Utilised during the year	(13)	-
Unutilised amounts reversed	(13)	(6)
Reclassification	(60)	33
Currency translation differences	1	22
Balance carried forward	**176**	**226**

Provisions are expected to be used as follows:

	2022 AED m	2021 AED m
Within one year (Note 19)	102	149
Over one year (Note 19)	74	77
	176	**226**

Other provisions primarily include provisions recognised for dilapidations, legal disputes and employee related payments.

20. Borrowings and lease liabilities

2022	Non-current AED m	Current AED m	Total AED m
Term loans (Note 20 (a))	938	374	1,312
Lease liabilities (Note 20 (b))	1,896	447	2,343
Bank overdrafts (Note 24)	-	128	128
	2,834	**949**	**3,783**

2021	Non-current AED m	Current AED m	Total AED m
Term loans (Note 20 (a))	1,059	457	1,516
Lease liabilities (Note 20 (b))	1,934	464	2,398
Bank overdrafts (Note 24)	-	144	144
	2,993	**1,065**	**4,058**

Borrowings and lease liabilities are denominated in the following currencies:

	2022 AED m	2021 AED m
Pound Sterling	1,030	1,083
Australian Dollar	877	935
US Dollar	765	892
UAE Dirham	497	506
Euro	231	234
Singapore Dollar	159	159
Swiss Franc	155	142
Others	69	107
	3,783	**4,058**

20 (a). Term loans

	2022 AED m	2021 AED m
Balance brought forward	**1,517**	**1,547**
Acquisitions	-	3
Additions	181	82
Repayments	(366)	(229)
Currency translation differences	(19)	114
	1,313	**1,517**
Less: Transaction costs	(1)	(1)
Balance carried forward	**1,312**	**1,516**
Term loans are repayable as follows:		
Within one year	**374**	**457**
Between 2 and 5 years	935	981
After 5 years	3	78
Total over one year	**938**	**1,059**
Term loans are denominated in the following currencies:		
US Dollar	446	596
Australian Dollar	348	388
Pound Sterling	249	243
Swiss Franc	113	84
Euro	53	68
Singapore Dollar	50	50
UAE Dirham	34	69
Others	19	18
	1,312	**1,516**

Contractual repricing dates are set at three to six month intervals. The effective interest rate on the term loans was 1.5% (2021: 1.9%) 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 (2021: loss of AED 2 m), recognised in the translation reserve through other comprehensive income.

AED 34 m (2021: AED 51 m) of term loans are availed from financial institutions under common control.

20 (b). Lease liabilities

	2022 AED m	2021 AED m
Balance brought forward	**2,398**	**2,237**
Acquisitions	-	4
Additions	360	297
Interest	86	86
Repayments	(518)	(373)
Remeasurements	89	(36)
Waivers (see note below)	(23)	(30)
Currency translation differences	(49)	213
Balance carried forward	**2,343**	**2,398**
Gross lease liabilities:		
Within one year	520	540
Between 2 and 5 years	1,242	1,170
After 5 years	904	1,128
	2,666	**2,838**
Future interest	(323)	(440)
Present value of lease liabilities	**2,343**	**2,398**
The present value of lease liabilities is repayable as follows:		
Within one year	**447**	**464**
Between 2 and 5 years	1,060	970
After 5 years	836	964
Total over one year	**1,896**	**1,934**
The present value of lease liabilities is denominated in the following currencies:		
Pound Sterling	731	840
Australian Dollar	477	500
UAE Dirham	463	409
US Dollar	319	296
Euro	170	160
Singapore Dollar	109	109
Swiss Franc	24	25
Others	50	59
	2,343	**2,398**

Lease rental waivers are recognised in other operating income in the consolidated income statement.

