ANNUAL REPORT 2022 2023

Emirates | dnata
THE EMIRATES GROUP

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Emirates is a global airline, serving 148 airports in 79 countries from its hub in Dubai, United Arab Emirates.

dnata is one of the world's largest combined air services providers in the world, serving 173 cities and airports in 35 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

HIS HIGHNESS SHEIKH MOHAMMED BIN RASHID AL MAKTOUM

VICE PRESIDENT AND PRIME MINISTER OF THE UAE AND RULER OF DUBAI

The past year has been a transformational phase for the Dubai economy. In 2022, all vital sectors of our economy gathered a strong growth momentum, demonstrating the emirate's resilience to global economic headwinds.

Across industries, Dubai has proactively driven innovation and value creation, scripting new success stories. The city has emerged as a magnet for foreign direct investment, especially in future-oriented sectors. By advancing progressive policies, public-private sector partnerships and a vibrant business ecosystem, Dubai continues to be a frontrunner on the global stage.

2022 was also the year in which Dubai charted a new visionary growth path, with a clear focus on consolidating its international leadership. In January this year, I launched the Dubai Economic Agenda, D33, which aims to double the city's economy by 2033.

As a key pillar of our economy, Dubai's aviation sector plays an invaluable role in realising our vision to be a vital player in shaping the world's future. This is why we have focused on raising our strategic investments in this sector and creating one of the aviation industry's biggest hubs.

The growth and success of Emirates has been at the heart of Dubai's rise as an aviation leader. The airline's vast reach has also helped Dubai strengthen its global role as a bridge between markets and cultures.

The airline's track record speaks for itself. Over the last 30 years, Emirates carried nearly 720 million passengers and 38 million tonnes of cargo both to and through Dubai. Together with its partners, Emirates offers flights to over 500 cities, connecting people in every corner of the world with our city. Furthermore, through its vast network, Emirates links 16,000 city pairs.

Numbers alone cannot capture the influence and impact Emirates has had on the world. By constantly redefining standards of excellence, the airline has changed the way people think about air travel. This tireless pursuit of quality is the very essence of the Dubai spirit.

Over the next decade, as Dubai seeks to expand its economic footprint, the Emirates Group will play an instrumental part in adding more cities to its foreign trade network and opening new economic corridors.

I look forward to the Emirates Group's continued contributions to Dubai and the UAE's success as it works with its partners to reshape the future of travel and aviation and deliver a positive impact on people and communities around the world.

FINANCIAL HIGHLIGHTS

Emirates Group

Financial highlights		2022-23	2021-22	Higher/ (lower) %
Revenue and results				
Revenue and other operating income*	AED m	119,817	66,248	80.9
Operating profit / (loss)	AED m	14,192	(278)	NM
Operating margin	%	11.8	(0.4)	12.2 pts
Profit / (loss) attributable to the Owner	AED m	10,912	(3,807)	NM
Profit / (loss) margin	%	9.1	(5.7)	14.8 pts
Financial position				
Total assets**	AED m	172,140	164,355	4.7
Cash assets	AED m	42,480	25,778	64.8
Employee				
Employee strength	number	102,379	85,219	20.1

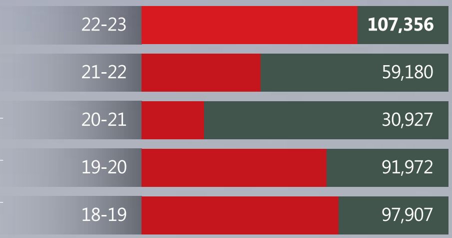
* After eliminating inter-company income/expense of AED 2,438m in 2022-23 (2021-22: AED 1,492m).

** After eliminating inter-company receivables/payables of AED 438m in 2022-23 (2021-22: AED 453m) as at the reporting date.

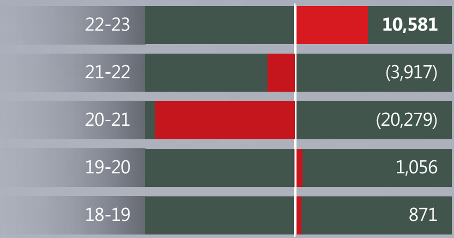
Percentages and ratios are derived based on figures rounded off in millions.

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

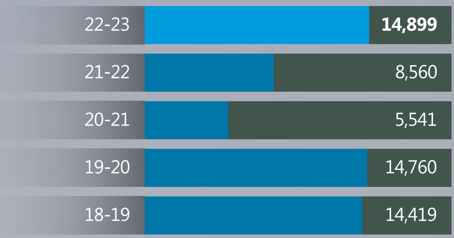
NM - not meaningful (for comparison)



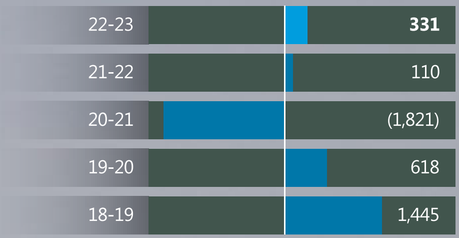
Revenue and operating income in AED m



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



Revenue and operating income in AED m



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

Emirates

Financial highlights		2022-23	2021-22	Higher/ (lower) %
Revenue and results				
Revenue and other operating income	AED m	107,356	59,180	81.4
Operating profit / (loss)	AED m	13,877	(438)	NM
Operating margin	%	12.9	(0.7)	13.6 pts
EBITDA	AED m	33,266	17,728	87.6
EBITDA margin	%	31.0	30.0	1.0 pt
Profit / (loss) attributable to the Owner	AED m	10,581	(3,917)	NM
Profit / (loss) margin	%	9.9	(6.6)	16.5 pts
Return on Owner's funds	%	45.0	(19.9)	64.9 pts
Financial position				
Total assets	AED m	157,688	149,984	5.1
Cash assets	AED m	37,352	20,880	78.9
Net debt to equity ratio	%	158.3	371.0	(212.7) pts
Key operating statistics				
Passengers carried	number '000	43,626	19,562	123.0
Cargo carried	tonnes '000	1,849	2,139	(13.6)
Passenger seat factor	%	79.5	58.6	20.9 pts
Overall capacity	ATKM million	48,181	36,394	32.4
Available seat kilometres	ASKM million	284,044	159,962	77.6
Aircraft	number	260	262	(2) nos.
Employee				
Employee strength	number	56,379	45,843	23.0

NM - not meaningful (for comparison)

dnata

Financial highlights		2022-23	2021-22	Higher/ (lower) %
Revenue and results				
Revenue and other operating income	AED m	14,899	8,560	74.1
Operating profit	AED m	315	160	96.9
Operating margin	%	2.1	1.9	0.2 pt
Profit attributable to the Owner	AED m	331	110	200.9
Profit margin	%	2.2	1.3	0.9 pt
Return on Owner's funds	%	5.4	1.7	3.7 pts
Financial position				
Total assets	AED m	14,890	14,824	0.4
Cash assets	AED m	5,128	4,898	4.7
Key operating statistics				
Aircraft turns handled	number	712,383	527,501	35.0
Cargo handled	tonnes '000	2,730	2,966	(8.0)
Meals uplifted	number '000	111,350	39,890	179.1
Travel services: Total Transaction Value (TTV)	AED m	7,020	2,318	202.8
Employee				
Employee strength	number	46,000	39,376	16.8

HIS HIGHNESS SHEIKH AHMED BIN SAEED AL MAKTOUM

**CHAIRMAN AND CHIEF EXECUTIVE
EMIRATES AIRLINE AND GROUP**

The Emirates Group's record financial performance in 2022-23 is a remarkable achievement and an inspiring story when viewed against the challenges of the last two years.

I'm immensely proud of our people across the Group, who rallied to deliver a well-orchestrated turnaround. We not only returned to profitability, but we exceeded our targets to deliver the highest level of profit, revenue, and cash balance in our history. It speaks to our proven business model, careful forward planning, and strong partnerships across the aviation and travel ecosystem.

For 2022-23, the Emirates Group is reporting a profit of AED 10.9 billion, an 81% increase in revenue to AED 119.8 billion, and an exceptional cash balance of AED 42.5 billion.

This strong result has enabled us to repay AED 3.0 billion of debt taken during the COVID-19 crisis, declare a dividend of AED 4.5 billion, and commit AED 7.2 billion in our future by investing in new aircraft, facilities, equipment, technology, and people development.

These investments will help ensure we have the best brands, products, services, and capabilities to win customer preference and retain our market leadership.

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Emirates year in review

Emirates' spectacular turnaround – from a loss of AED 3.9 billion last year to a record profit of AED 10.6 billion, an 81% increase in revenue to AED 107.4 billion and cash balance of AED 37.4 billion – did not happen by chance.

Our relentless focus on delivering safe, top-notch services, and customer-centric initiatives, especially during the darkest days, built trust and goodwill with travellers around the world. When they thought travel, they thought Emirates.

We anticipated correctly that travel would return with a vengeance. We planned meticulously with our key partners and were ready to surf the tidal wave of rebound demand when the last pandemic travel restrictions were lifted. Some parts of the aviation ecosystem were caught short, and it cost us, but it didn't stop us.

During the year, we restarted services to 6 cities, strengthened our network with the addition of capacity to 62 destinations – and launched operations to Tel Aviv, Israel. Today, our strong network of 150 passenger and cargo destinations is served with our fleet of 260 aircraft – 144 Boeing 777s and 116 Airbus A380s.

We amplified the reach of our network by signing up 11 new codeshare and interline partners, including United Airlines and Air Canada. Emirates customers can now travel seamlessly to more than 500 destinations.

Even as we marched ahead in double time to expand flight operations and reinstate signature services such as our Chauffeur Drive and dedicated Emirates Lounges, we were also rolling out a series of key product and service enhancements.

Emirates launched its full Premium Economy experience this year, marking a major milestone in its innovative product journey. On 1 August, the first Premium Economy customers took to the skies on our A380s to London, Paris, and Sydney. Such was the anticipation that the service was oversubscribed and received rave reviews on its debut.

In November, we began the largest known fleet refurbishment project – a US$ 2 billion investment involving 120 A380s and 777s, and 1,000 hours of work every day over two years. By 31 March, 6 A380s had already completed their full makeovers at Emirates Engineering and were flying customers across our network in our latest cabin fittings, including the new Premium Economy seats.

During the year, we enhanced menus onboard and launched a new hospitality-based strategy to elevate our customer experience. This programme will be one of our biggest people, process, and product initiatives ever implemented, touching all customer-facing teams and support departments.

Our loyal customers were treated to generous Miles giveaways, prizes and vouchers as Emirates Skywards celebrated crossing the milestone of 30 million members. The award-winning loyalty programme continued to expand its portfolio of reward partners, and unlocked mutual frequent flyer programme benefits with United Airlines and Air Canada.

Emirates SkyCargo returned an impressive revenue figure of AED 17.2 billion, despite reduced capacity as our temporarily converted Boeing 777 "mini freighters" returned to passenger operations. This also led to a 14% drop in cargo carried to 1.8 million tonnes.

Our cargo division maintained its edge in the global airfreight industry by delivering on the specific requirements of customers in different industries, bringing innovative solutions to the market, and leveraging its fleet and network capabilities.

We reinforced our leading position in cool chain transport, and built on the expertise, infrastructure, and reputation earned during the pandemic for the safe, quick, and reliable transport of temperature-sensitive medicines and other perishable items.

In addition to signing commercial MoUs with United Cargo and Air Canada Cargo to expand our reach and capacity for airfreight customers, we introduced a new digital channel for customers to directly access and book our flights for their cargo, and expanded our e-commerce shipping solution for UAE customers with the launch of Emirates Delivers UK.

During 2022-23, we took delivery of 2 new Boeing 777-Fs, which kept our freighter fleet at 11 aircraft, and placed an order for 5 new Boeing 777 freighters worth over US$ 1.7 billion at list prices.

dnata year in review

dnata continued to grow, reporting a 201% increase in profit to AED 331 million in 2022-23. As travel boomed, dnata's total revenue increased by 74% to AED 14.9 billion, and its cash balance stood at a healthy AED 5.1 billion. dnata's international businesses account for 72% of its revenue. Through the year, dnata worked closely with its customers through the challenges of labour shortages and rising inflation in its major markets such as UK, US, Europe and Australia.

Reporting a 27% growth in revenue to AED 7.2 billion, Airport Operations remained the biggest contributor to dnata's total revenue. In 2022-23, the division signed a staggering 90 new contracts around the world, reflecting the success of our focus on safety, service excellence and delighting customers.

During the year, we invested to secure full ownership of our ground handling operations in Brazil and also of Air Dispatch, a specialist aviation services company that leads the market in Centralised Load Control planning. We handled our first airline customers at our new international operation in Zanzibar, Tanzania; and committed US$ 73 million to build cargo centres in Amsterdam, The Netherlands and in Erbil, Iraq.

Our home-grown airport hospitality brand, marhaba, already with a presence in 8 countries and 14 airports, expanded its signature meet and greet services to Tanzania.

Catering earned AED 4.8 billion in revenue this year, serving up 111 million meals as we more than doubled our production to support airline customers in the restoration of their operations, especially in Australia, UK and USA.

Across the world, we welcomed returning customers like British Airways and Air Canada; and signed new contracts with the likes of United Airlines, Air India and Bonza – the new airline in Australia. We also worked extensively with our customers on flexing their menus to address supply chain issues and food inflation.

Travel Services' fortunes rebounded swiftly, recording an incredible 227% increase in revenue to AED 2.3 billion. The division opened a new retail outlet in the UAE and signed major contracts, including with American Express Global Business Travel, the world's leading B2B travel platform, and with American Airlines to provide GSA services in India. Yalago, the global bedbank, saw a 92% increase in hotel bookings and beefed up its in-market teams to support its expanding portfolio.

People

To support our expanding operations as well as our future requirements, we welcomed 17,160 new employees, taking our workforce strength to 102,379 by 31 March.

Our iconic brands, well-designed employee benefits, and the opportunity to work and live in Dubai attracted high performing, experienced candidates. We're pleased that 57% of our new joiners and 56% of those promoted during the year were women and that our pay and benefit frameworks are free from gender bias.

We doubled down on our commitment to gender balance by signing up to the UAE Gender Balance Council's pledge in December. We've begun rolling out unconscious bias training for our HR practitioners and business leaders, and we've launched an exclusive development programme for Emirati women employees.

We mitigated the effects of rising costs of living by increasing salaries, allowances, and benefits of employees in the UAE and across our Emirates network. Throughout the year, we recognised and rewarded the dedication and outstanding efforts of our people through various programmes, disbursing rewards worth AED 5.2 million to some 24,500 star performers.

To enable a culture around people development, we're investing nearly AED 50 million on a suite of programmes: executive coaching, online and classroom training, technical and non-technical courses, workshops, and mentoring. During the year, our partnerships with the world's top business schools and academies delivered world-class training and education to our people.

Our Emiratisation strategy gathered pace as our scholarships, graduate and development programmes brought nearly 200 UAE nationals into the Group and also benefited over 150 existing Emirati colleagues in our workforce.

Through the year, we demonstrated our duty of care through webinars, open discussions and communications on a range of health, fitness and wellbeing topics, including women's and men's wellness.

Safety

Safety is our number one priority. Our policies and rigorous safety management systems ensure that safety principles and practices are hard coded into our business and operations. This year, nearly 24,500 operational employees trained on our safety management system and nearly 17,000 on emergency response planning in case of aircraft incidents.

In 2022-23, Emirates completed the IATA Operational Safety Audit with zero findings – a perfect score and a rarity in our complex industry. dnata launched an updated safety management system based on ISAGO standards to simplify and standardise our approach across our global operations.

Sustainability

In the UAE's Year of Sustainability, the Emirates Group signed up to the United Nations Global Compact, a voluntary global initiative that promotes responsible business practices and the advancement of the UN Sustainable Development Goals (SDGs).

This is yet another cornerstone in our commitment to sustainability, and moving forward we will work towards making the UN SDGs and Principles part of our strategy, culture and operations.

We've also expanded our ESG reporting in this 2022-23 annual report. The pages on Our Planet, Our People, Our Communities, Our Business, and Our Safety outline our numerous activities to deliver value, while minimising our environmental impact.

Notable environmental highlights for 2022-23 include: Emirates' successful demonstration flight using 100% sustainable aviation fuel (SAF) in one engine, an initiative that supports industry efforts to make 100% SAF flying a reality; dnata's US$ 100 million pledge to further enhance environmental efficiency across its global business; and the launch of the world's largest vertical farm in Dubai, which can produce over 1 million kilograms of high-quality leafy greens annually using 95% less water than conventional agriculture.

We also continued to support and enrich the communities we serve. In 2022-23 we mobilised resources for humanitarian relief efforts, worked with NGOs to support those in need, engaged with schools, and contributed to building human capital and nurturing innovation to benefit the future of travel and aviation.

Looking ahead

We go into 2023-24 with a strong positive outlook and expect the Group to remain profitable. We will work hard to hit our targets, while keeping a close watch on inflation, high fuel prices, and political and economic uncertainty.

We will build on our strong foundations to ensure our future success, activating our strong brands, ongoing investments, talent pool, and strategic partnerships.

If nothing else, the past 3 years have clearly shown the Emirates Group's true mettle. We are nimble, resilient, forward-looking, and capable of tackling any headwinds that may come.

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

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

ELEVATING CUSTOMER EXPERIENCE

Emirates' incredible turnaround and its best-ever financial performance – AED 10.6 billion in profits and AED 107.4 billion in revenue – is down to careful planning, innovative thinking, and solid investments in its products, services and customer experience.

During 2022-23, Emirates committed more than AED 6.7 billion to deliver on its Fly Better promise, creating a seamless, stress-free and luxurious experience at every touchpoint on its customer journey – from online to offline, from home to airport to onboard.

Emirates set new standards and marked a major milestone in product innovation with the launch of its highly anticipated Premium Economy Class. The services to London, Paris and Sydney were fully sold out and received a decisive thumbs up from its customers. The airline added Premium Economy services to Christchurch, Auckland and Melbourne by year-end.

With new aircraft joining its fleet later than originally planned, Emirates embarked on the biggest known fleet retrofit worth US$ 2 billion, to ensure that its inflight experience remained top-notch. Emirates' 120 A380s and 777s will be refitted with the new Premium Economy seats, refurbished First Class suites, and Business Class seats upgraded to a new style and design. As of 31 March, Premium Economy is available on 12 aircraft – including 6 newly refurbished from the retrofit programme.

Emirates announced a US$ 350 million investment in new generation inflight entertainment systems for its A350 fleet. It launched Emirates World, an immersive retail centre in the heart of Dubai's Jumeirah District. This flagship concept store will be progressively rolled out to the airline's key markets with an estimated investment of AED 100 million over the next three years as part of its retail strategy.

By year-end, the airline had reopened 34 Emirates Lounges and restarted Chauffeur Drive services for its First and Business Class customers in almost all destinations.

The airline significantly moved the needle on customer experience with several more initiatives this year – from embedding the latest technology and launching a new hospitality strategy to rewarding customer loyalty. Onboard, the airline streamed football matches live, served special vintage champagnes and celebrated major festivals through the year – from Chinese New Year to Christmas – with its global customers.

The airline's innovations included mobile check-in ports at Dubai International airport (DXB) and landmark agreements on biometrics to ensure a smooth and seamless airport experience.

Emirates partnered with the best in the business – including Shahid, the world's leading Arabic streaming platform to air its popular content on **ice**, Ecole hôtelière de Lausanne, one of the world's top hospitality management schools, and Uplift, the leading enterprise Buy Now Pay Later (BNPL) solution for customers in North America.

Award-winning Emirates Skywards celebrated 30 million members by giving away a whopping 1 million Miles in a grand prize, plus another 3 million to 10 customers, tier and flight upgrades, and much more. The frequent flyer programme engaged existing and acquired new members throughout the year with incredible offers on flights, hotel stays, car rentals and shopping.

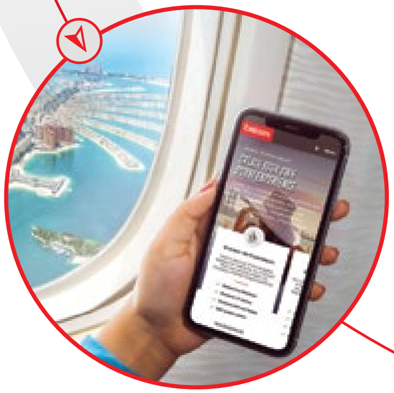
Emirates also continued to ensure brand visibility and engagement through its sponsorships and brand campaigns. This year, its campaigns - particularly Gerry the Goose and Jingle Bells on wheels – captured the hearts and minds of customers, garnering millions of views and engagement globally.

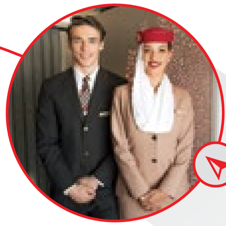
43.6 million passengers carried, up 123%
Passenger Seat Factor of 79.5%, compared with 58.6% in 2021-22.

1 Apr
Emirates introduces 25 mobile Check-in Ports throughout Emirates Terminal 3 as part of its commitment to continuously innovate at every customer touchpoint

14 Apr
Emirates announces plans to launch exciting experiences in the Metaverse for customers and employees

13 Apr
Emirates re-introduces Dubai Experience for customers to easily create and book their own customised itineraries, including flights, hotel stays, visits to key attractions, and other dining and leisure experiences in Dubai and the UAE





9 May

Emirates unveils its full Premium Economy cabin experience at Arabian Travel Market 2022 and welcomes more than 15,000 visitors to its stand

10 May

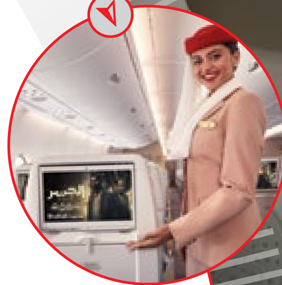
Emirates launches a new hospitality strategy in partnership with Ecole hôtelière de Lausanne, empowering frontline teams to deliver a consistent customer experience

11 May

Emirates and Huawei extend their partnership with an MoU to increase audience engagement through joint activities to improve customer experience in the ever-evolving technology sector

1 Jul

Emirates partners with Shahid, to offer premium content exclusively on its award-winning inflight entertainment system **ice**



29 Aug

Gerry the Goose invites customers to Fly Better in Emirates' advertising campaign

7 Sep

Emirates presents First Class passengers with the unique opportunity to enjoy a very special vintage – Dom Pérignon Plénitude 2 – on select routes. Emirates is the only airline with an exclusive agreement to offer Dom Pérignon on-board

12 Sep

Emirates marks World First Aid Day and celebrates 3,000 new cabin crew recruits who have successfully graduated and are equipped with top-notch aviation first aid skills

16 Nov

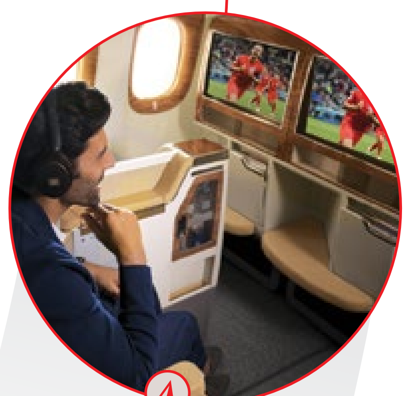
Emirates partners with Uplift, the leading enterprise Buy Now Pay Later (BNPL) solution, to offer customers the option to pay in instalments on flights booked in the US and Canada

1 Nov

Marking World Vegan Day on 1 November, Emirates showcases its delivery of plant-based cuisine with a multimillion-dollar investment into a new curated, gourmet vegan menu onboard

15 Nov

Emirates signs a landmark biometric data agreement with the General Directorate of Residency and Foreigners Affairs, Dubai to fast-track travellers' journey through DXB



17 Nov

FIFA World Cup Qatar 2022™ matches are aired live onboard Emirates aircraft, both on **ice** and the A380 Onboard Lounges, and across the airline's airport lounges, ensuring fans don't miss a moment of the action

28 Nov

Emirates unveils Emirates World – the retail store experience in the heart of Jumeirah, one of Dubai's most vibrant communities

2 Dec

Emirates marks the 51st UAE National Day with lighting schemes in its aircraft cabins, traditional Arabic sweets served onboard and in the Emirates Lounges in Dubai and an exclusive UAE commemoration watch for sale on EmiratesRED

8 Dec

Emirates and Air Canada expand their partnership to offer their frequent flyer members joint loyalty programme benefits

15 Dec

Emirates extends its 15-year partnership with AC Milan and continues as Official Airline Partner and a Principal Partner of the football club

16 Dec

The Emirates Lounge in DXB's Concourse C reopens after the pandemic, marking the 30th lounge to return to full service across its network

9 Jan

During Veganuary, Emirates notes a 154% increase in vegan meals year on year, with over 280,000 plant-based meals consumed in the past year

23 Jan

Emirates Skywards celebrates reaching the 30 million member milestone with incredible offers, including a chance to win one million Skywards Miles

21 Feb

On UNESCO International Mother Language Day, Emirates highlights the immense linguistic diversity of multicultural cabin crew onboard, plus the airline's website in 28 languages and the vast library of multilingual content available on **ice**

20 Mar

Emirates prepares thousands of Ramadan and Iftar meal boxes and traditional refreshments for fasting passengers onboard, at boarding gates and in the lounge, plus an array of relevant content on **ice**

23 Mar

Emirates launches a new phase of amenities for young travellers using sustainable materials

GLOBAL NETWORK GROWTH

Emirates was able to truly scale up its network after the end-June reopening of DXB's Northern Runway and the relaxation of travel rules and pandemic protocols globally. With a laser sharp focus on planning and hyper agility, Emirates restored its global network and connectivity by both restarting services and adding frequencies to meet strong and sustained customer demand across all markets. During the year, Emirates relaunched services to 6 cities in 5 countries, and increased capacity to 62 cities.

In June, the airline launched services to Tel Aviv, Israel. 'Revenge travel' was all the rage over a super busy summer, with Emirates flying more than 550,000 customers on 2,400 weekly flights to 130 destinations.

Emirates continued on its quest to offer customers more choice and connections to cities across the globe by signing codeshare and interline agreements with 11 airlines. Besides landmark codeshare agreements with United Airlines and Air Canada, which expanded the airline's connectivity to over 200 points in the Americas, Emirates also signed up with Airlink, Aegean Airlines, Air Tanzania, ITA Airways, Bamboo Airways, Batik Air, Philippine Airlines, Royal Air Maroc, and SKY Express.

Emirates supported travel and tourism recovery by signing MOUs with tourism authorities and entities on joint efforts to market and promote key destinations.

28 Apr
Emirates responds to Eid demand by adding more flights and seats to four cities in KSA, as well as to Kuwait, Beirut, and Amman from 28 April to 8 May

3 May
Emirates lands in Bali for the first time since the pandemic

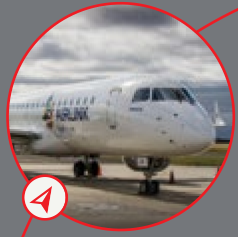
10 May
Emirates and Royal Air Maroc launch codeshare partnership providing customers more travel options and connections between Dubai and Casablanca, and beyond

10 May
Emirates signs a Memorandum of Collaboration (MoC) with Malaysia Tourism Board to promote tourism and develop traffic into the country from key markets across the airline's network

11 May
Emirates and the Department of Culture and Tourism – Abu Dhabi sign an MoU to boost tourist numbers across the airline's global network

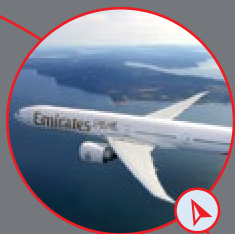
11 May
Emirates and South African Tourism Board sign an MoU to boost travel to the country

12 May
Emirates and Mauritius Tourism Promotion Authority sign an MoU, building on the existing partnership to promote tourism to the country from key markets across the airline's network



6 Jun
Emirates and Airlink activate their codeshare partnership across 8 domestic South African cities via the airline's gateways – Johannesburg, Cape Town and Durban

23 Jun
Emirates lands in Tel Aviv, marking the airline's 1st service to Israel



23 Jun
Emirates deploys extra flights during Hajj to the Holy City of Makkah, and special flights to Jeddah and Medina

23 Jun
Emirates increases services to Mexico City via Barcelona from 6 times weekly to daily flights

1 Aug
Emirates resumes passenger services to London Stansted with a daily flight

27 Jul
Emirates increases service to London Gatwick airport with a 3rd daily flight to cater to peak summer demand

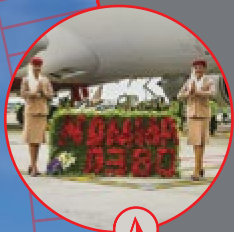
15 Aug
Emirates signs codeshare partnership with AEGEAN, providing customers access to 8 domestic Greek points via Athens, and 8 additional European regional points from October

31 Aug
In summer, Emirates carried more than 10 million passengers on nearly 35,000 flights to 130 destinations

14 Sep
Emirates and United Airlines announce a codeshare partnership, starting March 2023. Emirates customers will connect on United to nearly 200 new cities in the Americas. United will launch services between New York/Newark and Dubai, connecting customers to more than 100 new destinations on Emirates' and flydubai's networks

1 Jul
Emirates starts 2nd daily flight on its flagship A380 aircraft to Mauritius to meet customer demand

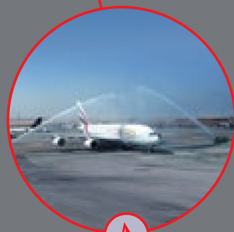
7 Oct
Emirates starts a 5th weekly flight to Algiers



15 Oct
Emirates launches its A380 services to Bengaluru, marking the aircraft's 1st commercial and scheduled operations to the city

21 Oct
Emirates celebrates the 20th anniversary of services to Mauritius

21 Oct
Emirates activates codeshare partnership with Batik Air, offering customers access to 25 Indonesian points



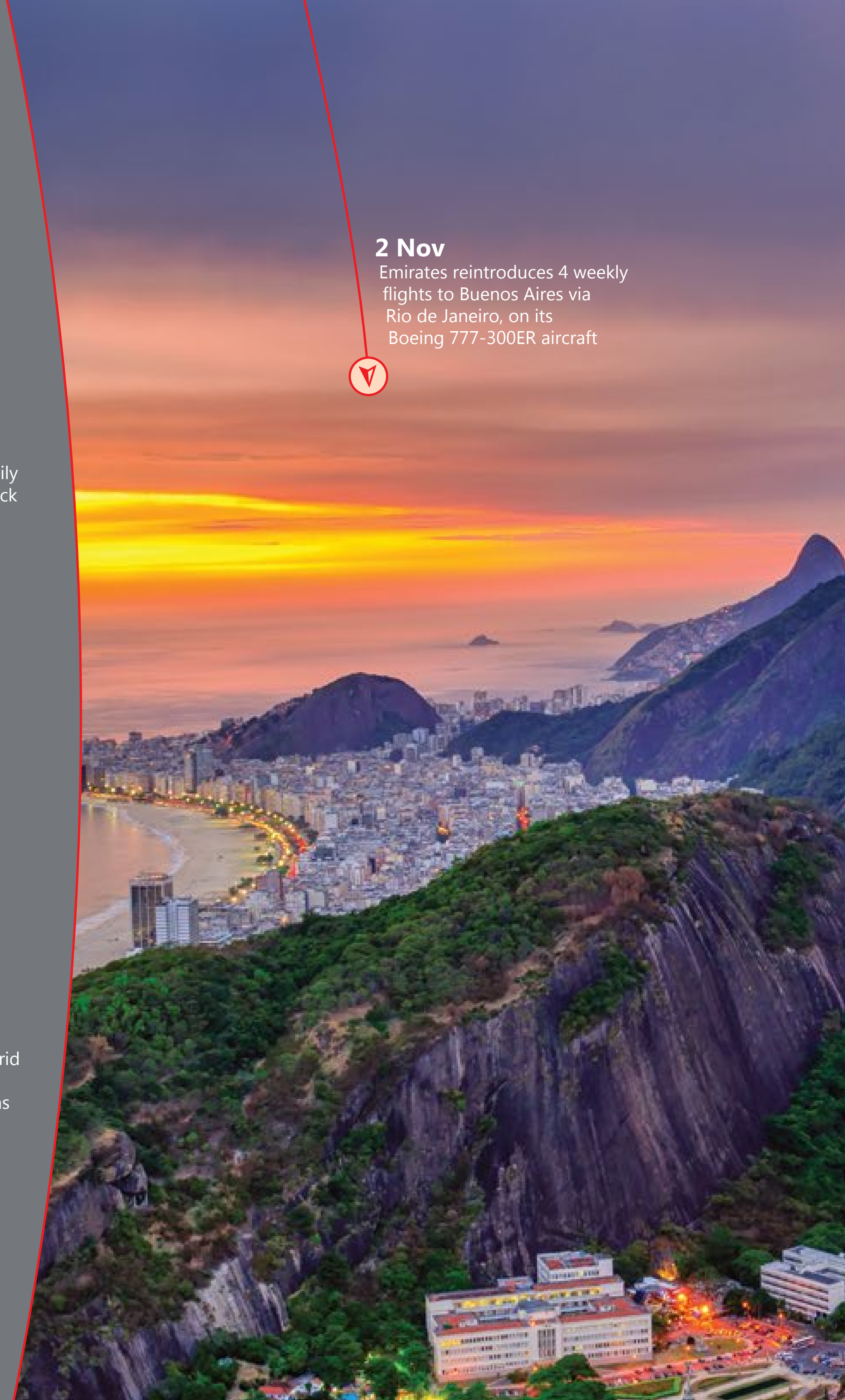
27 Oct
Emirates marks the 50th anniversary celebrations of UAE-Egypt ties by highlighting its contributions to Egyptian tourism and trade flows throughout the airline's 36 years of operations to the country

30 Oct
Emirates starts 2nd daily flight between Dubai and Tel Aviv on the back of strong demand

1 Nov
Emirates and Air Canada announce the launch of their codeshare cooperation, spanning 46 markets and 3 continents

6 Nov
Emirates increases services to Taipei from 4 weekly flights to a daily after the city removed mandatory COVID-19 quarantine for arrivals

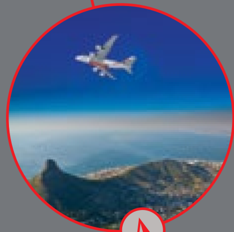
9 Nov
Emirates signs codeshare partnership with Gulf Air to offer their customers easy connections and expanded choices



2 Nov
Emirates reintroduces 4 weekly flights to Buenos Aires via Rio de Janeiro, on its Boeing 777-300ER aircraft

15 Nov
Emirates upgrades capacity to Narita, Japan with the reintroduction of its A380 service

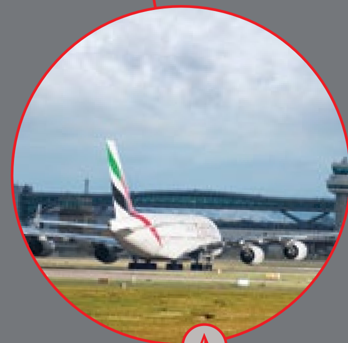
22 Nov
Emirates and flydubai mark 5 years of delivering customer value through their partnership



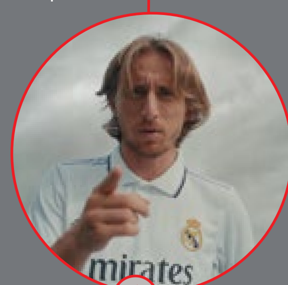
1 Dec
Emirates adds capacity to South Africa - 3 daily flights to Johannesburg, double dailies to Cape Town, and daily flights to Durban

1 Dec
Emirates reintroduces its flagship A380 nonstop services to Perth, Auckland and Kuala Lumpur

1 Dec
Emirates starts additional daily service to Colombo



5 Dec
Emirates adds a 3rd daily A380 service to Gatwick



9 Dec
Emirates and Real Madrid stars capture the attention of football fans with the launch of an advertising campaign to boost winter travel

1 Jan
Emirates adds a 4th daily flight to Bangkok

3 Jan
Emirates signs an agreement with the Bahamas to promote tourism to the Caribbean archipelago

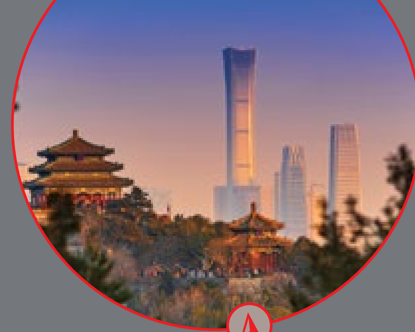
15 Jan
Emirates celebrates 20 years of serving Brisbane with the reintroduction of a 2nd daily service

20 Jan
Emirates starts serving Shanghai with 2 weekly flights post the pandemic

1 Feb
Emirates starts serving Guangzhou with 4 weekly flights

9 Feb
Emirates celebrates the 10th anniversary of its services to Poland

3 Mar
Emirates and Philippine Airlines sign an interline agreement to boost connectivity for passengers to new points on each other's networks via Manila and Dubai



15 Mar
Emirates starts serving and reconnecting Beijing to its global network with a daily nonstop flight

27 Mar
Emirates' A380 makes a landmark touchdown at Christchurch Airport, marking the resumption of its daily service from Dubai to Christchurch via Sydney after more than 3 years

29 Mar
Emirates adds a 2nd daily service to Hong Kong

30 Mar
Emirates and United Airlines activate their codeshare partnership, allowing Emirates customers to enjoy easier access to an expanded choice of US destinations

FITTING OUT THE FLEET

Emirates tempered the temporary setback to its fleet plans – with the first of its new aircraft orders only arriving mid-2024 – by starting a retrofit programme for 67 A380s and 53 777s. The aircraft interiors are being completely stripped and equipped with the latest Premium Economy cabins and its most stylish interiors and products in a multi-billion dollar programme.

Emirates' 120 A380s and 777s will be retrofitted in-house with 4,000 brand new Premium Economy seats, 728 refurbished First Class suites and over 5,000 Business Class seats upgraded to a new style and design when the project is complete in April 2025. Emirates Engineering has fast-tracked the programme, with each aircraft retrofit involving 1,000 work-hours every day. By 31 March, 12 A380 aircraft featured Premium Economy cabins and the airline's latest interiors.

Emirates placed a firm order for 5 new Boeing 777 freighters – 2 for delivery in 2024 and 3 in 2025 – worth over US$ 1.7 billion at list prices. The airline also took delivery of 2 new Boeing 777Fs and returned 1 older freighter from its fleet as part of its long-standing strategy to minimise its emissions footprint and operate modern, fuel-efficient aircraft.

By year-end, the fleet of 144 Boeings and 116 A380s were serving its network of 150 passenger and cargo destinations. The A380 Premium Economy proved to be another pivotal game-changer with sold-out seats and a resounding response from customers.

Fifteen years after its launch, the A380 continues to draw in plane spotters and crowds – whether at Brisbane, Bengaluru or Bahrain.

To strengthen its cadet training, Emirates Flight Training Academy ordered 3 twin-engine DA42-VI Diamond aircraft, with its corresponding simulator, worth Euro 4 million in list prices. With this addition to EFTA's fleet of 22 Cirrus and 5 Embraer Phenom jets, cadets will acquire experience on three types of aircraft even before graduating from the academy.

Aircraft livery is the most instantly recognisable brand real-estate for any airline. Emirates' distinctive livery was refreshed to make it more bold and dynamic, without losing its UAE identity. The airline sported special aircraft decals – Real Madrid's top players on a specially charted A380 and Dubai Museum of the Future on 10 A380s – to showcase its sponsorships and the city's latest futuristic attraction to its network worldwide.

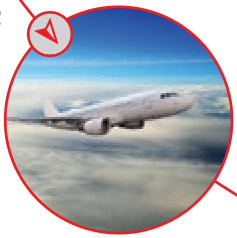
This year, overall capacity increased by 32% to 48.2 billion Available Tonne Kilometres (ATKM), and by 78% when measured in Available Seat Kilometres (ASKM) – thanks to the airline's A380s returning to service to support the restored network on the back of phenomenal growth in customer demand.