The effective interest rate on lease liabilities was 3.6% (2021: 3.6%)

21. Deferred taxes

	2022 AED m	2021 AED m
Deferred tax assets	156	196
Deferred tax liabilities	(82)	(95)
	74	**101**
Movements in the deferred tax account are as follows:		
Balance brought forward	**101**	**25**
Acquisitions	-	3
(Charged) / credited to the consolidated income statement	(17)	39
(Charged) / credited to the consolidated statement of comprehensive income	(6)	11
Currency translation differences	(4)	19
Others	-	4
Balance carried forward	**74**	**101**

21. Deferred taxes (continued)

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 movements in deferred tax assets and liabilities during the year, before and 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	**Others** AED m	**Total** AED m	**Offset** AED m	**Net** AED m
1 April 2020	**43**	**72**	**23**	**54**	**192**		
Acquisition	3	-	-	-	3		
(Charged) / credited to the consolidated income statement	(3)	10	1	4	12		
Credited to the consolidated statement of comprehensive income	-	11	-	-	11		
Currency translation differences	5	9	3	8	25		
Others	(8)	9	-	7	8		
31 March 2021	**40**	**111**	**27**	**73**	**251**	**(55)**	**196**
(Charged) / credited to the consolidated income statement	9	(39)	(7)	9	(28)		
Charged to the consolidated statement of comprehensive income	-	(6)	-	-	(6)		
Currency translation differences	-	(3)	-	(3)	(6)		
Others	-	6	-	(6)	-		
31 March 2022	**49**	**69**	**20**	**73**	**211**	**(55)**	**156**

Deferred tax assets amounting to AED 501 m (2021: 257 m) have not been recognised in respect of carried forward tax losses.

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21. Deferred taxes (continued)

Deferred tax liabilities

	Property, plant and equipment AED m	Intangible assets AED m	Others AED m	Total AED m	Offset AED m	Net AED m
1 April 2020	**(62)**	**(103)**	**(2)**	**(167)**		
(Charged) / credited to the consolidated income statement	(4)	29	2	27		
Currency translation differences	(2)	(6)	2	(6)		
Others	(2)	-	(2)	(4)		
31 March 2021	**(70)**	**(80)**	**-**	**(150)**	**55**	**(95)**
(Charged) / credited to the consolidated income statement	(2)	15	(2)	11		
Currency translation differences	1	2	(1)	2		
Others	(2)	-	2	-		
31 March 2022	**(73)**	**(63)**	**(1)**	**(137)**	**55**	**(82)**

Prior year amounts of deferred tax assets on lease liabilities and deferred tax liabilities on right-of-use assets are presented net to align with current year presentation.

22. Capital commitments

	2022 AED m	2021 AED m
dnata	218	110
Joint ventures	6	19
	224	**129**

23. Guarantees

	2022 AED m	2021 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**239**	**299**

Guarantees and letters of credit include AED 45 m (2021: AED 46 m) provided by companies under common control on normal commercial terms.

24. Short term bank deposits, cash and cash equivalents

	2022 AED m	2021 AED m
Bank deposits	3,809	3,821
Cash and bank	1,089	869
Cash and bank balances	**4,898**	**4,690**
Less: Short term bank deposits - with original maturity of more than 3 months	(3,740)	(3,730)
Cash and cash equivalents as per the consolidated statement of financial position	**1,158**	**960**
Bank overdrafts (Note 20)	(128)	(144)
Cash and cash equivalents as per the consolidated statement of cash flows	**1,030**	**816**

Short term bank deposits, cash and cash equivalents yield an effective interest rate of 1.6% (2021: 2.4%) per annum.

Cash and bank balances include AED 2,574 m (2021: AED 2,581 m) held with financial institutions under common control.

Cash and cash equivalents at the reporting date includes AED 92 m (2021: Nil) pertaining to certain travel services related cash deposits which have restrictions governing their use and are held in trust account till the provision of travel services or settlement of certain supplier obligations.

25. Derivative financial instruments

	2022 AED m	2021 AED m
Current assets		
Currency swaps and forwards	21	-
	21	**-**
Current liabilities		
Currency swaps and forwards	-	7
	-	**7**

The notional principal amounts outstanding are:

	2022 AED m	2021 AED m
Currency swaps and forwards	561	104

26. 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
2022					
Assets					
Trade and other receivables (excluding prepayments)	2,337	-	-	-	2,337
Derivative financial instruments	-	21	-	-	21
Short term bank deposits	3,740	-	-	-	3,740
Cash and cash equivalents	1,158	-	-	-	1,158
Total	**7,235**	**21**	**-**	**-**	**7,256**
Liabilities					
Borrowings and lease liabilities	-	-	-	3,783	3,783
Trade and other payables	-	-	49	2,946	2,995
Other provisions	-	-	-	176	176
Total	**-**	**-**	**49**	**6,905**	**6,954**
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	-	-	73	2,543	2,616
Other provisions	-	-	-	226	226
Derivative financial instruments	-	7	-	-	7
Total	**-**	**7**	**73**	**6,827**	**6,907**

27. Related party transactions and balances

dnata transacts with associates, joint ventures and companies controlled by its parent 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.