1 Jun
Emirates Premium Economy opens for sale on high-traffic A380 routes to London Heathrow, Paris and Sydney for flights from 1 August

8 Sep
Emirates announces US$ 350 million investment in Thales' AVANT Up system for its incoming 50-strong fleet of Airbus A350 aircraft, scheduled for delivery from mid-2024 onwards

1 Nov
Emirates begins its massive, multi-billion dollar 2-year retrofit programme of the interiors and installation of the latest Premium Economy Class on 120 Airbus A380 and Boeing 777 aircraft

1 Nov
Emirates showcases the Emirates Executive Airbus A319 aircraft at Abu Dhabi Air Expo 2022



9 Nov
Emirates showcases its four-class Airbus A380 aircraft at the Bahrain International Airshow drawing in close to 8,000 visitors

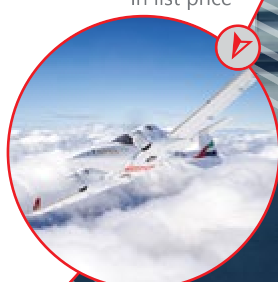
17 Nov
The Emirates A380 performs a flypast with the RAF Red Arrows to celebrate the official kick-off of the golf tournament, the DP World Tour Championship

6 Jan
Emirates deploys the first A380 completely refurbished under the airline's US$ 2 billion retrofit programme to London Heathrow

10 Jan
Emirates welcomes Real Madrid onboard a specially chartered A380 flight that features new livery with some of the club's top players

20 Feb
Emirates starts work to build an advanced training facility to accommodate 6 Full Flight Simulator Bays for its Airbus A350 and Boeing 777X aircraft slated to open in early 2024

16 Mar
Emirates' distinctive livery undergoes a refresh to keep it modern without losing its UAE identity



23 Mar
Emirates Flight Training Academy orders 3 twin-engine Diamond Aircraft worth EUR 4 million in list price

UNLOCKING GLOBAL SUPPLY CHAINS

Emirates SkyCargo pivoted to retain strong and steady demand for its services and deliver a rock-solid performance. Despite pressures on global supply chains, and increased capacity in the market as other airlines increased their flight schedules, the cargo division earned impressive revenues of AED 17.2 billion.

As the passenger side of Emirates' business came roaring back, Emirates SkyCargo steadily and smoothly returned the converted 777 mini-freighters to the main fleet, resulting in a 14% reduction of cargo carried to 1.8 million tonnes. The division continued to serve its customers globally via the airline's significantly expanded belly-hold capacity.

Emirates reaffirmed its commitment to cargo customers and its confidence in global trade flows by announcing a firm order for 5 new Boeing 777Fs, worth over US$ 1.7 billion at list prices. Two of these aircraft will enter SkyCargo's fleet in 2024 and the remaining 3 in 2025. With 2 new Boeing 777Fs joining the fleet, and having retired one older freighter, Emirates SkyCargo's 11 777Fs crisscrossed the globe to 150, including 9 freighter-only, destinations.

The cargo division continued to build on its specialist offerings, investing in assets, expertise and infrastructure. The division fortified its leadership in the cool chain transport of temperature-sensitive cargo – from pharma to fresh produce and essentials – that had made it the carrier of choice during the pandemic. The division has big plans to invest more in this ecosystem to diversify and consolidate its presence.

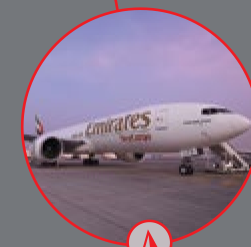
Emirates SkyCargo remained a force to reckon with in the global airfreight industry by focusing on its customers, bringing innovative solutions to the market, and leveraging its fleet and network capabilities. It ensured trade lanes remained open by providing additional capacity on key trade routes across 6 continents, including weekly freighter services – 25 to Hong Kong and 12 to Guangzhou, Shanghai and Beijing.

Currently, Emirates SkyCargo has over 170 partner agreements. During the year, the division signed two key MoUs, one with United Airlines Cargo, providing access to over 200 cities in the US and 300 cities worldwide, and with Air Canada Cargo, providing access to 60 cities in Canada and more than 150 cities across 5 continents. These partnerships strengthened supply chains, network reach and cargo capacity.

Launched during the year, Emirates Delivers UK brought favourite British stores within easy reach of UAE customers. To provide its customers a world-class digital experience and for efficiencies, Emirates SkyCargo introduced WebCargo that enables its customers worldwide to directly access flights and inventory to book cargo shipments.

Emirates SkyCargo deployed its expertise and resources to transport relief goods to Pakistan, Turkey and Syria in partnership with Dubai's International Humanitarian City.

30 May
Emirates SkyCargo receives a new Boeing 777F, taking its dedicated freighter fleet to 11 aircraft



5 Jul
Emirates SkyCargo takes delivery of its 2nd Boeing 777F this year

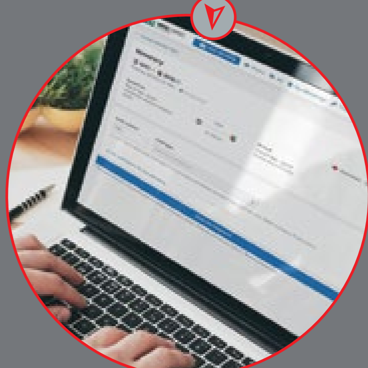
2 Jun
Emirates SkyCargo participates in Air Cargo India, engaging with customers and industry partners in Mumbai

2 Sep

Emirates SkyCargo sets up an airbridge to Pakistan offering free of charge cargo capacity to transport relief aid to those impacted by the devastating floods

26 Sep

Emirates SkyCargo introduces a digital channel WebCargo for its worldwide customers to directly access and book its flights for cargo shipments



30 Sep

Emirates SkyCargo and United Airlines Cargo sign an MoU as part of a broader historic commercial agreement between two of the largest global airlines

8 Nov

Emirates announces a firm order for 5 new Boeing 777F aircraft, worth over US$ 1.7 billion at list prices, with 2 units to be delivered in 2024 and the remaining 3 units in 2025

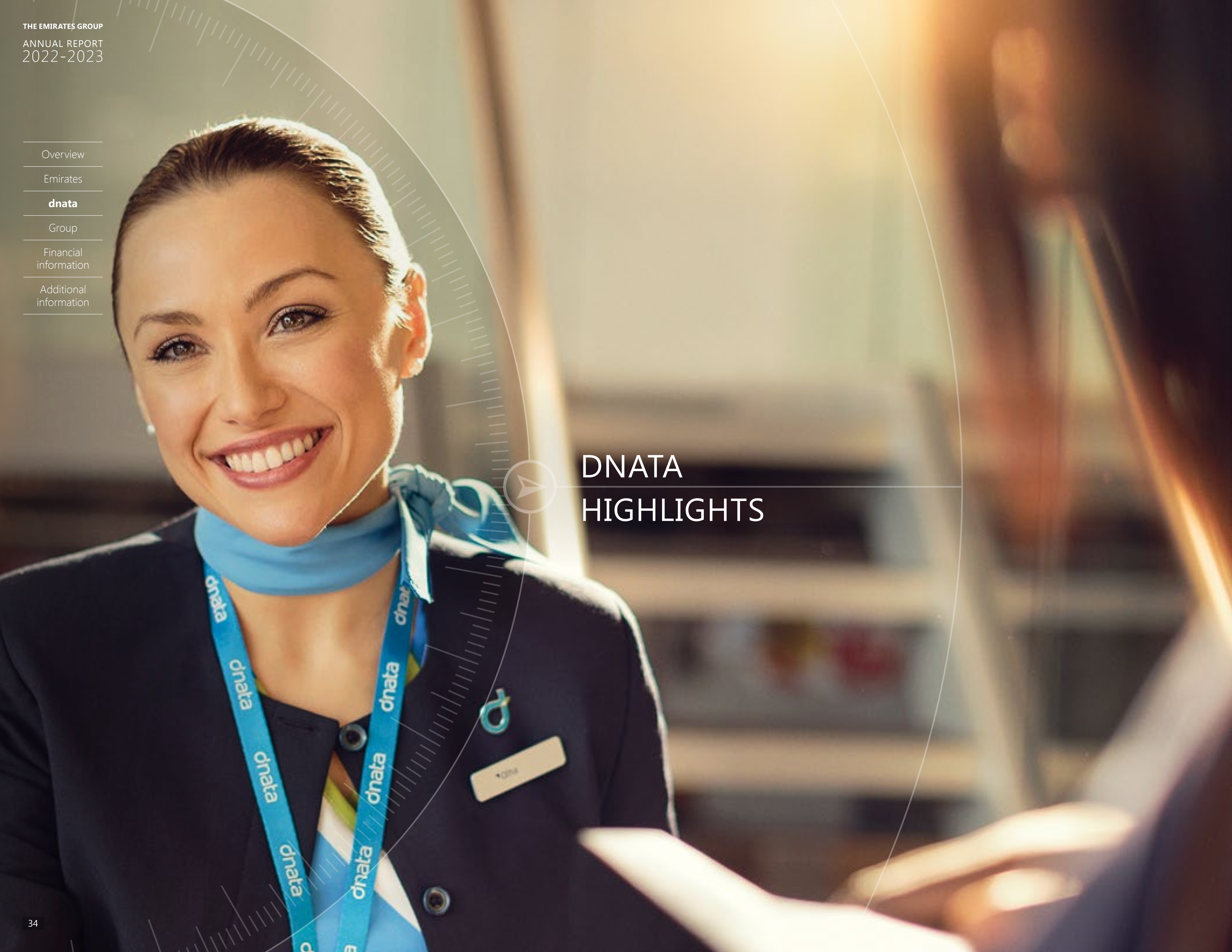
7 Dec

Emirates Delivers UK is launched. This service enables UAE customers to shop from multiple online retailers in the UK and have the goods delivered directly to their door

10 Feb

Emirates SkyCargo and Air Canada Cargo sign an MoU to build on the airlines' strategic commercial partnership

Overview
Emirates
dnata
Group
Financial information
Additional information



DNATA HIGHLIGHTS

Overview
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Additional information

AIRPORT OPERATIONS

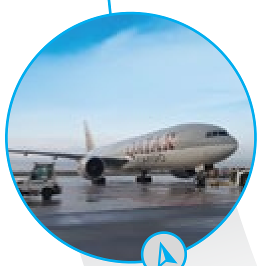
In line with increased air and passenger traffic across markets, dnata significantly expanded its ground handling operations and team globally to meet customer demand for its quality and safe services. Cargo volumes slightly decreased, reflecting global trends and airline customers' increased focus on passenger operations. In 2022-23, dnata's highly-trained teams handled 712,383 aircraft turns, up 35%, and 2.7 million tonnes of cargo, down 8%, compared to the previous year.

dnata's Airport Operations division continued to grow its global network through strategic investments. It officially launched its services in Zanzibar, Tanzania; entered the German cargo market with an acquisition of the exclusive operator of the Cologne Bonn Cargo Centre; and expanded its footprint in Canada through its partnership with the GTA Group, adding Calgary and Vancouver to its cargo network. In addition, it acquired the remaining 30% stake to assume full ownership of its ground handling business in Brazil, and increased its investment in Air Dispatch to become the sole shareholder of the world's leading provider of centralised load control services.

dnata embarked on major infrastructure projects, including investments of US$ 73 million for a cargo centre in Amsterdam, The Netherlands, and new cargo and GSE facilities in Erbil, Iraq. It also continued to invest in the latest technologies across its operations, including the global rollout of its advanced OneCargo system, which digitises and automates business and operational functions.

marhaba services, dnata's airport hospitality brand, continued to soar in popularity with more passengers seeking to enhance their journey with signature meet & greet and lounge services, and also expanded its footprint to Zanzibar.

dnata's industry-leading performance and focus on service excellence helped it win over 90 new contracts across its global operations. The brand was recognised for consistently delivering world-class quality and safety with a number of prestigious accolades, including the coveted 'Ground Handler of The Year' award, which it won for the 8th consecutive time.

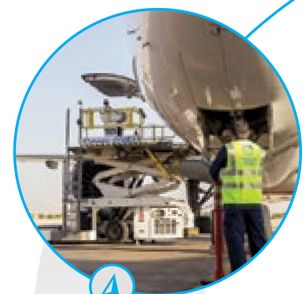


28 Apr
dnata extends its partnership with Qatar Airways Cargo in Belgium, delivering a range of cargo handling and road feeder services from its Brussels Airport

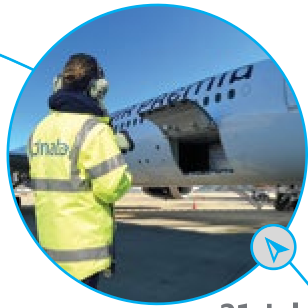
2 May
dnata welcomes Bamboo Airways' first flight at Singapore's Changi Airport, from Ho Chi Minh City, and will provide its full range of ground handling, cargo, catering and lounge services to the airline

17 May
dnata significantly expands its operations in Iraq by opening a new, advanced cool chain facility and a bus maintenance facility with a combined investment of US$ 3.5 million

31 May
dnata enters the German market with the acquisition of Wisskirchen Handling Services, the exclusive operator of the Cologne Bonn Cargo Centre



23 Jun
Gerry's dnata Pakistan receives IATA Safety Audit for Ground Operations (ISAGO) Station Accreditation at Islamabad International Airport and achieves the highest safety standards



21 Jul

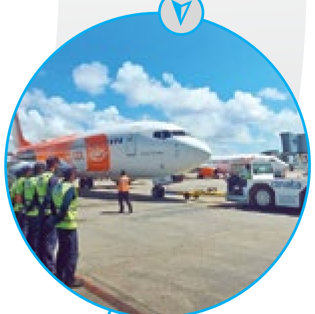
dnata welcomes Air Premia's first passenger flight, from Seoul, at Singapore's Changi Airport, and will provide ramp and cargo services to the airline

9 Sep

Gerry's dnata welcomes EgyptAir Cargo's flight at Allama Iqbal International Airport, Lahore and will oversee the airline's ramp and cargo operations

1 Aug

dnata acquires the remaining 30% stake to assume full ownership of its ground handling business in Brazil, underscoring its commitment to the South American market



1 Jul

dnata wins a multi-year contract with Qatar Airways in the UK to provide reliable and safe ground handling services to the airline at London Heathrow Airport

13 Oct

dnata welcomes Citilink's first passenger flight at Singapore's Changi Airport, and will provide ramp and cargo services to the airline

19 Oct

marhaba opens a newly refurbished facility that features contemporary Arabic influences, an enhanced buffet area and a unique bar concept at Emirates Terminal 3

1 Nov
dnata continues to trial TaxiBot, a pilot-controlled pushback tractor at Schiphol Airport in Amsterdam, which results in an 85% reduction of emissions during taxiing

6 Nov
dnata Logistics brand is launched in the UAE to enhance its cargo service offering across the supply chain from the first to the last mile

9 Nov
dnata starts supporting Virgin Atlantic's A330neo London services at Tampa International Airport, Florida

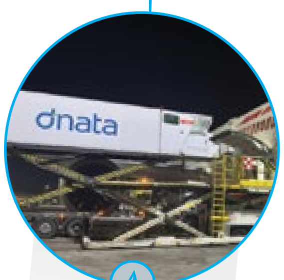
8 Dec
dnata's 270 passenger and ramp agents facilitate the travel of hundreds of thousands of football fans between Dubai World Central airport and Doha during the world's largest football tournament

31 Dec
dnata handles over 82 million bags through DXB in 2022, with its success rate significantly outperforming the industry average

4 Jan
dnata breaks ground on a 20,000 sqm cargo warehouse in Erbil, Iraq with an investment of US$ 12 million and capable of processing up to 100,000 tonnes of cargo annually

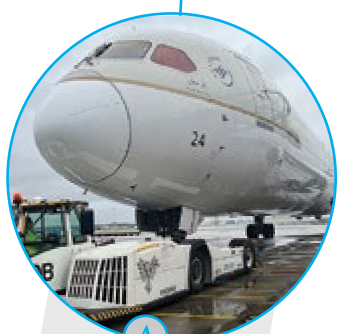
26 Jan

dnata launches operations with partners Emirates Leisure Retail and SEGAP at Zanzibar Abeid Amani Karume International Airport (ZNZ) and will provide ground, passenger and cargo handling, including marhaba's meet & greet and lounge services at the newly built Terminal 3



1 Feb

dnata's airport handling subsidiary in Italy is awarded a multi-year contract by Air India at Milan Malpensa Airport



8 Feb

dnata welcomes its newest airline customer, Saudia, at Schiphol Airport, Amsterdam

1 Mar

dnata continues to invest in training and equipment to enhance travel experiences for People of Determination at DXB, with the latest initiative offering unique children's wheelchairs

30 Mar

dnata expands its operations in Canada through its partnership with the GTA Group, offering cargo services in Calgary and Vancouver, in addition to Toronto

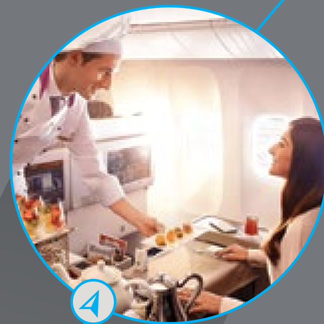
CATERING & RETAIL

dnata's Catering & Retail division substantially increased production to support airlines to restart their operations after the pandemic in key markets, including Australia, UK and USA. In 2022-23, its teams uplifted 111 million meals to airline customers, which represents a 179% growth year over year.

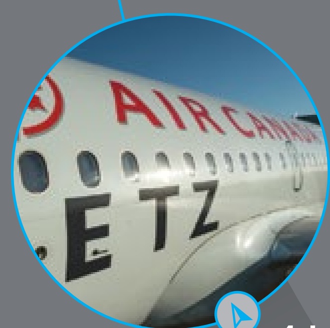
The division continued to enhance its retail services and offering, cementing its position as a leading end-to-end inflight and airport service provider. It worked closely with airline customers to enhance their retail range onboard and improve customer satisfaction through innovative solutions. In Australia, it signed a multi-year contract with Bonza Airlines, the country's newest airline, marking another significant milestone for its evolving retail operations.

Alpha Flight Services, dnata's subsidiary in the UAE, expanded into Ras Al Khaimah, increasing its catering and retail footprint in the country.

13 Apr
dnata welcomes British Airways back to Sydney



1 May
dnata is awarded a contract by United Airlines in Jordan to to serve their 3 weekly flights from Amman



4 Jul
dnata's catering team celebrates the return of Air Canada to Brisbane, Queensland and reinstates services to the airline

7 Sep
Alpha Flight Services signs a concession agreement with Ras Al Khaimah International airport to provide services to more than 10 airlines, operate 3 F&B outlets and the airport lounge

12 Sep
dnata celebrates the 5th anniversary of its purpose-built inflight catering centre and popular marhaba airport lounge in Melbourne

20 Oct
dnata's catering facility in Sydney officially re-opens after renovations, including the installation of energy efficient LED lighting and equipment upgrades

28 Nov
dnata starts serving Fiji Airlines' 2 weekly flights in Vancouver

19 Dec

dnata provides over 5 million special meals for its airline partners globally from mid-December to Boxing Day, including serving traditional roast turkey dinner, the most popular meal among its airline partners

20 Dec

dnata extends its catering partnership with Lufthansa and Swiss International Air Lines at Changi Airport, Singapore

18 Jan

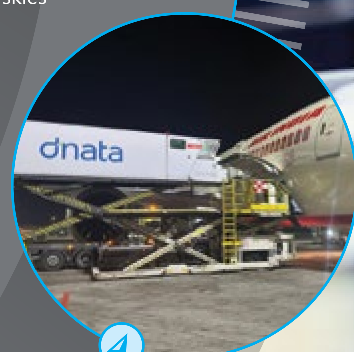
dnata welcomes the return of Korean Air to Australian skies

4 Feb

dnata in Jordan wins a contract with Edelweiss Air for the airline's 2 weekly flights in Amman

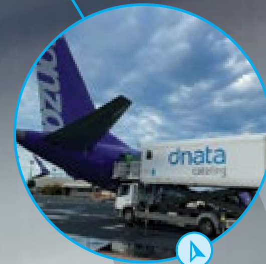
15 Feb

Alpha Flight Services introduces hospitality robots to The Lounge at Sharjah Airport with the robots, Kitty and Bella, helping guests with flight and airport information and serving refreshments



22 Feb

dnata's European catering businesses win multi-year contracts with Air India in London, Birmingham and Milan



15 Mar

dnata wins a multi-year contract with Australia's newest airline, Bonza to support and deliver the carrier's retail programme across its operations

TRAVEL

dnata's travel division recorded strong passenger volumes in 2022-23 as more destinations reopened for tourism and restrictions eased worldwide. It invested significantly in systems to improve customer experience, while its brands evolved their product and offering to deliver consistent service excellence to both B2B and B2C customers.

The division recorded an underlying total transaction value (TTV) sales of AED 7.0 billion, which represents a substantial 203% growth compared to the previous year, driven largely by the strong recovery of travel demand and bookings in its Middle East and UK businesses.

dnata Travel also significantly enhanced its partnership network through major contracts wins. New partners include American Express Global Business Travel, the world's leading B2B travel platform, which dnata will support as its preferred travel partner across the Middle East.

dnata Representation Services, the global partner that provides marketing, commercial services and customer service support to airlines, hotels, transport and tourism boards, expanded its partnership with American Airlines and Lufthansa, and launched a series of industry roadshows in Dubai and Riyadh.

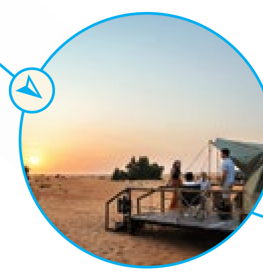
19 Apr
dnata opens a travel store in Dubai Hills, expanding its retail footprint in the UAE

1 May
dnata Representation Services expands its long-standing partnership with Lufthansa, with its highly trained team in Belgrade, Serbia, to support the airline's core customer base

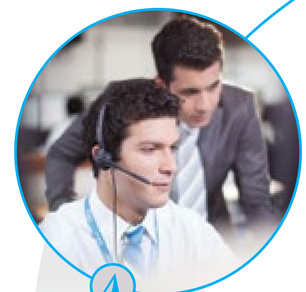
12 May
Yalago, dnata's global leisure bedbank, records the highest weekly sales in its history, and significant growth of its inventory in 2022

11 Aug
dnata enhances its long-standing partnership with Club Med, the world's leading provider of upscale, all-inclusive holidays, bringing experiences closer to the region through exclusive rates, tailor-made packages, and a host of new resorts for 2022

24 Nov
dnata Travel Management, the GCC's leading corporate travel provider, becomes American Express Global Business Travel's preferred travel partner in the Middle East



30 Nov
Arabian Adventures expands its desert camping accommodation and service offering in the Dubai Desert Conservation Reserve (DDCR) to further improve its popular Overnight Safari experience



1 Jan
dnata's Representation Services starts providing full-time support to Emirates' customers in Europe in the German language

18 Jan
dnata Travel UK's B2B brands see package bookings soar 69% year-on-year, driven by rising demand for travel to Asia, Australia and the US

22 Jan
dnata Representation Services launches a new series of industry roadshows – Ahlan Arabia – in Dubai and Riyadh, bringing together global hospitality brands and GCC travel trade partners

27 Jan
Yalago records a 92% increase in hotel bookings in 2022 compared to the previous year, supporting growth with localised knowledge and expertise

31 Jan
Arabian Adventures relaunches an enhanced edition of its Jeep Adventure Safari due to popular demand

8 Mar
dnata Government Travel, with other partners, launch a unique padel tournament for government employees across Dubai and the Northern Emirates

14 Mar
Destination Asia releases its first annual sustainability report, providing insights into its principles, steps taken to act more responsibly, and further improvements

23 Mar
dnata Representation Services expands its long-standing partnership with American Airlines as general sales agent to support the latter's growing business in India

EMIRATES AWARDS

7 Apr
The 2022 Global RepTrak® 100 ranks Emirates among the top 100 most reputable organisations in the world – the only company from the MENA region to make it to the list

10 May
Business Traveller Middle East Awards
- Best Airline Worldwide - 9th consecutive time
- Best Premium Economy Class
- Best Economy Class
- Best Frequent Flyer Programme

9 Jun
APEX Regional Passenger Choice Awards®
- Best Wi-Fi
- Best Food & Beverage

14 Jun
RoSPA Health & Safety Awards
Gold awards:
- Fleet Safety Award
- Health and Safety Award
- Leisure Safety Award

23 Sep
Skytrax World Airline Awards
- Best Economy Class
- World's Best Economy Class Catering
- World's Best Inflight Entertainment (for the 17th consecutive time)

27 Sep
Monitor Airline of the Year, Bangladesh
- Airline of the Year 2022 (3rd year in a row)
- 5 gold trophies
- 4 silver trophies

3 Oct
Emirates is presented with the 'President's Tourism Gold Award' in Maldives for its role in growing the country's tourism industry

23 Dec
Emirates Flight Training Academy wins Aviation Training Provider of the Year at the Aviation Business Middle East Awards

22 Mar
Emirates wins the Presidential Honour for Distinguished Service at The Ghana National Honours Awards 2023 from President Nana Akufo-Addo for its role in providing medical supplies, humanitarian aid and unstinting support to the country during the pandemic

DNATA AWARDS

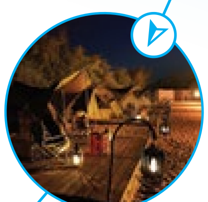
15 Jun (Catering)
dnata Australia Onboard Hospitality Magazine
- Airline caterer of the year for Australasia

PAX International Magazine, World Travel Catering & Onboard Services Expo (WTCE)
- Industry Champions Award

21 Sep (Airport Operations)
2022 Air Cargo News Awards, London
- Ground Handler of the Year (8th consecutive time)

23 Oct (Travel)
Destination Asia Events World MICE Awards 2022
- Singapore's Best MICE Organiser
- Thailand's Best MICE Organiser
- Asia's Best MICE Organiser

25 Oct (Travel)
2022 World Travel Awards, Oman (Middle East edition)
- Middle East's Leading Airline GSA
- Middle East's Leading Corporate Travel Company
- Bahrain's Leading Travel Management Company
- Saudi Arabia's Leading Travel Agency



25 Oct (Arabian Adventures)
2022 World Travel Awards, Oman (Middle East edition) – 3rd consecutive year
- UAE's Leading Destination Management Company
- UAE's Leading Desert Safari Company
- UAE's Leading Tour Operator

15 Nov (Airport Operations)
9th Payload Asia Awards in Singapore
- Ground Handler of the Year – Middle East
- Cold Chain Service Provider of the Year

29 Nov (Travel)
British Travel Awards, UK

Travelbag – 7 gold awards as voted for by customers
- Best Holiday Company for Luxury Holidays
- Best Holiday Company for Tailormade Holidays
- Best Holiday Company for
  - USA and Canada
  - Australia and Oceania
  - Middle East and North Africa
  - Southern and Southeast Asia
  - Special Occasions Holidays

Travel Republic
- Best Online/Call Centre – Bronze
- Best Travel Company to MENA - Bronze

Netflights
- Best Travel Website for Flight Bookings – Silver

12 Dec
(Airport Operations)
2022 Aviation Business Middle East Awards, Dubai
- Ground Support Services Provider of the Year (12th time and 3rd consecutive year)

22 Feb (Arabian Adventures)
SITE Crystal Award
- Excellence in Incentive Travel, Africa and the Middle East (3rd time)

1 Mar (Catering)
Alpha Flight Services receives Best Performance award from H.E. Ali Salim Al Midfa, Charmain of Sharjah Airport Authority (SAA) and H.E. Sheikh Faisal bin Saoud Al Qassimi, Director of SAA

GROUP SUSTAINABILITY

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GROUP SUSTAINABILITY STATEMENT

The Emirates Group is committed to sustainability across our business and activities, including our supply chain. We strive to deliver value to people, communities and economies, while minimising our environmental impact.

A world leader in air transport and travel services, we generate direct and indirect employment for hundreds of thousands of people, connect businesses to opportunities in a global marketplace, and provide global mobility for people to pursue work, family and personal enrichment goals. We enable a brighter future by supporting innovation incubators, education for disadvantaged children, and sports and cultural activities that build vibrant communities. We dedicate resources to protect wildlife and natural habitats.

The Group has always taken a long-term and balanced approach to growth. Reflecting Dubai and the UAE's vision, we are tireless in our pursuit of excellence and progress, and we embrace the values of tolerance and respect. The Emirates Group will continue to invest in technologies, people and partnerships, to deliver the best products and services, improve performance, and deliver a positive impact on our Business, our Planet, our People, and our Communities.

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

Material Topics and Activity Areas | UN Sustainable Development Goals

ENVIRONMENTAL — OUR PLANET

Energy and emissions
- Modern aircraft
- Efficient operations
- Sustainable aviation fuel
- Renewable energy

Responsible consumption
- Waste minimisation
- Water conservation
- Recycling

Wildlife and habitats
- Anti-wildlife trafficking
- Dubai Desert Conservation Reserve
- Emirates One&Only Wolgan Valley

UN Sustainable Development Goals: 7 Affordable and clean energy; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land

SOCIAL — OUR PEOPLE

Health & wellbeing
- Employee wellbeing initiatives

People development
- Reward and recognition
- Learning and training
- UAE National development
- Internships

Gender balance
- UAE gender balance pledge
- IATA 25by2025 pledge
- Learning and development opportunities for women

UN Sustainable Development Goals: 3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth

SOCIAL — OUR COMMUNITIES

Community engagement
- dnata4good
- Emirates Airline Foundation
- Disaster and humanitarian relief

Community investment
- Sponsorships
- Start-up ecosystems
- Developing pipeline of aviators
- Building schools and universities

Customer experience
- Product and service monitoring
- Tracking our Net Promoter Score

UN Sustainable Development Goals: 3 Good health and well-being; 4 Quality education; 6 Clean water and sanitation; 9 Industry innovation and infrastructure; 10 Reduced inequalities; 11 Sustainable cities and communities

GOVERNANCE — OUR BUSINESS

Business ethics
- Code of conduct
- Conflicts of interest policy
- Whistleblower programme
- Anti-bribery & corruption policy
- Anti-slavery and human trafficking policy

Supply chain management
- Supplier code of conduct
- Sustainable procurement

Regulatory compliance
- Audits and certifications
- Anti-money laundering policy
- Antitrust and competition policy
- Financial transparency
- Data privacy policies
- Cybersecurity policies
- Safety policy and programmes
- Sanctions & export controls policy
- Applicable environmental regulations

UN Sustainable Development Goals: 12 Responsible consumption and production; 16 Peace, justice and strong institutions; 17 Partnerships for the goals

We have identified material ESG topics for the aviation and air services industry, based on IATA reporting guidance and SASB standards. We recognise the need to expand, assess and prioritise our financially material ESG topics. In 2023-24, we plan to evolve our ESG strategy through engaging our stakeholders in a detailed materiality assessment.

OUR PLANET

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During 2022-23, we continued to progress initiatives under the Emirates Group Environmental Sustainability Framework, which puts the Emirates Group Environmental Policy into practice and directs our efforts into three focus areas: reducing emissions; consuming responsibly; and preserving wildlife and habitats.

The Environmental Sustainability Executive Steering Group meets at least quarterly to set direction and review progress against each of the focus areas at a corporate level. At a working-group level, various internal committees meet regularly to co-ordinate and implement sustainability actions.

Highlights

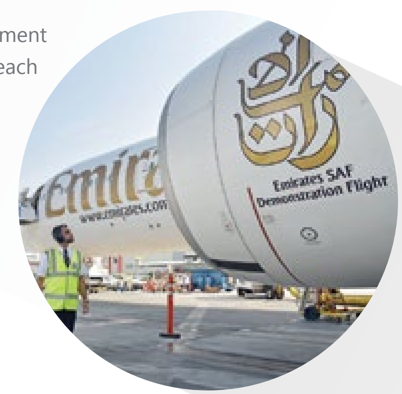
2 Jun	dnata pledges an investment of US$ 100 million to further enhance eco-efficiency across its global business, supporting its goal to reduce its carbon footprint by 50% by 2030
18 Jul	Emirates Flight Catering and Crop One opens the world's largest vertical farm in Dubai – Bustanica. A US$ 40 million investment, the 330,000 sqft facility can produce over 1 million kilograms of high-quality leafy greens annually using 95% less water than conventional agriculture
17 Dec	dnata signs up to the IATA Environmental Assessment (IEnvA) for Ground Service Providers and Catering. It continues to work towards achieving full certification and maintains its ISO14001:2015 accreditations at Dubai's airports and various locations globally
30 Jan	Emirates successfully completes a milestone demonstration flight of a Boeing 777-300ER powered with 100% sustainable aviation fuel (SAF) in one of its engines. The first such initiative in the Middle East and North Africa region, this contributes to collective industry data and efforts to enable a future of 100% SAF flying
1 Feb	Emirates signs up for the IATA Environmental Assessment (IEnvA) and aims to achieve Stage 1 certification in 2023-24. Following the requirements set by ISO14001:2015, this comprehensive programme covers flight operations, corporate activities and includes a module on illegal wildlife trade
10 Mar	The Emirates Group Environmental Policy is updated as part of our governance review and ongoing enhancements to our Environmental Management System

With the UAE declaring 2023 as the Year of Sustainability, reducing our environmental impact will continue to be a key focus for us this year and beyond.

Reducing emissions

Emirates supports IATA's collective industry commitment and ICAO's Long-Term Aspirational Goal (LTAG) to reach net zero carbon emissions by 2050.

We are reviewing opportunities and pathways that will help to achieve this goal, which include: fleet renewal, operational fuel efficiency, sustainable and low carbon aviation fuels, and renewable energy. In the coming months, we will set objectives and targets to help us enhance ongoing programmes and processes that address our environmental impact, risks, and opportunities.



Aircraft fleet strategy: Operating modern and fuel-efficient aircraft has always been central to Emirates' business model. We fly one of the youngest wide-body aircraft fleets with an average age of 9.1 years, considerably lower than the industry average. Our new-generation Airbus A350 and Boeing aircraft will also provide greater fuel efficiency as they join our fleet starting 2024 and 2025 respectively.

Operational fuel efficiency: Under the governance of a cross-functional Operations Efficiency Steering Group, we actively implement ways to reduce unnecessary fuel burn and emissions, while maintaining the highest safety standards.

Emirates has taken a significant step forward with the successful implementation of Green Standard Operating Procedures (Green SOPs) by our pilots, a result of a multi-faceted approach involving education, awareness, data analytics and technology. Our Green SOPs include measures such as: using reduced engine taxi, idle reverse, prudent judgement on extra fuel, optimised flap landing, inflight speed management to minimise fuel burn, and use of direct routing opportunities. In 2022-23, Green SOPs and other operating initiatives helped to reduce fuel burn by more than 50,000 tonnes and carbon emissions by over 160,000 tonnes.

Emirates has a robust fuel monitoring system and uses advanced data analytics to optimise the uplifting of fuel and potable water, and to load aircraft at the optimal centre of gravity. Our pilots are empowered with the latest technology and tools to monitor and review their flight performance, improving their awareness of how their flying techniques impact fuel consumption and carbon emissions.

Sustainable aviation fuel (SAF): We support initiatives that contribute to the deployment of SAF and actively engage with the rapidly developing SAF industry.

This year, Emirates contributed to the:

- development of the UAE power-to-liquid (PtL) fuels roadmap, launched in July 2022 and prepared jointly by the Ministry of Energy and Infrastructure and the World Economic Forum. The roadmap outlines the financial, economic and environmental benefits of PtL in decarbonising the country's aviation industry
- National Sustainable Aviation Fuel Roadmap of the UAE, launched in January 2023 by the Ministry of Energy and Infrastructure, that aims to accelerate the decarbonisation of the aviation sector

CO_2 intensity: We have continued to measure the environmental impact and performance of our flight operations, using an intensity-based metric to track fuel and CO_2 efficiency of our passenger and freighter fleet. Our combined carbon intensity measured in kilograms of carbon dioxide emissions per tonne-kilometre ($kgCO_2$/TK) improved 5% from 2020-21 to 2021-22 (from 0.858 to 0.815 $kgCO_2$/TK), and 4% this financial year compared to 2021-22 (from 0.815 to 0.783 $kgCO_2$/TK). Through ongoing implementation of fuel efficiency initiatives, Emirates intends to continue improving its CO_2 intensity.

dnata's ground handling and catering units measure direct and indirect emissions related to the number of flight turnarounds or meals served to enable comparison and year-on-year improvement.

Renewable energy: We have invested in solar power systems to generate clean electricity at our major facilities. In Dubai, this includes the Emirates Engine Maintenance Centre, Emirates Flight Catering, the Emirates Sevens Stadium, and our new pilot training centre, which will open in 2024. Our current installations generate over 9,000 MWh of renewable electricity annually, saving about 4 million kilogrammes of carbon dioxide emissions.

dnata has installed solar power systems at its operating facilities in Singapore, the UK, Pakistan, and its SnapFresh facility in Australia. These generate approximately 5,500 MWh of renewable electricity annually, saving over 2 million kilogrammes of carbon dioxide emissions. It also purchases renewable energy from local grids in the UK and Ireland for catering, and a part of its travel and airport operations.

dnata also continues to invest in the electrification of its ground handling fleet, which now stands at 15% globally, and the use of biofuels where feasible to reduce emissions.

Highlights

1 Aug	dnata adds five new, hybrid de-icing trucks to its ground support equipment (GSE) fleet in Geneva, increasing the number of electric GSE in its operations to 35% in Switzerland
14 Sep	dnata announces a pioneering partnership with AeroVect to trial autonomous electric GSE at airports in the US and UAE, aiming to further enhance productivity, reliability, and safety across its operations
1 Jan	dnata switches to 100% biofuel at Schiphol Airport in Amsterdam, marking another milestone in its sustainability journey in The Netherlands, where 55% of its fleet is electric
17 Jan	dnata completes UK's first A380 aircraft turnaround at London Gatwick with 50% of the GSE utilised being electric. The GSE used to safely turn the aircraft around include 2 electric cargo loaders, 1 electric belt loader and 6 electric baggage tractors

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Sustainable transportation: In October, Emirates enhanced its fleet of cars that chauffeur its 4,000 flight deck crew to and from work in Dubai with the addition of electric vehicles, saving an average of 14 tonnes of CO_2 on more than 2,100 trips per month.

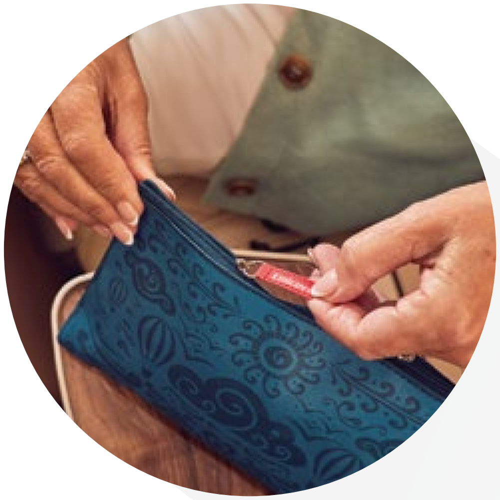
Regulatory compliance: We comply with a growing number of regulations and other commitments related to emissions and other environmental concerns.

- **ETS:** Emirates participates in the EU Emissions Trading System (ETS), Swiss ETS and UK ETS. All flights within the scope of these three schemes are covered by obligations to surrender emissions allowances
- **CORSIA:** Emirates has committed to implementing the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). CORSIA, established by ICAO and implemented by ICAO Member States, including the UAE, is designed to stabilise international emissions at 2019 levels over the medium term through the retirement of approved and accredited carbon offsets, while providing additional incentives for the introduction of sustainable and low carbon fuels
- **Regular emissions audits:** our international aircraft emissions, which are the biggest part of our Scope 1 emissions as we have few emissions from domestic flights, are externally verified and audited for CORSIA

Stakeholder consultation and engagement: We actively engage with our stakeholders on environmental initiatives.