	2022 AED m	2021 AED m
Trading transactions		
(i) Sale of goods and services		
Sale of goods - Companies under common control	193	49
Services rendered - Companies under common control	1,428	875
Services rendered - Joint ventures	62	56
Services rendered - Associates	13	9
	1,696	**989**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	61	64
Services received - Companies under common control	74	71
Services received - Joint ventures	60	27
Purchase of goods - Associates	1	-
	196	**162**
Other transactions		
(i) Finance income		
Companies under common control	38	89
	38	**89**
(ii) Finance cost		
Companies under common control	**-**	**1**
(iii) Compensation to key management personnel		
Salaries and short-term employee benefits	23	19
Retirement benefits	2	3
	25	**22**

Effective 31 March 2022, beneficial ownership of the assets and liabilities in the Information Technology division (a shared corporate function) was transferred from dnata to Emirates at their carrying value of AED 155 m.

dnata also uses public utilities provided by a 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.

	2022 AED m	2021 AED m
Year end balances		
(i) Receivables-sale of goods and services (Note 14)		
Companies under common control	236	124
Joint ventures	10	58
Associates	27	25
	273	**207**
(ii) Loans - receivables (Note 14)		
Associates	-	4
Joint ventures	2	2
	2	**6**
Movements in the loans were as follows:		
Balance brought forward	**6**	**7**
Additions	-	2
Repayments	(4)	(3)
Balance carried forward	**2**	**6**
Receivable within one year	**-**	**4**
Receivable over one year	**2**	**2**
(iii) Other receivables (Note 14)		
Companies under common control	**18**	**19**
(iv) Payables-purchase of goods and services (Note 17)		
Companies under common control	202	47
Joint ventures	4	11
	206	**58**
(v) Other payables (Note 17)		
Companies under common control	**44**	**48**

28. Financial risk management

dnata is exposed to a variety of financial risks through its operations. In the areas where financial risks exist, the aim has been 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. dnata 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 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's credit risk mainly arises from deposits with banks and other financial institutions, derivative financial assets held by counterparties, and trade & other receivables. dnata uses external rating agencies such as S&P Global Ratings ('S&P') or its equivalent 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, dnata places significant deposits and procures derivative financial instruments from banks and financial institutions with good credit ratings. Exposure to credit risk is also managed through regular analysis of the ability of counterparties and potential counterparties to meet their obligations. As of 31 March 2022, approximately 83.7% (2021: 83.5%) of cash and bank balances were held with financial institutions based in the UAE.

The table below presents an analysis of short-term bank deposits and bank balances at the end of the reporting period based on 'S&P' ratings or its equivalent for dnata's main banking relationships:

	2022 AED m	2021 AED m
AA- to AA+	89	71
A- to A+	4,670	4,406
BBB+	3	73
Lower than BBB+	121	49
Unrated	7	62

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 imposed to cap exposure to certain customers. dnata also manages the limits and controls the concentration of risk wherever they are identified.

Significant balances in other receivables are held with companies given a high credit rating by leading international rating agencies.

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 history, existing market conditions as well as forward-looking estimates at the end of each reporting period. These judgements are continually reassessed due to the adverse economic environment resulting from the global spread of COVID-19. As of 31 March 2022, the provision for impairment of trade receivables amounted to AED 185 m (2021: AED 307 m) and has been disclosed under Note 14. The note also discloses the loss rates applied on trade receivables falling in different age buckets.

While cash and bank balances 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.

28. 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 Pound Sterling, Australian Dollar, Euro, Singapore Dollar and Swiss Franc. Cash flows from United Kingdom, Australia, Italy, Singapore and Switzerland operations are adequate to meet the repayment schedules. A 1% change in the exchange rates 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 borrowings and lease liabilities and bank deposits.

The key reference rates based on which interest costs are determined are GBP LIBOR for Pound Sterling, BBSY for Australian Dollar, USD LIBOR for US Dollar, EURIBOR for Euro, SIBOR for Singapore Dollar and CHF LIBOR for Swiss Franc denominated borrowings. 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 – Phase 2

The adoption of interest rate benchmark reforms and the consequent transition to alternative reference rates will impact dnata's current risk management strategy and possibly accounting for certain financial instruments.

dnata has exposures to some IBORs on its financial instruments that will be replaced or reformed as part of the interest rate benchmark reforms being undertaken globally. dnata has set up a committee which monitors and manages the group's smooth transition to alternative benchmark rates and periodically reports to the senior management on the progress and any risks arising.

dnata's main IBOR exposure as of 31 March 2022 was indexed to Sterling LIBOR, CHF LIBOR and USD LIBOR. The alternative reference rate for Sterling LIBOR is SONIA, for CHF LIBOR is SARON and for USD LIBOR is SOFR respectively.

The following table shows the total contracts that have been migrated to an alternative benchmark and the contracts pending to be migrated as at the reporting date.

	Total amount of financial instruments awaiting migration	Total amount of migrated financial instruments
Borrowings and lease liabilities:	AED m	AED m
- Sterling LIBOR	-	232
- CHF LIBOR	-	79
- USD LIBOR	435	-
	435	**311**

28. Financial risk management (continued)

(iii) Liquidity risk (continued)

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.

Sources of liquidity are regularly reviewed as required by senior management to maintain a diversification by geography, provider, product and term.

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
2022				
Borrowings and lease liabilities	1,039	2,191	909	4,139
Trade and other payables	2,961	35	-	2,996
Other provisions	102	74	-	176
	4,102	**2,300**	**909**	**7,311**
2021				
Borrowings and lease liabilities	1,157	2,176	1,209	4,542
Derivative financial instruments	7	-	-	7
Trade and other payables	2,542	74	-	2,616
Other provisions	149	77	-	226
	3,855	**2,327**	**1,209**	**7,391**

29. 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. In 2022, dnata achieved a positive return on Owners equity of 1.7% (2021: Negative return).

Additional information

Emirates ten-year overview

Consolidated income statement		**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Revenue and other operating income	AED m	59,180	30,927	91,972	97,907	92,322	85,083	85,044	88,819	82,636	73,113
Operating costs	AED m	59,618	45,948	85,564	95,260	88,236	82,648	76,714	82,926	78,376	70,274
- of which depreciation, amortisation and impairment	AED m	18,166	19,665	19,444	9,680	9,193	8,304	8,000	7,446	6,421	5,136
- of which jet fuel	AED m	13,855	6,398	26,260	30,768	24,715	20,968	19,731	28,690	30,685	27,855
- of which employee costs	AED m	8,441	7,830	12,058	12,623	13,080	12,864	12,452	11,851	10,230	9,029
Operating (loss) / profit	AED m	(438)	(15,021)	6,408	2,647	4,086	2,435	8,330	5,893	4,260	2,839
(Loss) / profit attributable to the Owner	AED m	(3,917)	(20,279)	1,056	871	2,796	1,250	7,125	4,555	3,254	2,283
Consolidated statement of financial position											
Non-current assets	AED m	119,564	128,886	144,357	96,483	93,417	93,722	87,752	83,627	74,250	59,856
Current assets	AED m	30,420	22,891	27,705	30,915	34,170	27,836	31,427	27,735	27,354	34,947
- of which cash assets	AED m	20,880	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561	24,572
Total assets	AED m	149,984	151,777	172,062	127,398	127,587	121,558	119,179	111,362	101,604	94,803
Total equity	AED m	20,313	20,147	23,587	37,743	37,046	35,094	32,405	28,286	25,471	23,032
- of which equity attributable to the Owner	AED m	19,733	19,597	22,978	37,149	36,454	34,508	31,909	27,886	25,176	22,762
Non-current liabilities	AED m	85,523	95,925	99,583	52,190	49,975	48,082	48,250	48,595	43,705	40,452
Current liabilities	AED m	44,148	35,705	48,892	37,465	40,566	38,382	38,524	34,481	32,428	31,319
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	24,425	(4,454)	22,798	10,528	14,134	10,425	14,105	13,265	12,649	12,814
Cash flow from investing activities	AED m	(13,105)	(2,644)	(10,231)	(1,360)	(10,977)	(3,129)	(2,361)	(6,411)	(4,257)	(15,061)
Cash flow from financing activities	AED m	(11,386)	2,902	(9,366)	(9,807)	(6,442)	(10,502)	(7,975)	(6,264)	(7,107)	1,240
Net change in cash and cash equivalents	AED m	(66)	(4,196)	3,201	(639)	(3,285)	(3,206)	3,769	590	1,285	(1,007)
Other financial data											
Net change in cash assets	AED m	5,772	(5,141)	3,212	(3,383)	4,752	(4,320)	3,103	324	(8,011)	8,985
EBITDA	AED m	17,728	4,644	25,852	23,977	24,970	21,248	24,415	20,259	17,229	13,891
Borrowings and lease liabilities	AED m	96,245	107,576	110,157	53,039	51,101	51,002	50,105	47,808	42,431	40,525
Less: Cash assets	AED m	20,880	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561	24,572
Net debt	AED m	75,365	92,468	89,908	36,002	30,681	35,334	30,117	30,923	25,870	15,953
Capital expenditure	AED m	7,431	4,997	11,870	13,437	8,496	12,632	16,723	19,873	21,142	13,378