In February, the Emirates Group hosted several sessions as part of the UAE General Civil Aviation Authority's (GCAA) Arab Aviation Environment Experts workshop, organised on behalf of the Arab Civil Aviation Organization. We also participate in the following industry and regulatory environmental working groups:

- IATA Sustainability and Environment Advisory Council (SEAC)
- IATA's Sustainable Finance Task Force
- World Economic Forum Clean Skies for Tomorrow Coalition Steering Committee
- International Civil Aviation Organisation (ICAO) Committee on Aviation Environmental Protection (CAEP) as a UAE-nominated participant in working groups
- Arab Air Carriers Organisation (AACO) Environmental Policy Group
- UAE Private Sector Advisory Council on the Sustainable Development Goals
- UAE Sustainable Aviation Fuel Committee, set up by the Ministry of Energy and Infrastructure to prepare a roadmap for SAF in the UAE
- UAE Aviation Environment Working Group, facilitated and chaired by the UAE GCAA
- Dubai Airports Environmental Action Group
- United for Wildlife (UfW) Transport Taskforce, and UfW Middle East and North Africa Chapter Steering Committee
- UAE Intersectoral Chief Sustainability Officer (CSO) Roundtable, hosted by ADNOC to foster collaboration across the private industrial sector in the UAE



Suppliers: We engage with suppliers on sustainability, including on carbon emissions reductions. Key suppliers include OEMs (aircraft and engine manufacturers); suppliers of fuel, catering, and on-board service equipment; and waste management contractors.

Customers: We engage with customers on sustainability topics, and respond to a growing number of ESG questionnaires, including those on internationally recognised platforms like EcoVadis and CDP.

Employees: Different departments across the company meet regularly as part of a Sustainability Working Group to discuss related topics, initiatives, and concerns. In September, Emirates launched an online Environmental Sustainability awareness course for all airline and Group employees. Over 18,000 employees completed the module in the first 6 months of rollout, increasing internal awareness of our policy, strategy, and actions to reduce our environmental impact. dnata's online Environmental Awareness course, launched in 2022, saw 10,000 module sessions completed in 2022-23.

We maintain a dedicated intranet page for environment-related information, and publish news and updates on our internal employee channels.

Internal working groups that support our environmental sustainability strategy:

- dnata Green Team Board and associated sub-working groups
- Emirates Product Monitoring and Development Committee
- Airport Waste Minimisation Working Group in cooperation with Dubai Airports
- Sustainable Transportation Working Group
- Operations Efficiency Steering Group
- SkyCargo Sustainability Working Group
- Finance ESG Working Group

Consuming responsibly

We are committed to reducing our environmental impact through responsible consumption, and make careful decisions about what items we purchase, how we source them, how we manage the disposal of waste, and how we consume water and power.

Supplier Code of Conduct: We have embedded sustainability requirements in our Supplier Code of Conduct. We prioritise suppliers who demonstrate ethical and sustainable practices, while delivering good value and quality. Where feasible, we source locally to keep a low carbon footprint. We are working to enhance and expand our sustainable procurement practices in 2023-24.

Recycling initiatives: In 2022-23, we recycled more than 500,000 kilograms of plastic and glass from our flights arriving in Dubai. Cabin crew segregate used plastic and glass bottles from our flights, and in collaboration with Emirates Flight Catering, these items are sent to a recycling plant in Dubai.

Inflight initiatives: This year, Emirates launched our new range of Premium Economy and Economy Class amenity kits made from washable kraft paper and containing durable travel essentials made from eco-friendly materials. Complimentary toy bags, baby amenity kits and plush toys are also made from recycled plastic bottles and other sustainable materials. Belt bags, duffle bags and backpacks are fabricated from a yarn that is made from 100% recycled plastic bottles.

Emirates' Economy Class blankets are made from recycled material, each piece saves 28 plastic bottles from landfill. Our wooden tea and coffee stirrers, paper straws and inflight retail bags are made using wood and paper from responsibly managed forests, and our digital menus in Economy Class saves 44 tonnes of paper per month.

Highlights

15 May	dnata installs a Reverse Osmosis Plant in Dubai to reuse condensate water from the cooling systems in its cargo warehouses. Every day, 5,000 litres of water are reused for washing and cleaning
31 Oct	dnata launches a bottle-free drinking water system at its Alpha Sharjah employee facilities to provide healthy drinking water, reduce plastic consumption and conserve over 95,000 litres of water annually
2 Feb	New filtered water dispensers installed at the Emirates Group Headquarters, benefits over 4,500 employees. Replacing bottled water, these new dispensers will be rolled out to other Group buildings

Wildlife and habitats

The beauty and biodiversity of our world is an inspiration for travel, and we are committed to doing our part to preserve natural habitats and combat illegal wildlife trade, which is driving endangered species to the brink of extinction.

Preserving habitats

For over 20 years, Emirates has helped support a sustainable ecosystem at the Dubai Desert Conservation Reserve (DDCR). This is Dubai's largest national park comprising 5% of the emirate's total land area and dedicated to protecting indigenous fauna and flora. In February, Emirates renewed its agreement with Dubai Municipality to manage the DDCR, extending a commitment that began since the establishment of the reserve in 2002.

In Australia, we've been contributing to the conservation of the unique biodiversity at Wolgan Valley, located in the World Heritage-listed Greater Blue Mountains region since 2009, when we opened the Emirates One&Only Wolgan Valley. One of Australia's first luxury conservation-based resorts, it occupies just 1% of a 2,800-hectare nature reserve. Emirates has invested over AU$ 125 million into this project and has since planted over 175,000 native trees and shrubs across the site.

At dnata travel, employees engage in conservation efforts and is a Travelife partner at several of our businesses. dnata also participates in habitat restoration efforts throughout the year, including mangrove plantation in the UAE, tree planting initiatives across our stations globally, and contribute to the protection of critical habitats and biodiversity, such as setting up bee pollinator zones in Italy and Ireland, and the Walled Orchard in the UK - a beautiful rose garden open to the public to enjoy within Cuerden Valley Park.

Protecting wildlife

Emirates has a zero-tolerance policy on carrying banned species, hunting trophies or any products associated with illegal wildlife activities. Over the years, we've continually demonstrated our strong commitment to supporting CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) protocols in collaboration with entities such as the UAE Ministry of Climate Change and Environment.

In line with Emirates' commitment to fight illegal wildlife trafficking, we are working towards achieving the IEnvA Illegal Wildlife Trade (IWT) module certification in 2023. The certification is endorsed by United for Wildlife.

Emirates actively contributes towards the United for Wildlife Transport Taskforce and is part of the Steering Committee of the United for Wildlife MENA Chapter, which was launched in early 2022. Our ground-handling colleagues at dnata are trained in IATA's Live Animal Regulations and Emirates' internal policies on carrying wildlife. Our frontline employees are trained to recognise and report suspicious cargo. We have established a dedicated reporting channel to empower our people and partners to stop illegal trade by flagging confidential information that can protect endangered species.

Risks and reporting

Emirates and dnata have identified a number of inherent climate-related risks and opportunities with the potential to have a substantive financial or strategic impact on our business, including:

Climate-related risks

- Incremental costs from the introduction of pricing schemes for carbon
- Operational disruption and incremental costs from increased severity and frequency of extreme weather events, such as cyclones and floods
- Incremental costs from transitioning to lower emissions technology or fuel (e.g. SAF for aircraft, electrification of ground handling fleet, renewable energy sources for facilities, and biofuel for fleet operations)

Climate-related opportunities

- Cost reductions achieved through reducing resource consumption, such as reducing fuel consumption through efficiency measures
- Cost reductions achieved across the lifecycle through the use of renewable energy and transition to electric or hybrid ground support equipment
- Achieving a leading industry position through investment in lower-emissions technology and products, including aircraft, engines, renewable energy systems, and sustainable and low carbon aviation fuel

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Environmental impacts and performance monitoring

The main areas where Emirates impacts the environment are fuel and emissions (of our aircraft and ground vehicles); materials and waste (on-board and at the buildings we operate); and noise (from our aircraft).

Emirates measures and monitors aircraft fuel consumption, fuel efficiency and CO_2 intensity, as well as aircraft local air quality emissions, fuel consumption of vehicles and GSEs, electricity and water consumption in buildings, waste directed to and diverted from disposal as well as the materials recycled on-board our aircraft and at the buildings where the airline operates. Emirates also monitors the noise and emissions performance of our aircraft fleet.

Reducing noise and local air quality emissions, including NOx, is part of Emirates' environmental strategy. Many of our emissions-reducing initiatives, such as using ground power instead of the aircraft auxiliary power unit and switching one engine off while taxiing in, also contribute to reducing emissions of NOx and other pollutants on the ground. Emirates supports the application of the ICAO Balanced Approach to Aircraft Noise Management and adheres to noise abatement flight procedures, wherever these are established and mandated for the categories of aircraft we operate.

The main areas where dnata directly impacts the environment are fuel and emissions (from our GSEs at airports and cargo warehouses and energy consumption in our facilities); materials and waste (catering, cargo, and at the buildings we operate). dnata measures and monitors fuel consumption from ground support equipment, use of biofuels and renewable energy, electricity and water consumption in our buildings, and waste directed to disposal and diverted from landfills. dnata also measures and tracks the investments it has made in green operations to meet its carbon emissions reduction targets.

Environmental performance reporting – For the first time this year, Emirates Group is reporting its environmental performance as well as Scope 1 and 2 emissions separately for Emirates and for dnata, as it is a growing customer requirement. dnata is also reporting, for the first time, on its Scope 1 and 2 emissions resulting from its international operations, outside the UAE.

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The performance indicators below cover Emirates' airline business operations from its hub in Dubai, including Emirates Flight Catering operations and the management of Dubai Desert Conservation Reserve. All other businesses of Emirates are excluded in the below metrics. References to Scope 1 and 2 emissions below are based on definitions from the Greenhouse Gas Protocol – revised edition (A Corporate Accounting and Reporting Standard – Revised Edition, 2004).

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE - EMIRATES

Priority	Performance indicator	Unit	2022-23	2021-22	Higher/ (lower) %
Aircraft fuel consumption, fuel efficiency and CO_2 intensity [1, 2, 3]	Fleet age	years	9.1	8.2	11.0
	Jet fuel (total fleet including training aircraft and engine maintenance activities)	tonnes	8,463,363	5,797,560	46.0
	Aviation gasoline (training aircraft)	tonnes	513	421	21.9
	Sustainable aviation fuel (SAF)	tonnes	179	153	17.0
	Passenger fuel efficiency (passenger fleet)	L / 100PK	4.09	5.54	(26.2)
	Freighter fuel efficiency (freighter fleet including mini-freighters)	L / FTK	0.177	0.272	(34.9)
	Combined fuel efficiency (total fleet excluding training aircraft and wet-leased freighters)	L / TK	0.316	0.329	(4.0)
	Passenger CO_2 intensity (passenger fleet)	g CO_2 / PK	101.4	137.5	(26.3)
	Freighter CO_2 intensity (freighter fleet including mini-freighters)	g CO_2 / FTK	439.1	675.0	(34.9)
	Combined CO_2 intensity (total fleet excluding training aircraft and wet-leased freighters)	kg CO_2 / TK	0.783	0.815	(3.9)
Aircraft noise and local air quality	Fleet cumulative margin to Chapter 4 noise standards	EPNdB	(12.1)	(12.1)	0.0
	Fleet cumulative margin to Chapter 4 noise standards	%	(7.1)	(7.1)	0.0 pt
	Nitrogen oxide (NOx) emissions (landing and take-off cycle)	tonnes < 3,000 ft	10,638	8,159	30.4
	Carbon monoxide (CO) emissions (landing and take-off cycle)	tonnes < 3,000 ft	6,088	4,559	33.5
	Unburnt hydrocarbons (UHC) emissions (landing and take-off cycle)	tonnes < 3,000 ft	627	460	36.3
	Fleet margins below regulatory limits for NOx	%	(11.1)	(10.2)	(0.9) pt
	Fleet margins below regulatory limits for CO	%	(57.9)	(56.5)	(1.3) pts
	Fleet margins below regulatory limits for UHC	%	(66.4)	(64.6)	(1.8) pts
	Fuel Jettison Events [4]				
	Total events		10	12	(16.7)
	Jettisoned fuel	tonnes	248	268	(7.5)

Priority	Performance indicator	Unit	2022-23	2021-22	Higher/ (lower) %
Vehicle and ground service equipment fuel consumption	Diesel	litres	11,074,548	8,796,198	25.9
	Petrol	litres	10,289,287	7,560,796	36.1
Electricity and water 5	Electricity consumption	MWh	395,978	349,706	13.2
	Renewable electricity generated (solar)	MWh	9,214	5,992	53.8
	Water consumption	ML	3,095	2,398	29.1
Materials and waste 6	**Total waste directed to disposal**	**tonnes**	**35,179**	**25,115**	**40.1**
	Waste diverted from disposal				
	Recycled paper and cardboard	tonnes	3,558	1,661	114.2
	Recycled plastic	tonnes	959	640	49.8
	Recycled glass	tonnes	464	394	17.8
	Other recycled materials	tonnes	9,005	1,325	579.6
	Total waste diverted from disposal	**tonnes**	**13,986**	**4,020**	**247.9**
CO_2 emissions 7	**Scope 1**				
	Aircraft operations	tonnes	26,746,383	18,322,078	46.0
	Ground operations	tonnes	53,772	41,291	30.2
	Total Scope 1 emissions	**tonnes**	**26,800,155**	**18,363,369**	**45.9**
	Scope 2				
	Electricity	tonnes	166,311	146,877	13.2
	Total Scope 2 emissions	tonnes	166,311	146,877	13.2
	Total CO_2 emissions	**tonnes**	**26,966,466**	**18,510,246**	**45.7**
Energy consumption (non-renewables and renewables)	Energy from fuel consumption	TJ	372,491	255,229	45.9
	Energy from renewable fuel consumption (SAF)	TJ	7.86	6.72	17.0
	Energy from electricity consumption	TJ	1,426	1,259	13.3
	Energy from self-generated renewable electricity (solar)	TJ	33.17	21.57	53.8
	Total energy consumption	**TJ**	**373,958**	**256,516**	**45.8**

1 Passenger-kilometre (PK), freight-tonne-kilometre (FTK) and tonne-kilometre (TK) represent the transport of one passenger, one tonne of freight or one tonne of payload (passengers and freight) over a distance of one kilometre flown. Passengers and freight 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 fuel efficiency was recalculated for 2021-22 to ensure that baggage weight was allocated to passenger fuel consumption.

3 Freighter fuel efficiency was recalculated for 2021-22 to correct fuel consumption allocations for certain flights where passenger aircraft were utilised to carry cargo only.

4 Fuel is only jettisoned in an inflight emergency situation when it is necessary to lower the aircraft weight to ensure a safe landing.

5 Excludes some facilities located within Dubai airports due to lack of metered data.

6 Treatment/diversion of aircraft cabin waste and other DXB-based operations waste (introduced in 2021-22) is assessed on a more accurate basis in 2022-23 than the previous year; a rate of 70% diversion from landfill is assumed for aircraft cabin waste, based on input from service providers.

7 CO_2 emissions are calculated using the US Environment 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.

The performance indicators below cover dnata's performance from its Airport Operations, Catering and Travel lines of businesses during the financial year ended 31 March 2023. Group companies of dnata are available on Page 216 of this Report. References to Scope 1 and 2 emissions below are based on definitions from the Greenhouse Gas Protocol – revised edition (A Corporate Accounting and Reporting Standard – Revised Edition, 2004).

dnata has initiated the collection of environmental performance data pertaining to its global operations (outside the UAE) in the current year with the implementation of a centralised Enterprise Performance Management (EPM) system. Being the first year when dnata's global footprint related to environmental sustainability performance is being reported, prior year numbers are not comparable in the table below as these were being reported for dnata's UAE operations only.

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE - DNATA

Priority	Performance indicator	Unit	2022-23 (Global)	2021-22 (UAE)
Vehicle and ground service equipment fuel consumption	**Total diesel consumption**	**litres**	**42,249,777**	**20,676,343**
	- Airport Operations	litres	37,015,882	20,492,848
	- Catering	litres	4,863,137	44,789
	- Travel	litres	370,758	138,706
	Total petrol consumption	**litres**	**3,988,715**	**1,512,177**
	- Airport Operations	litres	2,823,137	966,579
	- Catering	litres	462,964	50,295
	- Travel	litres	702,614	495,303
	Total other fuel consumption (biofuel, gas to liquids, liquified petroleum gas, liquified natural gas)	**litres**	**663,818**	**NA**
	- Airport Operations	litres	663,818	NA
Electricity and water [1]	**Total electricity consumption**	**MWh**	**238,919**	**46,418**
	- Airport Operations	MWh	97,495	35,586
	- Catering	MWh	128,132	2,087
	- Travel	MWh	13,292	8,745
	Total renewable electricity generated	**MWh**	**5,511**	**NA**
	- Airport Operations	MWh	4,286	NA
	- Catering	MWh	1,225	NA
	Total renewable electricity consumption	**MWh**	**6,669**	**NA**
	- Airport Operations	MWh	3,082	NA
	- Catering	MWh	1,930	NA
	- Travel	MWh	1,657	NA
	Total water consumption	**ML**	**1,211**	**106**
	- Airport Operations	ML	204	74
	- Catering	ML	973	18
	- Travel	ML	34	14

Priority	Performance indicator	Unit	2022-23 (Global)	2021-22 (UAE)
Materials and waste [2]	Total waste directed to disposal	tonnes	39,659	5,006
	Total waste diverted from disposal	tonnes	59,561	1,140
CO_2 emissions [3]	Scope 1 – Ground operations			
	- Airport Operations	tonnes	107,767	57,573
	- Catering	tonnes	14,204	238
	- Travel	tonnes	2,631	1,524
	Total Scope 1 emissions	tonnes	124,602	59,335
	Scope 2 – Electricity			
	- Airport Operations	tonnes	31,513	14,946
	- Catering	tonnes	51,479	877
	- Travel	tonnes	6,714	3,673
	Total Scope 2 emissions	tonnes	89,706	19,496
	Total CO_2 emissions	tonnes	214,308	78,831
Energy consumption (non-renewables and renewables)	Energy from fuel consumption			
	- Airport Operations	TJ	1,458	782
	- Catering	TJ	193	3
	- Travel	TJ	37	22
	Total energy from fuel consumption	TJ	1,688	807
	Energy from renewable fuel consumption			
	- Airport Operations	TJ	6	NA
	Total energy from renewable fuel consumption	TJ	6	NA
	Energy from electricity consumption			
	- Airport Operations	TJ	351	128
	- Catering	TJ	461	8
	- Travel	TJ	48	31
	Total energy from electricity consumption	TJ	860	167
	Energy from renewable electricity consumption			
	- Airport Operations	TJ	11	NA
	- Catering	TJ	7	NA
	- Travel	TJ	6	NA
	Total energy from renewable electricity consumption	TJ	24	NA
	Energy from self generated electricity			
	- Airport Operations	TJ	15	NA
	- Travel	TJ	4	NA
	Total energy from renewable fuel consumption	TJ	19	NA
	Total energy consumption	TJ	2,597	974

1 Excludes some facilities within Dubai Airports due to lack of metered data. Where electricity and/or water data is not provided by the landlord, assumptions have been made to calculate consumption based the area of the office building or operational facility, or employee headcount, using the US Energy Information Administration standards (Commercial Building Energy and Water Consumption Survey, 2016) or Company own average.

2 Where waste data is not provided by the landlord, assumptions have been made to calculate waste generation based on the company's own average for the specific line of business i.e airport operations, catering and travel.

3 CO_2 emissions are calculated using the US Environment Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories, and various location specific emission factors have been used to calculate electricity emissions, such as the World Bank Energy Balance and GHG Inventory Spreadsheet and European Union Electricity Production Assessment (2021).