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 i.e. only the immediately preceding year's figures are restated.

Key ratios		**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Operating margin	%	(0.7)	(48.6)	7.0	2.7	4.4	2.9	9.8	6.6	5.2	3.9
(Loss) / profit margin	%	(6.6)	(65.6)	1.1	0.9	3.0	1.5	8.4	5.1	3.9	3.1
Return on Owner's funds	%	(19.9)	(95.3)	3.5	2.4	7.9	3.8	23.8	17.2	13.6	10.4
EBITDA margin	%	30.0	15.0	28.1	24.5	27.0	25.0	28.7	22.8	20.8	19.0
Cash assets to revenue and other operating income	%	35.3	48.9	22.0	17.4	22.1	18.4	23.5	19.0	20.0	33.6
Net debt to equity ratio	%	371.0	459.0	381.2	95.4	82.8	100.7	92.9	109.3	101.6	69.3
Net debt (incl. aircraft operating leases*) to equity ratio	%	371.0	459.0	381.2	209.8	216.4	237.9	215.9	212.1	209.9	186.4
Net debt (incl. aircraft operating leases*) to EBITDA	%	425.1	1,991.1	347.8	330.3	321.0	392.9	286.5	296.2	310.3	309.1
Effective interest rate on borrowings and lease liabilities	%	3.5	3.8	4.6	4.0	3.2	3.0	3.1	3.3	3.2	3.1
Fixed to floating debt mix		62:38	62:38	69:31	65:35	72:28	75:25	92:8	85:15	94:6	90:10
Key operating statistics											
Performance indicators											
Yield	Fils per RTKM	255	229	222	219	213	204	218	245	250	249
Unit cost	Fils per ATKM	155	177	141	146	139	132	132	158	162	167
Unit cost excluding jet fuel	Fils per ATKM	117	151	96	97	98	97	97	102	97	99
Breakeven load factor	%	60.8	77.2	63.4	66.4	65.2	64.5	60.4	64.7	64.9	66.9
Fleet											
Aircraft	number	262	259	270	270	268	259	251	231	217	197
Average fleet age	months	98	88	81	73	68	63	74	75	74	72
Production											
Destinations	number	152**	157**	157**	158	157	156	153	144	142	133
Overall capacity	ATKM million	36,394	24,782	58,584	63,340	61,425	60,461	56,383	50,844	46,820	40,934
Available seat kilometres	ASKM million	159,962	64,062	367,153	390,775	377,060	368,102	333,726	295,740	271,133	236,645
Aircraft departures	number	117,744	79,156	189,081	203,281	201,858	204,543	199,754	181,843	176,039	159,892
Traffic											
Passengers carried	number '000	19,562	6,553	56,162	58,601	58,485	56,076	51,853	48,139	44,537	39,391
Passenger seat kilometres	RPKM million	93,799	28,353	288,148	299,967	292,221	276,608	255,176	235,498	215,353	188,618
Passenger seat factor	%	58.6	44.3	78.5	76.8	77.5	75.1	76.5	79.6	79.4	79.7
Cargo carried	tonnes '000	2,139	1,873	2,389	2,659	2,623	2,577	2,509	2,377	2,250	2,086
Overall load carried	RTKM million	21,550	12,510	39,505	42,304	41,250	39,296	36,931	34,207	31,137	27,621
Overall load factor	%	59.2	50.5	67.4	66.8	67.2	65.0	65.5	67.3	66.5	67.5
Employee											
Employee strength-Emirates	number	45,843	40,801	60,033	60,282	62,356	64,768	61,205	56,725	52,516	47,678
Employee strength-airline	number	36,173	33,304	47,518	47,808	49,740	51,628	48,023	44,571	41,471	38,067
Revenue per airline employee	AED '000	1,636	929	1,935	1,975	1,784	1,580	1,717	1,939	1,938	1,868