OUR PEOPLE

OUR PEOPLE

Our people are our biggest competitive advantage, the core strength of our business and our best brand ambassadors. We are committed to investing in our people, with competitive pay and benefit packages across our network and opportunities for personal and professional learning, development and growth. We recognise and reward loyalty and those who go above and beyond.

Recruitment

To support our rapidly expanding operations this year, we accelerated recruitment activity across the business, with a particular focus on flight deck, cabin crew and specialist IT roles.

Despite tough labour market conditions globally, we recruited, on-boarded and trained at an unprecedented rate across 38 countries, welcoming 17,160 people in various roles, including many re-joining colleagues, and by 31 March we employed over 102,000 colleagues globally.

Achieving such a recruitment volume under challenging market conditions was only possible by innovating our recruitment processes, leveraging technology and finding new ways to connect with prospective employees through social media and Microsoft Teams.

In October, HireVue recognised our Talent Acquisition team with the Impact Star Award for effectively implementing their technology to screen candidates at scale. By year-end, we began to leverage HireVue's AI capability to transform the recruitment of large volumes of customer service roles. The AI module shortlists high-quality candidates, through interactive games and structured interviews, resulting in an exceptional success rate and shorter turnaround times.

Rewards

In 2022-23, we increased basic salaries and allowances for employees worldwide to reward them for their support during the challenging pandemic period and to counter the impact of rising costs of living.

Our people based in the UAE received increases to basic salaries and other allowances. Recognising the volatility of the global economy, Emirates' employees outside Dubai received the largest investment to-date in their pay and allowances as part of the annual pay review.

Recognition

Najm, which means 'star' in Arabic, is our employee recognition programme. This year, the programme launched Shukran ('thank you' in Arabic), an app that enables senior managers to instantly thank and reward any employee for a job well done.

Our Chairman and CEO, HH Sheikh Ahmed recognised 38 employees with the Najm Chairman's Awards, the highest honour and recognition within the Emirates Group, in an intimate, bespoke ceremony.

The Long Service Award, which marks an employee's 20-year service milestone, was relaunched to celebrate and recognise their loyalty and contribution to the Group.

Najm introduced new partnerships for Dubai-based employees that included Costa and YouGotaGift.com. The team held virtual roadshows network-wide to showcase the revamped online hub, and is focused on rolling out the Najm programme across dnata's international businesses.

Learning and development

Resumption of operations in the aviation industry require many key elements to come together holistically – among them is ensuring employees are fully trained, licensed and compliant from a regulatory perspective. As Emirates and dnata began to ramp up operations worldwide, our Learning & Talent team designed and rolled out bespoke training programmes to ensure our people are ready for the safe and successful resumption of services. Training compliance dashboards helped keep track of progress network-wide.

We also started to review our people development programmes (including a specific focus for UAE Nationals) and introduced new opportunities to develop and retain our talent.

24,383 employee recognitions worth AED 5.2 million in 2022-23:

- 15,879 Najms conferred worth AED 1.2 million
- 7,815 Shukrans shared worth AED 600,000
- 689 employees received Long Service Awards worth AED 3.4 million

Highlights

- A redesigned 3-tier sales training programme to reflect post-pandemic commercial challenges
- A Future Skills Portal with 51 new online learning paths to upskill employees and future-proof the organisation
- An online course to introduce the importance of environmental sustainability, the steps Emirates is taking to reduce its environmental impact, and the actions employees can take to contribute to environmental goals
- Two new online courses on Autism as part of a series on Diversity & Inclusion and aligned with the Group's vision to build an integrated community that empowers people of determination
- A pilot Diversity & Inclusion learning programme for HR professionals on topics like breaking the bias, valuing intersectionality, women's voices, diversity, equity and inclusion, allyship and creating a culture of belonging. The programme will be rolled out across the Group in 2023
- Unconscious bias workshops for dnata leaders
- In November, dnata launched a mentorship programme at all levels, globally

Training in numbers

- 1,200+ check-in and boarding agents ab initio training at Emirates Terminal 3
- 380 sales professionals and managers from 60 countries
- 24 new workshops to 2,000+ people in-class and online across 64 countries
- 19,000 employees completed Environment course
- 26,000 employees completed Autism course
- 567 HR professionals completed 6,538 learning items on D&I training

Over 4,500 people were recognised with Najms and Shukrans through tailor-made departmental initiatives and events

1,069 Emirati Women's Day

134 Group Security event

350+ Cabin Crew ambassadors

450 Football World Cup

1,160 Premium Economy launch

85 Dubai Fitness Challenge

158 National Intern Day

900 dnata Northern Runway closure

250 emcare campaign

People development 2022-23

1,253,717 - 31% increase
Online courses completed

64,760 - 19% increase
Employees completed online courses

398 - 825% increase
Employees in executive development programmes

768 - 90% increase
UAE nationals in development programmes

AED 48.8m - 34% increase
Investment in training and development

Leadership development

- 75 bespoke team cohesion workshops
- 36 hours of executive coaching
- 27 VP+ Propel sessions to support new leaders transition through their first 90 days
- 2 new Executive Leadership Programmes in partnership with INSEAD
- 1,100 dnata leaders enrolled in unconscious bias training globally
- Courses in partnership with London Business School, Warwick School of Business, and Anwar Gargash Diplomatic Academy

Conscious of the need to inspire future generations as part of its leadership role in the aviation industry, the Emirates Group continued to invest in training, education, and upskilling – creating a robust pipeline of aviation professionals at all levels.

Highlights

8 Dec	Emirates Flight Training Academy's (EFTA) third graduation ceremony welcomes 53 new pilots into the industry, helping address the industry shortage of skilled commercial pilots. The Academy's 3rd and largest graduation cohort also included its first international cadets from various countries
12 Jan	Emirates Aviation University ushers 474 graduates into the workforce at its 32nd graduation ceremony against the backdrop of a sharp shortage of skilled aviation professionals globally
23 Feb	Emirates Aviation University holds its 3rd careers fair, hosting some of the world's top aviation brands at its campus and offering recent graduates and senior students the opportunity to engage and discover the diverse career opportunities in aviation

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Emirates
dnata
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Focus on health and wellbeing

The health and wellbeing of our employees has never been more important and our focus on this key topic reflects this.

Sehaty is the Emirates Group's programme designed to support our people's physical, mental, emotional and social wellbeing, and promote a culture of health. During the year, Sehaty maintained an exceptional focus on employee mental health to positively impact personal wellbeing, productivity and retention.

Sehaty's holistic programme Psychological First Aid for Managers trained team leaders to identify mental health concerns, have difficult conversations within their teams, and to seek support if necessary.

Employees received regular information and tips across multiple internal communications channels on health-related topics ranging from cardiovascular diseases, cancer and diabetes to smoking, burnout, nutrition, and working in the heat. Employees were encouraged to pick up hobbies and play sports by registering with internal clubs, participating in Group competitions, and joining free classes. The Emirates Platinum card offered a range of discounts on sports and health club memberships for UAE based employees.

Highlights

- Women's Health seminars focus on their specific needs in different life stages at the workplace. The seminar covered preventive screening for cervical and breast cancers, juggling work and motherhood, menopause, nutrition, exercise and social connections
- Men's Health seminars provide insights into mental health, the importance of preventive screening for prostate cancer, nutrition and lifestyle
- Stress Management sessions aim to help employees recognise, prevent and manage burnout in their personal and professional lives
- Pilot project on Smoking Cessation support enrolled employees with regular consultations, progress updates and psychological and lifestyle advice
- During Dubai Fitness Challenge, employees are offered complimentary fitness classes – including Zumba, yoga, Pilates, and mixed martial arts – at Group facilities
- We hold a number of webinars to inform and advise employees on how to get the best out of their medical benefits, including preventive screenings

Employee Assistance Programme and Peer Support

The Employee Assistance team supported hundreds of employees and their families through difficult times. The team provides expert practical advice and support to assist those dealing with a variety of issues, including stress, industrial injuries, hospital admissions, relationship concerns, end-of-service and bereavement.

The Emirates Peer Support programme recruited 270 cabin crew and pilot volunteers, who were then trained in psychological first aid and refresher courses to provide non-clinical emotional support. Peer Support was activated 200 times to support new cabin crew as they adjusted to their lives in Dubai or managed disruptive behaviour and turbulence on board.

Employee Assistance Programme:
- provided 5,000+ hours of support, on average 4 sessions per 'client'
- supported 1,100+ employees and their families

Diversity and inclusion

As a global company, the Emirates Group employs colleagues from 160 countries. We reflect the diversity and inclusiveness our customers value.

We are particularly focussed on gender balance and pay equity and strongly believe in the benefits this provides. More than 23,000 women work at Emirates worldwide and dnata in the UAE, accounting for 41% of the Emirates Group's workforce and almost 40% of middle and senior management positions across non-operational roles.

This year, 57% of our new joiners and 56% of those promoted were women, underpinning our focus on gender balance and women empowerment. Many women leaders have worked through the ranks and have been with the Group for more than a decade.

dnata has signed IATA's 25by2025 initiative, which aims to improve female representation in the aviation industry by 25%, or up to a minimum of 25% by 2025.

In December, the Emirates Group signed the UAE Gender Balance Council's pledge, which focuses on increasing female representation at middle to senior management positions to 30% across the country by 2025, demonstrating our commitment to support the government's efforts.

The pledge supports the United Nation's Sustainable Development Goal number 5, which is to achieve gender equality and empower all women and girls.

As part of the pledge, we agreed to share data and good practices, as well as review the Group's own policies, processes and procedures. We have taken steps such as providing unconscious bias training, and committing to gender representation targets.

We have a renewed focus on:

- Introducing more compliance measures to prevent bias in the hiring process
- Identifying, developing and working on the succession of female leaders in the organisation
- Reviewing policies to prioritise gender equality in our practices and procedures
- Frequently reviewing gender pay status, to ensure fairness and prevent unconscious bias

We launched a bespoke Unconscious Bias programme on our Future Skills portal and more than 500 employees have started the learning journey with over 70% completion rate by year-end. Women have access to a suite of Executive Leadership programmes and international qualifications, financially supported by the Group.

Highlights

Aug	On Emirati Women's Day, we launch a new programme for women leaders with INSEAD
Oct	dnata enhances systems to support mothers returning to work. It offers them more flexible rosters and launches new nursing and wellbeing rooms at DXB
Nov	dnata neutralises bias during the recruitment process by making it mandatory to have at least one woman on every hiring panel
Feb	dnata Airport Operations records a 50% improvement in women representation at leadership levels in Dubai in just under 15 months

As the world's largest international airline and one of world's largest air services provider, Emirates and dnata are renowned as one of the best companies to work for in the UAE. The Emirates Group pay and benefits structures are free from gender bias, with remuneration offered based on skills and experience, regardless of gender or nationality.

Our pay and benefits frameworks are free from structural gender bias. The gap in basic salaries between women and men employees in most non-operational grades is small. In mid-level and junior roles with a larger employee base, the gap has shifted in favour of women, who now earn on average up to 7% more than men. Women in senior leadership roles earn on average of around 4-5% less than men in the same grade, which can mainly be attributed to the difference in tenure and experience.

In operational roles, pay and benefits scales are differentiated on experience so there is no distinction in the salaries and benefits for men and women.

Gender balance 2022-23

26%
Females in executive development programmes

347
Employees completed D&I learning path

300
Leaders completed unconscious bias workshops

Programme	Joined
National Cadet Pilots	42
Aircraft Maintenance Engineer License Scholarship	17
Aviation Management	38
The Technologist	10
Finance Scholarship	4
Total	**111**

Our Emiratisation strategy Rehlaty is the cornerstone of our commitment to be an employer of choice for UAE Nationals. Recognising the unique contribution of the UAE National community to our success, we offer a wide-ranging integrated programme of growth and development opportunities for prospective and current employees. These are intended to inspire, attract, develop, reward and retain UAE Nationals.

During the year, we engaged with schools and universities by participating in open days and career fairs such as R'uya, Careers UAE and National Service Career Fair. We established our first Emirates Group Youth Council to invest in and empower the younger generation. To introduce youth to careers in aviation, we provided internships to over 100 UAE Nationals students.

UAE National Scholarship Programmes

We offered multiple scholarship programmes to high-school graduates to complete their undergraduate degrees and obtain special licenses.

Programmes include:

- **National Cadet Pilot Programme**: fully sponsored to guide fresh cadets with zero flying hours to become accomplished pilots of our fleet
- **Aircraft Maintenance Engineer License (AMEL) Scholarship Programme:** one of the most technically advanced apprenticeship schemes available within the GCC that prepares students for positions within our aircraft maintenance departments
- **Aviation Management Programme:** A 5-year programme that includes fully-sponsored 4-year Bachelor's degrees at Emirates Aviation University (EAU), plus one year on-the-job training at the Emirates Group
- **The Technologist Programme:** A 6-year programme with a fully-sponsored 4-year Bachelor's in Software Engineering at EAU, plus a 2-year on-the-job training and mentoring
- **Finance Scholarship Programme:** introduced during the year as a fully sponsored Bachelor's in Finance or Accounting with the American University of Sharjah

UAE National Graduate Programmes

We offered more than 80 graduate training programmes within Dubai and network-wide. These are carefully designed to equip fresh graduates with the necessary skills to start their aviation careers and include job rotations, soft skills and technical training, secondment opportunities and professional certifications.

Graduate programmes designed during the year include these specialisations:

- **Technology:** develops skills, competencies and knowledge required to work in technology roles
- **dnata:** for dnata International, dnata Catering, dnata Airport Operations and dnata Travel
- **Internal Audit:** includes a secondment to PwC and a CIA certification
- **Finance:** includes a 2 year rotation in all Finance divisions
- **Medical:** for fresh graduates majoring in pharmacy
- **Legal:** in-depth on-job-training and legal professional certifications
- **Corporate Communications Marketing & Brand:** in-depth on-job-training and secondments with a creative agency
- **Safety:** includes NEBOSH certification
- **Emirates Airport Services:** technical training, rotation, and an international secondment
- **Operations Research & Effectiveness:** includes a secondment to the 9 month Dubai Business Associates Programme

UAE National Development Programmes

We offer a wide catalogue of expertly curated development programmes, exclusively to our UAE Nationals, in partnership with top business schools and commercial partners.

Programmes offered only to UAE Nationals during 2022-23:

	Graduates
Rolls-Royce Leadership Programme: Develop middle managers' personal impact – both leadership style and business awareness	13
GE Aerospace Leadership Programme: Develop reflective leaders who are agile, resilient and dedicated to deliver impactful outcomes	21
GE Leadership, Future & Culture Programme: Foster leadership behaviours to help shape the future and organisational culture	5
English Skills Development Programme: Develop English communication skills for customer service related roles	36
SAP Young Professionals Programme: Impart technical and functional knowledge training in technology and soft skills development	10
Airbus Leadership Programme: Develop leadership skills with a focus on self-awareness, emotional intelligence, body language and agility	17
Dubai Business Associates: Crafted to combine business, consulting and soft skills, and practical work experience	7
Protocol Programme: Prepare managers to effectively and confidently represent the Group externally	30
INSEAD Women Leadership Programme: Bring women leaders from global organisations to share their experiences and address challenges	1

OUR COMMUNITIES

OUR COMMUNITIES

We are committed to enriching the communities we serve and investing in initiatives that help propel our industry's future.

In 2022-23, we mobilised resources to support humanitarian relief efforts, worked with NGOs to support those in need with access to education, shelter, food and clean water, and engaged with schools. We contributed to the future of aviation and travel by building human capital from the grassroots up and supporting innovation platforms.

Through our active global sponsorships calendar, we continue to bring fans and communities together, promote sports, arts and culture, and help provide future sports stars with opportunities.

This year, the Emirates Airline Foundation supported 37 organisations – 24 with flight tickets and 13 with financial help. This enabled our NGO partners to make a significant impact in their causes across 18 countries – mainly focussed on education, medical and health services, and shelter for disadvantaged children. Their work has directly benefited over 5,000 children this year, who received hundreds of life-saving and transformative medical surgeries, and enabled more than 1,000 medical workers and educators in local communities, who received advanced skills training from visiting volunteer professionals.

dnata made a solid impact with its global initiatives. dnata4good's Cleans the World campaign helped restore and regenerate habitats in the communities it serves, it supported Al Jalila Children's Hospital, and it marked Breast Cancer Awareness Month with a high-visibility pushback tractor painted in eye-catching pink.

Highlights

7 Apr	Emirates partners with Mawaheb Art Studio to support People of Determination in the UAE and to provide a platform to showcase their art to the world through the Emirates Official Stores
19 Apr	The Emirates Group donates AED 5 million (US$ 1.3m) to the UAE's One Billion Meals initiative, securing 5 million meals for needy people worldwide
20 Apr	dnata volunteers distribute Ramadan Iftar meals, serving over 1,500 meals within 45 minutes across the UAE
31 May	As official airline and premium partner of Roland-Garros French Open, one of the world's biggest tennis events, Emirates sponsors the Trophée des Légendes and works with partners on meaningful initiatives to engage with communities. In 2022-23, partnering with a local charity, we offer children with mobility challenges an exclusive behind-the-scenes tour of the stadium and a chance to meet world-renowned tennis legends
3 Jun	dnata launches its global campaign dnata Cleans The World, which saw hundreds of its employees join up to clean parks, rivers, mangroves, deserts and oceans
7 Jun	dnata's team in Clark, the Philippines, runs a donation drive in neighbouring Pampanga, helping provide food and goods to more than 120 families in need
13 Jul	marhaba, dnata's airport hospitality brand, partners with Al Jalila Children's Specialty Hospital to offer an exclusive range of travel products in its lounges at DXB, with all profits donated to the hospital. The product designs were created by 5-11 year old paediatric patients
22 Jul	Supporting the UAE's vision to nurture a culture of reading and knowledge, Emirates partners with publishing platform Rewayat on 'Sayfak Rewaya', a reading campaign to inspire the UAE community to discover new authors and literary works during the summer holidays
30 Aug	New students begin their training programme with the dnata Training Academy in Amsterdam to prepare them to take up operational roles in aviation
2 Sep	Following devastating floods in Pakistan, Emirates sets up a humanitarian airbridge, offering cargo capacity to transport relief aid on flights from Dubai to Pakistan. The Gerry's dnata team in Pakistan voluntarily offers one day's salary towards the flood relief fund and handle all relief flights rent free. dnata Cargo in Dubai offers cargo, terminal handling and freight forwarding services free-of-charge for relief goods sent to Pakistan

Highlights (continued)

26 Sep	Emirates donates aviation-themed experiences to the popular Aerozone at London Stansted Airport. These interactive displays teach students about aerodynamics and the principles of flight, and demonstrate an aircraft turnaround process, aiming to inspire children aged 4 to 18 to pursue aviation careers
4 Oct	dnata supports Breast Cancer Awareness Month by repainting one of its pushback tractors pink and communicating to increase awareness and promote regular screening and early detection
22 Oct	The Prime Minister of Mauritius inaugurates the modern Emirates Airline Swimming Pool and Sports Complex, a project the airline helped fund to promote sports and healthy lifestyles and give back to the local community
29 Oct	dnata and marhaba employees join forces as part of the dnata Cleans the World campaign to plant over 1,000 mangrove trees and collect waste at the Jebel Ali Marine and Wildlife Sanctuary
2 Dec	Emirates joins hands with local NGO United Welfare Society in Bangladesh to construct tube wells, making clean running water more accessible to communities in need. The seven wells, symbolic of the UAE's seven emirates, opened to the public on UAE's National Day
3 Dec	Emirates returns as title sponsor of the region's biggest sports and social weekend for professional as well as community teams. The Emirates Dubai 7s this year saw over 5,500 athletes and 420 sports teams from 32 countries play rugby 7s, cricket, netball, and participate in a new fitness competition, WODON3, for elite and amateur athlete
26 Dec	In Poland, Emirates donates items for auction to benefit The Great Orchestra of Christmas Charity, the biggest NGO and non-profit charity focussed on paediatric and elderly care
15 Jan	Emirates partners with Arsenal Football Club to help fans in the community attend games and increase awareness around women's football by providing match tickets to young fans with a behind-the-scenes tour of Emirates Stadium, and the chance to watch Arsenal W.F.C. train and engage with the first team women players
27 Jan	Emirates teams up with the Australian Tennis Foundation to host a clinic for children from disadvantaged schools with tennis legend and previous Grand Slam finalist, Marcos Baghdatis
10 Feb	In the wake of devastating earthquakes in Turkey and Syria, Emirates sets up an airbridge with the International Humanitarian City, offering free cargo capacity to transport urgent relief supplies, medical items and equipment, to support on-ground aid efforts and search and rescue activities

Highlights (continued)

16 Feb	Emirates becomes title partner of Emirates Great Britain SailGP Team, one of the world's most successful sailing teams. Aside from strong brand visibility across the sailing team's assets, Emirates and the team will work on joint sustainability initiatives to educate and inspire action among youth on climate change and gender equality
22 Feb	In partnership with the International Cricket Council (ICC), Emirates hosts a cricket clinic on the side lines of the Emirates-sponsored ICC Women's T20 World Cup in Cape Town, giving female players aged 11 to 13 years the opportunity to learn from professional legends. Two students receive scholarships including 20 training sessions to practice and improve their game. Emirates is official airline and global partner of the ICC since 2002
9 Mar	The Emirates Group and Dubai Future Foundation partner to launch the Emirates Centre of Excellence for Aviation Robotics. The Centre provides a dedicated R&D platform for top global talent as well as local students to engage in solving complex challenges in the aviation industry using advanced science and technologies
9 Mar	The Emirates Group hosts its first edition of ForsaTEK, an annual event to bring together two start-up programmes – Intelak and Aviation X Lab – plus leading tech and industry partners, start-ups and companies. Over 2 days, ForsaTEK provided a platform for incubator firms to showcase and pitch their ideas, and for leading speakers in the industry to share their experiences and thoughts on innovation in the aviation and travel ecosystem
13 Mar	Emirates Aviation University and Boeing inspire students to hone their STEM skills at the 6th annual Water Rocket Competition, involving over 160 students from high schools across the UAE
15 Mar	Emirates and long-time partner Lancashire Cricket Club bring the Future Flyers programme to the UAE to identify young talent and give them the chance to train and play professionally in the UK. In 2020, 16-year-old Mahika Gaur was spotted and supported to train and study in the UK. In 2021, she played for the UAE women's team in the Under 19s World Cup and was selected to play for the Manchester Originals
21 Mar	dnata facilitates the dnata Cargo Challenge at the University of Sharjah. This student-led initiative aims to create a space for different stakeholders to exchange good sustainability practices. Students present innovative ideas to enhance waste management across dnata's cargo operations in Dubai
26 Mar	Celebrating Bangladesh Independence Day with children at the Dhaka Ahsania Mohila Mission Girl's Orphanage, Emirates employees donate gifts, classroom furniture and hold an iftar party for the students and employees. The Emirates team supports the orphanage with regular visits for the last 8 years

OUR BUSINESS

OUR BUSINESS

The Emirates Group is committed to ethical and responsible practices across our businesses.