*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 or operational restrictions.

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 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.

dnata ten-year overview

Consolidated income statement		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue and other operating income	AED m	8,560	5,541	14,760	14,419	13,074	12,182	10,630	9,160	7,565	6,622
Operating costs*	AED m	8,400	7,398	14,253	13,141	11,878	10,958	9,569	8,155	6,702	5,807
- of which employee costs	AED m	3,964	3,290	5,875	5,386	5,055	4,654	3,847	3,351	3,251	2,771
- of which airport operations direct costs	AED m	1,012	715	1,364	1,350	1,293	1,138	949	824	883	798
- of which inflight catering direct costs	AED m	742	326	1,352	1,070	843	794	715	735	663	601
- of which travel services direct costs	AED m	367	53	2,534	2,476	2,135	1,913	1,951	1,458	84	n/a
Operating profit / (loss)	AED m	160	(1,857)	507	1,278	1,196	1,224	1,061	1,005	863	815
Profit / (loss) attributable to the Owner	AED m	110	(1,821)	618	1,445	1,317	1,210	1,054	906	829	819
Consolidated statement of financial position											
Non-current assets	AED m	6,893	7,314	8,143	6,196	5,718	5,372	4,590	4,219	4,364	3,594
Current assets	AED m	7,931	6,960	8,560	8,895	8,574	6,675	6,388	5,427	4,303	3,977
- of which cash assets	AED m	4,898	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434	2,396
Total assets	AED m	14,824	14,274	16,703	15,091	14,292	12,047	10,978	9,646	8,667	7,571
Total equity	AED m	6,527	6,535	8,302	8,027	7,282	6,706	5,554	4,853	4,756	4,097
- of which equity attributable to the Owner	AED m	6,542	6,554	8,259	7,911	7,103	6,539	5,387	4,788	4,674	4,028
Non-current liabilities	AED m	3,578	3,839	4,109	2,126	1,734	1,542	1,362	1,213	1,386	1,351
Current liabilities	AED m	4,719	3,900	4,292	4,938	5,276	3,799	4,062	3,580	2,525	2,123
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	1,217	10	1,393	1,417	1,858	1,281	1,390	1,058	1,125	1,162
Cash flow from investing activities	AED m	(246)	(179)	(878)	78	(2,157)	(961)	(1,076)	(697)	316	(1,910)
Cash flow from financing activities	AED m	(745)	(548)	(899)	(643)	78	(146)	(496)	(344)	(443)	(343)
Net change in cash and cash equivalents	AED m	226	(717)	(384)	852	(221)	174	(182)	17	998	(1,091)
Other financial data											
Cash assets	AED m	4,898	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434	2,396

* includes net loss allowance for impairment of trade 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 i.e. only the immediately preceding year's figures are restated.

Key ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Operating margin	%	1.9	(33.5)	3.4	8.9	9.1	10.0	10.0	11.0	11.4	12.3
Profit / (loss) margin	%	1.3	(32.9)	4.2	10.0	10.1	9.9	9.9	9.9	11.0	12.4
Return on Owner's funds	%	1.7	(24.6)	7.6	19.2	19.3	20.3	20.7	19.2	19.1	21.4
Employee											
Employee strength	number	39,376	34,344	48,503	45,004	41,007	40,978	34,117	27,428	22,980	20,229
Revenue per employee	AED '000	217	161	304	320	319	297	333	399	356	327
Key operating statistics											
Airport operations											
Aircraft turns handled	number	527,501	289,526	680,867	698,739	659,591	623,611	389,412	298,298	288,335	264,950
Cargo handled	tonnes '000	2,966	2,686	2,929	3,091	3,083	2,844	2,056	1,671	1,604	1,570
Catering											
Meals uplifted	number '000	39,890	16,939	93,492	70,889	55,718	60,747	57,062	57,687	41,275	28,584
Travel services											
Total transaction value (TTV)	AED m	2,318	229	10,751	11,459	11,281	10,687	11,747	9,782	5,892	5,357