Governance

Our Chairman and Executive Management team define the Group's strategic direction and long-term objectives. To support the execution and monitor the achievement of these objectives, our Group's Governance structure consists of:

- A defined organisational structure which delineates the roles, responsibilities, and accountabilities of business units across the Group
- Cross functional management committees to govern and monitor critical strategic, operational, financial, and reputational areas. These include: treasury risk management, acquisitions and capital investment, safety and security, fleet strategy and performance, product development and customer service, environment and sustainability
- A comprehensive policy framework which defines the activities and authority levels within which employees are authorised to operate
- Internal processes, procedures and controls to enforce the Group's policy framework
- Quality assurance and compliance activities embedded within business units to provide management insights into adherence to policies and procedures
- An independent Group Internal Audit function to provide assurance to the Chairman and Chief Executive as to the effectiveness of governance, risk management and internal controls across the Group

Published annually, our financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and audited by PricewaterhouseCoopers (PwC). At an operational level, our various business units pursue ongoing independent assessments through industry accreditations and certifications.

As corporations owned by the Investment Corporation of Dubai, we are subject to audits by the Financial Audit Authority of the Dubai government. We are also subject to other regulatory reviews, including the UAE General Civil Aviation Authority, and other aviation regulators in markets where we operate.

Speak Up: Our whistleblower programme enables employees to report concerns relating to conflict of interest, falsification of records, fraud, theft, and other legal or regulatory issues. We encourage openness without the fear of retaliation and support anyone who raises genuine concerns in good faith. The programme is administered by our Group Internal Audit function and governed by a cross functional committee consisting of Senior Executives from Group Human Resources, Legal and Corporate Communications Marketing & Brand. During the financial year 2022-23, 160 concerns were raised and reviewed.

Supply chain management: Our Supplier Code of Conduct aligns with our internal Code of Conduct, extending our standards through our supply chain. This includes guidelines that support and comply with human rights, health and safety standards, as well as environmental sustainability requirements. We've also begun screening some of our suppliers on their ESG commitments and initiatives, and plan to expand this programme in the coming months, to help us better manage our sustainability risks and responsibilities.

In March 2023, Emirates and dnata signed letters of commitment to the United Nations Global Compact, a voluntary initiative where we work towards making the UN Sustainable Development Goals (SDGs) and Principles part of our strategy, culture, and operations.

WE SUPPORT
UN GLOBAL COMPACT

Overview
Emirates
dnata
Group
Financial information
Additional information

Regulatory compliance: Our policies provide guidance to our employees, partners, and suppliers, stating the standards, behaviours and actions expected of them, and of our organisation. These policies are made available to relevant stakeholders and are regularly reviewed and communicated. Systems and programmes are put in place to ensure awareness and compliance.

- Anti-bribery & corruption policy
- Anti-slavery and human trafficking policy
- Antitrust and competition policy
- Anti-money laundering policy
- Sanctions & export controls policy
- Conflicts of interest policy
- Employee code of conduct
- Data privacy policies
- Cybersecurity policies

Highlights

28 Jul	Emirates renews its support for the NGO "It's a Penalty", airing their anti-human trafficking awareness messages onboard flights during the Birmingham Commonwealth Games
12 Oct	For International Cybersecurity Awareness Month, the Emirates Group organises interactive roadshows to educate employees about cybersecurity risks, and how to protect themselves, colleagues, customers and our business
31 Dec	In line with its commitment to combat human trafficking, the Group continues to push awareness building and training to its frontline employees. By 31 December, over 32,000 employees complete the training
21 Feb	The Emirates Group Data Privacy Office hold educational roadshows in multiple locations, attended by employees who broaden their understanding of privacy principles and learn about safeguarding customer and employee data
31 Mar	We make a significant shift in our internal engagement efforts on Cybersecurity, moving from awareness to longer-lasting behavioural change. Instead of simply providing training, we focus on engaging our employees through 10 online campaigns. Through 252,000 engagement sessions during the year, we reach newly recruited cabin crew, pilots and engineers, and our support services employees across our global brands and offices

53,962
Safety reports received

Emergency Response Planning training and exercises

16,426 employees
Ground operations

256 employees
At Emirates Group Headquarters

240 employees
emcare

69
Exercises

OUR SAFETY

Safety is a core value at the Emirates Group. Commercial aviation is a hugely complex business and safety has to be embedded in every process and across every inch of its operations to ensure people, aircraft, equipment, infrastructure and the environment remain safe and secure 24/7.

The Emirates Group has dedicated teams, policies, programmes and safety management systems to assess and mitigate risks, embed safety practices across our businesses, and engage employees to influence organisational safety culture. As a result of proactive communications to encourage our employees, we have a healthy rate of safety reporting across our business.

Through the year, nearly 17,000 employees were trained online or in instructor-led courses on emergency response planning. Of these, 240 were trained in emcare – the team activated to offer humanitarian and logistical support to customers, crew, and their loved ones in the event of an accident, serious incident or medical event.

Emirates highlights

Emirates has ranked consistently high in the industry's safety standards. Nearly 24,500 operational employees – from pilots to engineers – were trained about our safety management system through the year.

2 Nov	In the first-ever forum of its kind, Emirates and the International Air Transport Association (IATA) jointly host a workshop on pilot training and flight safety for the aviation industry
26 Dec	In a landmark achievement, Emirates completes its latest IATA Operational Safety Audit (IOSA) with zero findings – the equivalent of a perfect score, and a rare occurrence in the industry given the complexity of airline operations

Emirates' industry leadership and engagement

IATA:

- Chair of IATA Safety Group
- Chair of Cabin Operations Safety Task Force
- Member of IATA Emergency Response Planning Task Force
- Member of UAE Collaborative Safety Team (CST)
- Host and committee member for IATA Cabin Safety Conference, Portugal, May
- Host of IATA Incident Review Meeting, Dubai, September
- Host and premium sponsor of IATA Safety Conference 2022, Dubai, October
- Host and committee member for IATA ERP Task Force Forum, Geneva, October

Flight Safety Foundation:

- Board of Governors member
- ICAO: Support to develop and promote Annex 9 enhancements to incorporate Family Assistance

National Transportation Safety Board (US):

- Participation in the Family Assistance briefing mock exercise in Washington, October
- Support in providing feedback to the Legislative Family Assistance framework review

UAE GCAA:

- Winners of the Trainers and Target segment category of the GCAA Safety Marathon Challenge, December
- Engagement with GCAA AAIS on reviewing the UAE Family Assistance Regulation

Safety Management System training in numbers	
Flight crew	3,514
Cabin crew	14,454
Senior managers	13
Engineering	3,070
Ground operations	3,234
Safety risk assessment workshops	132

dnata highlights

dnata Safety Management System 'dSMS' corporate manual and standards

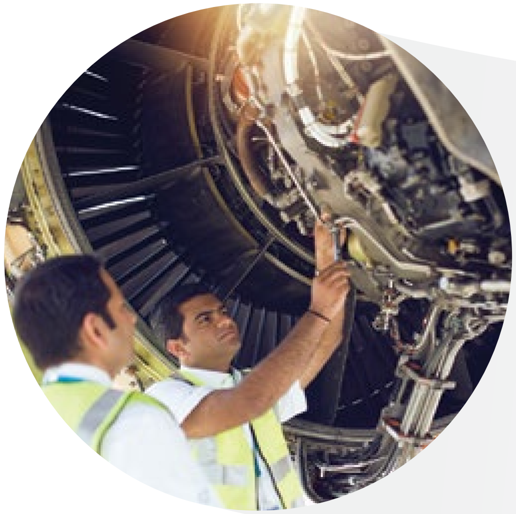
Launched in September, 'dSMS' is the successor to the legacy Integrated Management System (IMS) and has been developed to simplify, harmonise and standardise dnata's global approach to a one safety objective. It is closely aligned with the aviation industry's SMS practices using ISAGO standards as a basis.

L-STOP

Consistent with its ongoing commitment to continuous improvement, dnata launched the Leadership STOP programme (L-STOP) application in July.

L-STOP is designed to optimise leadership visits, safety walks and observations. This is an evolution of the process, utilising a bespoke checklist in the dnata Hub online platform to provide guidance and also to record meaningful data during leadership visits.

This form is available on mobile and as a web application.



Global Safety survey and pulse check

Launched in November, the dnata employee safety survey was open for 21 days and received excellent participation and commentary on areas of improvement. The dnata executive committee reviewed the results and agreed on a tiered action plan to address concerns.

The outcomes were also shared with senior global and divisional leaders with a culture survey vendor providing virtual briefing sessions on how to access the survey feedback and commentary by location.

dnata took a structured approach to manage the feedback with strategic (executive committee) and tactical plans (corporate HSE). Local leaders, in conjunction with their safety teams, are required to manage their operational action plans based on the feedback and commentary with evidence uploaded into dnata Hub.

From April 2023, progress will be monitored and tracked monthly with a holistic overview provided in the monthly HSE business report.

New dnata HSE Governance Board framework

Rolled out in October, the new framework is designed to instil discipline, process and structure around the global one dnata/one safety approach to HSE governance. It demonstrates dnata's commitment to proactively manage safety and environmental risks, continually evolve, and improve its HSE system.

EMIRATES NETWORK

Emirates operates flights to 150* destinations in 80 countries, offering industry-leading passenger and cargo air transport services.

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

*includes 7 destinations that are temporarily suspended due to operational reasons.

Emirates destinations ●

NORTH AMERICA
AGUADILLA
BOSTON
CHICAGO
COLUMBUS
DALLAS/FORT WORTH
HOUSTON
LOS ANGELES
MEXICO CITY
MIAMI
NEWARK
NEW YORK
ORLANDO
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
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
TEL AVIV

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
BALTIMORE
BOSTON
CLEVELAND
DULLES
MARYLAND
NASHVILLE
NEW YORK
PITTSBURGH
VIRGINIA
WASHINGTON

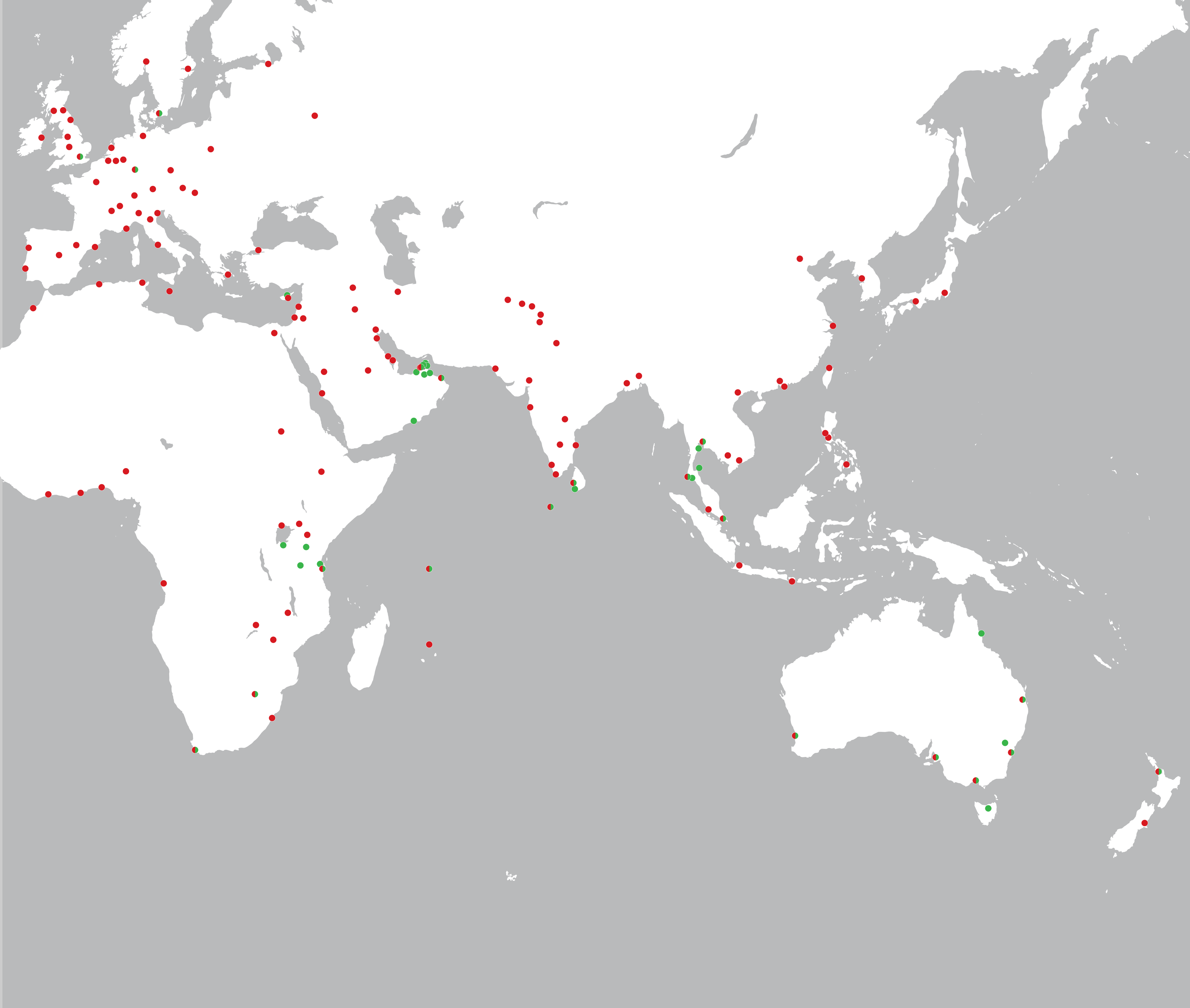
EUROPE
COPENHAGEN
FRANKFURT
LONDON
NICOSIA

AFRICA
ARUSHA
CAPE TOWN
DAR ES SALAAM
DODOMA
JOHANNESBURG
MWANZA CITY
SEYCHELLES
ZANZIBAR

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 173 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 SAO PAULO
CURITIBA
FLORIANOPOLIS
FORTALEZA
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
TERESINA

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

AFRICA
CAPE TOWN
ZANZIBAR

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

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

AUSTRALASIA
ADELAIDE
BRISBANE
CAIRNS
CANBERRA
COOLANGATTA
DARWIN
MELBOURNE
PERTH
SYDNEY
TOWNSVILLE

FINANCIAL INFORMATION

EMIRATES FINANCIAL COMMENTARY

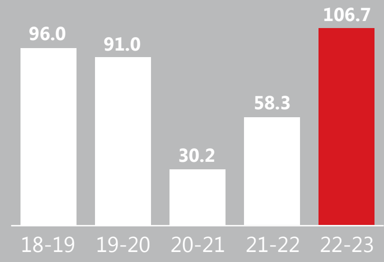
REVENUE
AED 106.7bn

PROFIT
AED 10.6bn

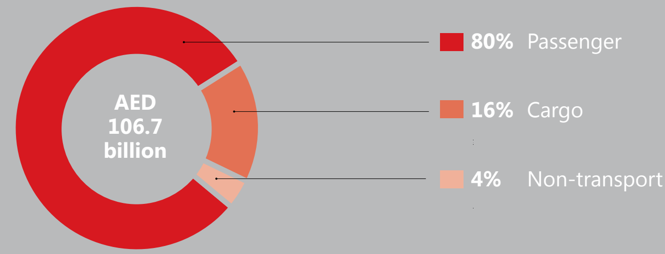
CASH ASSETS
AED 37.4bn

TOTAL EQUITY
AED 27.9bn

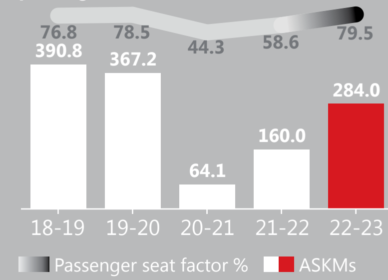
Revenue trend in AED bn



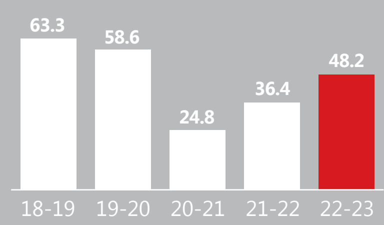
Revenue composition



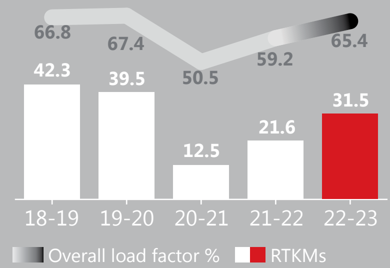
Available seat kilometres (ASKM) in bn and **passenger seat factor** in %



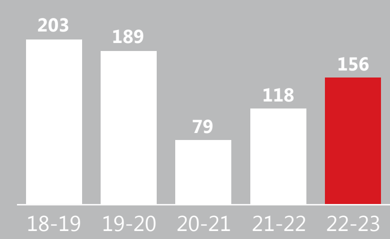
Available tonne kilometres (ATKM) in bn



Revenue tonne kilometres (RTKM) in bn and **overall load factor** in %

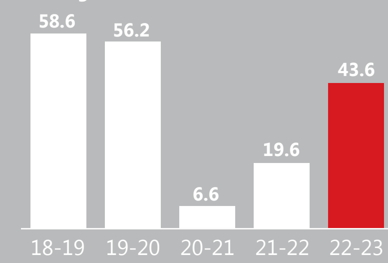


Aircraft departures* in thousands



*includes both passenger and cargo flights

Passenger numbers in millions



As the global aviation industry charted a flight path to recovery this year, leaving the worst crisis in its history behind, Emirates made a resounding comeback in the financial year 2022-23. We report a record performance with a net profit of AED 10.6bn, a remarkable turnaround after last year's loss of AED 3.9bn. This result was achieved despite various challenges faced during the year, including; rising fuel costs, unfavourable currency swings, high inflation in many markets, increased interest rates, and on-going geopolitical uncertainty. Our cash assets stood at AED 37.4bn at the end of the year, the highest-ever balance in our history.