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 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		**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Revenue and other operating income*	AED m	66,248	35,586	104,002	109,255	102,409	94,706	92,896	96,053	87,766	77,536
Operating costs*	AED m	66,526	52,464	97,087	105,330	97,127	91,047	83,505	89,155	82,643	73,882
Operating (loss) / profit	AED m	(278)	(16,878)	6,915	3,925	5,282	3,659	9,391	6,898	5,123	3,654
Operating margin	%	(0.4)	(47.4)	6.6	3.6	5.2	3.9	10.1	7.2	5.8	4.7
(Loss) / profit attributable to the Owner	AED m	(3,807)	(22,100)	1,674	2,316	4,113	2,460	8,179	5,461	4,083	3,102
(Loss) / profit margin	%	(5.7)	(62.1)	1.6	2.1	4.0	2.6	8.8	5.7	4.7	4.0
Dividend to the Owner	AED m	-	-	-	500	2,000	-	2,500	2,569	1,026	1,000
Financial position											
Total assets**	AED m	164,355	165,872	188,461	142,267	141,625	133,281	129,989	120,886	110,100	102,188
Cash assets	AED m	25,778	19,798	25,565	22,159	25,365	19,066	23,453	20,033	18,995	26,968
Employee											
Employee strength	number	85,219	75,145	108,536	105,286	103,363	105,746	95,322	84,153	75,496	67,907

* 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 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% 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)
  - 40% Velocity Wines & Spirits PTE. Ltd. (Singapore)
  - 25% 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% 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 Bendigo Pty Ltd (Australia)
    - 100% Hudsons Gawler Pty Ltd (Australia)
    - 100% Hudsons Hospital Australia Pty Ltd (Australia)
  - 100% Emirates Leisure Retail (New Zealand) Ltd
  - 100% Emirates Leisure Retail (Singapore) Pte Ltd
  - 68.7% Emirates Leisure Retail LLC (UAE)
- 51% Premier Inn Hotels LLC (UAE)

Subsidiaries Joint ventures Associates

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as the country of principal operations.
*Country of principal operations is UAE.
Dormant companies are not included in the above structure.

Group companies of dnata

Airport Operations

dnata

- 100% Dnata Aviation Services Limited (UK)
  - 100% Airline Cleaning Services Pty Ltd (Australia)
  - 100% Altstadtsee 505.VV GmbH (Germany)
  - 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)
    - 70% 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)
- 75% dnata Zanzibar Aviation Services Co. Ltd (Tanzania)
- 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)
- 75% Dnata Airport Services Kurdistan (Cayman Islands)
  - 100% Dnata for Airport Services Ltd (Iraq)
- 70% Dubz Holding Limited (BVI)
  - 100% Delivering Your Bags Passenger Luggage Delivery LLC (UAE)
- 51% Wallenborn Logistics Middle East LLC (UAE)
  - 100% Wallenborn Transport 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
    - 100% Dnata Catering Canada Limited
    - 100% dnata Catering Ireland Ltd
    - 100% dnata Catering UK Limited
      - 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 USA, Inc.

Subsidiaries | Joint ventures | Associates

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as the country of principal operations.
*Also provides catering services.
Dormant companies are not included in the above structure.

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% 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)
- 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)
- 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% Transecure LLC (UAE)
- 50% Transguard Group LLC (UAE)
  - 100% CASS International General Trading LLC (UAE)
  - 100% 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)

Subsidiaries Joint ventures Associates

Note: Percentages indicate beneficial interest in the company, legal shareholdings may be different.
The country of incorporation is same as the country of principal operations.
*Country of principal operations is Iraq.
Dormant companies are not included in the above structure.

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/(loss) 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) – Airline 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/(loss) 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) – Airline passenger revenue divided by RPKM.

Profit/(loss) margin – Profit/(loss) attributable to the Owner expressed as a percentage of sum of revenue and other operating income.

R

Return on Owner's funds – Profit/(loss) 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 airline passenger and cargo 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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