Our performance is the result of forward planning, business agility, customer confidence in our product and offerings, on-time delivery of services, support from our industry partners, ongoing investments in technology, and the untiring efforts of our talented and committed workforce.

During the year, we took delivery of two Boeing 777 freighter aircraft and retrofitted six A380 aircraft with our sought-after and newly launched Premium Economy product.

Revenue

Our revenue crossed the AED 100bn mark for the first time in our history to reach AED 106.7bn, an impressive increase of 83% over last year. This was the result of strong demand for air transport services globally and the quality of our services, propelled by the further easing of pandemic-induced travel restrictions.

Transport revenue

Transport revenue comprising passenger and air cargo services formed 96% of Emirates' revenue and increased by 87% to AED 102bn. This increase was despite a negative foreign exchange impact of AED 5.3bn which resulted from the weakening of major currencies against the US Dollar. During the year, we transported 43.6 million passengers and carried 1.8 million tonnes of cargo.

Capacity

The revival of air travel worldwide post the pandemic, new aircraft added in the current year, full year impact of fleet additions made last year, and increased frequencies to existing destinations led to a remarkable growth in capacity. Our overall capacity, measured in ATKMs, increased by 32% to 48.2bn. Despite fears of inflation and geopolitical headwinds, a rebound to pre-pandemic levels will continue into next year as customer demand remains strong.

Overall load factor strengthened to 65.4% and together with an increase in ATKMs, this took our revenue generating load (RTKMs) to 31.5bn, a leap of 46% compared to last year. With the growth in operations, our departure numbers also rose by 32% to 156 thousand, above 80% of FY 2019-20. We redeployed our Airbus A380s to more destinations this year, leading to a surge of 118% in the number of departures of our flagship aircraft.

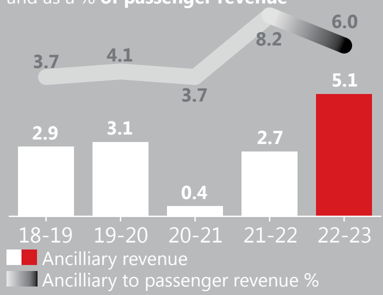
Passenger revenue

Passenger revenue stood at AED 84.8bn for the full year, representing an impressive increase of 158% year-on-year.

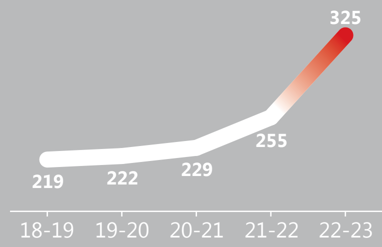
Passenger capacity, measured in ASKMs, increased by 78% compared to the previous year and reached 77% of the pre-COVID levels. Strong demand for our distinctive product offerings, including premium cabins, helped us earn a healthy yield of 37.5 fils per RPKM, an increase of 7% from last year.

During the year, we operated flights to 141 passenger destinations globally. In June 2022, we added a new destination to our network by launching services to Tel Aviv, Israel. Throughout the year, Emirates relaunched services to six cities and added frequencies to 62 of its existing destinations, including; Bali, London Gatwick, Perth, Singapore, San Francisco and Auckland.

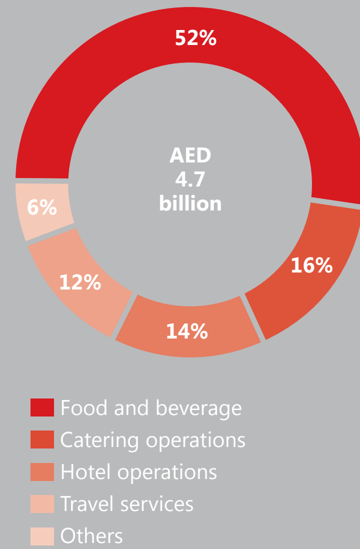
Ancillary revenue in AED bn and as a % **of passenger revenue**



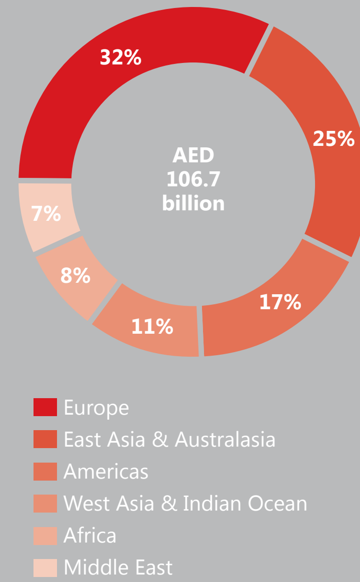
Yield in fils per RTKM



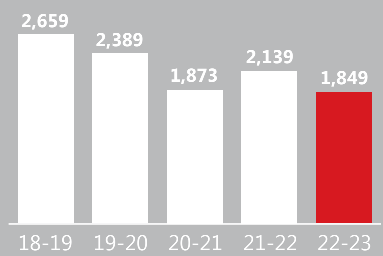
Non-transport revenue



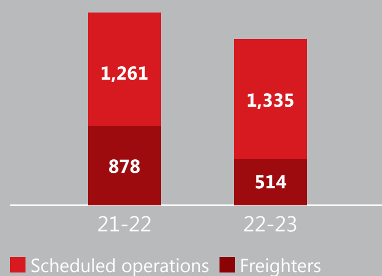
Geographical revenue



Cargo carried in tonnes'000



Cargo carried mix in tonnes'000



Passenger revenue (continued)

With customer service, strong network, and a higher quality product at the heart of our business, passenger numbers more than doubled while passenger traffic, measured in RPKMs, increased significantly by 141% and reached 225.9bn. This took our passenger seat factor to 79.5%, an increase of 20.9% pts. from last year. Seat factors for both our premium and economy cabins strengthened as compared to the previous year (by 13.3% pts. and 22.3% pts. respectively).

Our ancillary offerings, including; redemption related revenue from Skywards miles and marketing income earned from the programme partners, flight upgrades, excess baggage, paid seats, and on-board sales increased by 88% to AED 5.1bn and formed 6.0% of our passenger revenue. All ancillary revenue streams grew this year, with major contributions from paid seats (higher by 160%), flight upgrades (increased by 54%), and Skywards income (up 35%).

Cargo revenue

As air cargo demand weakened this year due to macroeconomic and geopolitical uncertainties, high inflation, the consequential supply-related issues, and the end of the inventory restocking cycle, we shifted capacity from our 'mini-freighters' back to passenger operations. Although this contributed to an increase in volumes for 'scheduled operations', overall, SkyCargo revenue declined by 21% this year. Cargo volumes decreased by 14% to 1.8m tonnes, while FTKMs were down 23% and stood at 9.8bn. The yield per FTKM however remained robust at 175.4 fils per FTKM (2021-22: 169.9 fils per FTKM).

Overall yield

An improved and dynamic pricing strategy coupled with increased demand for our services generated higher passenger and cargo yields this year. Overall yield strengthened by 28% to 324.5 fils per RTKM.

Non-transport revenue contributed 4% (2021-22: 6%) of Emirates' revenue and amounted to AED 4.7bn, an increase of 27%.

Food and beverage sales, representing revenue from our subsidiaries ELR and MMI, increased by 25%. Revenue of MMI increased by 13% as MMI's UAE operations ramped up this year, with revenue from both wholesale and retail sales growing due to the overall growth in the tourism sector in the country. ELR sales also increased globally by 66% (including in the UAE, the US and Australia) and represented 31% of food and beverage revenue.

Catering operations, which includes revenue earned by our subsidiary EFCC from external customers, grew 44% as meal volumes increased by 52% year-on-year.

Hotel operations, comprising revenue earned from five hotels owned by Emirates, rose by 12%.

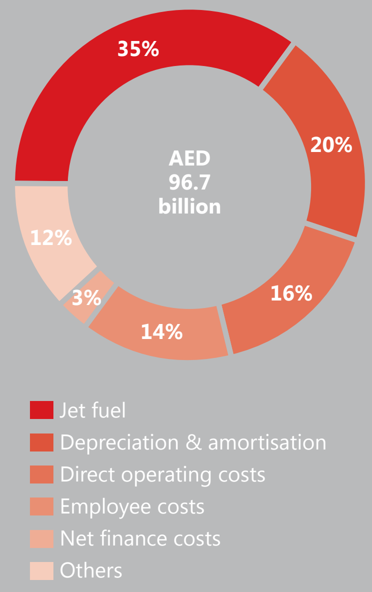
Dubai was one of the first cities in the world to be hosting tourists, high profile conferences and exhibitions shortly after the end of global lockdowns. Our biggest hotel by capacity, JW Marriott Marquis, Dubai, saw an increase in revenue of 25% this year due to a spike in average occupancy rates of 12% and better yields.

Travel services primarily relating to our holiday package sales in the UK, branded as "Emirates Holidays", grew 67% with the reopening of the UK travel sector.

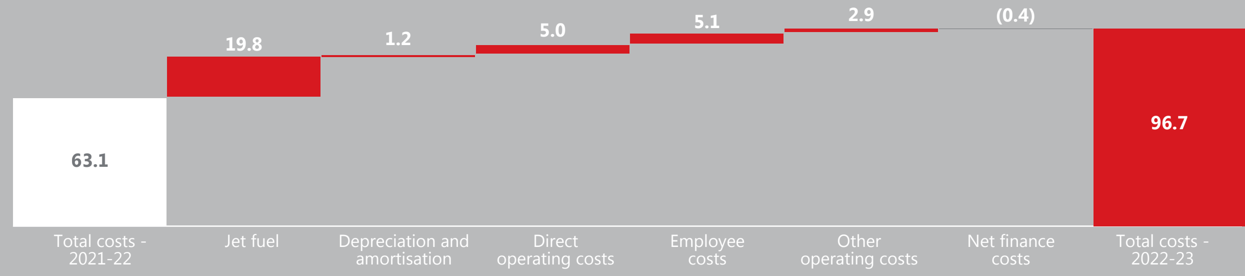
Revenue distribution

Our revenue continues to be geographically diverse. Stronger demand in East Asia & Australasia led to an increased share of our revenue in this region, higher by 5% pts. On the other hand, the Americas and the Middle East regions saw a decline of 2% pts. each in revenue share, although revenue from these regions increased by 58% in absolute terms. Revenue shares of other regions remained largely consistent with last year, with no individual region exceeding 1/3rd of our overall revenue.

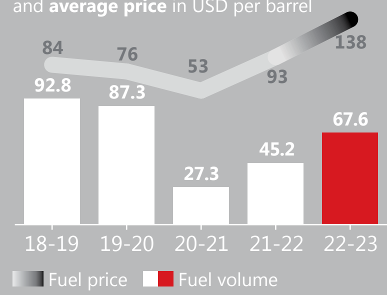
Cost composition



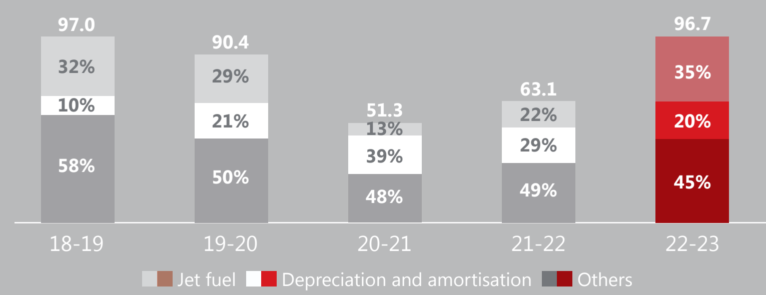
Total cost movement in AED bn



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



Total costs in AED bn and **key operating costs** as a % to total costs



Total costs

Our total costs for the year were AED 96.7bn, up 53% over the previous year. Excluding ownership costs (depreciation and amortisation), which are largely fixed in nature, total costs increased by 72% due to the increase in operations.

Jet fuel costs represented our largest spend and increased by 143% to form 35% of our total costs. The spend surged to AED 33.7bn, driven by an increase in fuel prices and volumes. As the prices for hydrocarbons rose globally, the average fuel price increased by 48% from USD 93/barrel last year to USD 138/barrel this year. The prices remained volatile throughout the year, ranging between USD 96/barrel to USD 174/barrel. Excluding a gain on fuel hedges of AED 349m recognised in Q1 of the financial year (2021-22: AED 1.6bn), fuel costs remained unhedged for the rest of the financial year. Volumes were up 49%, due to the growth in capacity.

Depreciation and amortisation charges of AED 19.4bn represented 20% of our total costs. The increase of 7% compared to last year was primarily due to the new aircraft delivered in the current year, the full year impact of additions made to the fleet last year, purchase of new spare engines, and higher depreciation recognised on engine overhaul events due to an increase in the number of events. Further, remeasurements of right-of-use assets due to changes in benchmark interest rates and lease extensions also increased the depreciation expense.

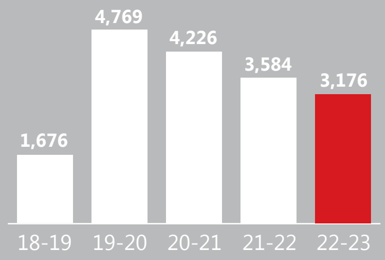
Direct operating costs include handling charges, in-flight catering, overflying, landing & parking, crew layover and aircraft maintenance expenses. Together, these costs increased by 49% and reached AED 14.9bn. In-flight catering costs more than doubled in sync with the increase in passenger numbers, while all the other costs rose in line with capacity.

Employee costs went up by 61% to reach AED 13.6bn mainly due to an increase in staff strength to manage the growth in operations. During the year, we ramped up our recruitment process which led to an increase of 23% in closing employee strength. Other reasons contributing to the increase in costs included; pay rises, bonus spend, IT division employees being transferred from dnata at the end of last year, reinstatement of staff benefits and higher crew flying and productivity pay.

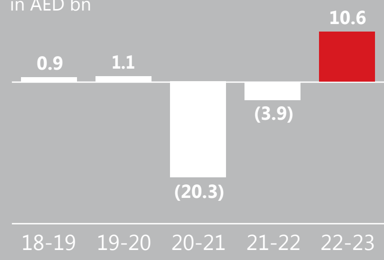
Other operating costs which include sales and marketing costs, cost of goods sold, facilities related spend, IT costs and corporate overheads, increased by 31% to AED 11.9bn. The biggest contributor to the increase was sales and marketing spend (higher by 53%), within which volume-driven expenses including agency commissions & incentives, distribution & reservation costs and credit card services charges doubled as the demand for air travel grew. All other costs combined rose by 18% in line with the increase in business activity.

Employee strength (in numbers)	**FY22-23**	**FY21-22**	**% change**	**% of total**
UAE				
Cabin crew	19,097	15,166	26%	34%
Flight deck crew	3,795	3,283	16%	7%
Engineering	3,318	2,924	13%	6%
Others	14,008	10,699	31%	24%
Total - UAE	**40,218**	**32,072**	**25%**	**71%**
Overseas stations	4,515	4,101	10%	8%
Total - airline	**44,733**	**36,173**	**24%**	**79%**
Subsidiary companies	**11,646**	**9,670**	**20%**	**21%**
Closing employee strength	**56,379**	**45,843**	**23%**	**100%**

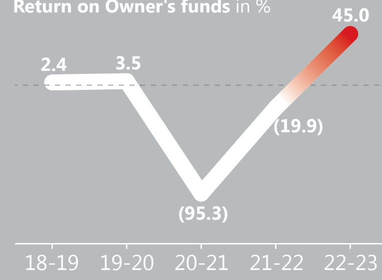
Net finance costs in AED m



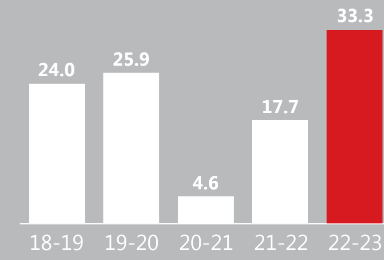
Profit/(loss) attributable to the Owner in AED bn



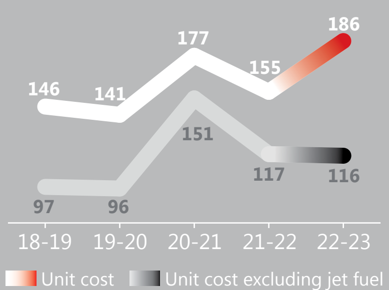
Return on Owner's funds in %



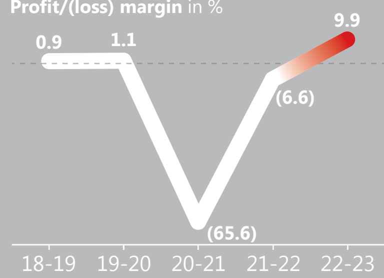
EBITDA in AED bn



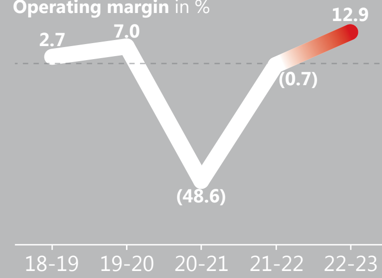
Unit cost in fils per ATKM



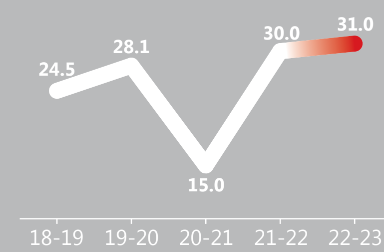
Profit/(loss) margin in %



Operating margin in %



EBITDA margin in %



Finance costs (net)

Finance costs fell by 11% to AED 3.2bn on a net basis. Despite net repayments of borrowings and lease liabilities of AED 17.9bn, interest expense was up 8% due to a hike in effective interest rates by 80 basis points this year. However, interest income increased 4.6 times which caused an overall reduction in net finance costs. Higher interest income was earned due to a rise of AED 10bn in the average deposit balance placed with banks, yielding a return at a better average interest rate of 3.1%. As part of our cost optimisation initiative, we repriced AED 4.5bn worth of term loans during this financial year, resulting in a saving of AED 99m.

Unit cost per ATKM

Our unit cost per ATKM increased by 20% to 185.6 fils as operating costs (primarily jet fuel) increased at a higher rate compared to ATKMs. Fuel cost per ATKM rose to 69.9 fils, an increase of 84% from last year.

Other operating income

Other operating income stood at AED 654m, a reduction of 27% from last year, primarily caused by lower COVID-19 related lease waivers received this year, as operations regained momentum.

Share of results

Improved performance by Emirates' joint ventures and associates led to a higher share of income from investments which grew by 13% to AED 169m. The increase predominantly came from Emirates CAE Flight Training.

Profitability

Emirates' financial results turned around from a loss in the previous year of AED 3.9bn to reach record levels with a profit of AED 10.6bn this year. Profit margin reached an all-time high of 9.9%. Similarly, our operating margin stood at 12.9%, representing the highest ratio we have achieved to date.

Emirates' profitability this year was driven by the airline segment, which contributed 94% of the bottom line. The airline's breakeven load factor reduced from 60.8% to 57.2% this year resulting from a significant growth in passenger volumes and deployment of additional capacity across the network.

Historically, we have always managed to outperform our breakeven load factor by a small margin until the COVID-19 crisis which caused a significant downturn. In the current year though, we surpassed our breakeven load factor by more than 8% pts. which is a testament to the exceptional performance we have achieved this year.

Load factor in %	FY22-23	FY21-22	FY20-21	FY19-20	FY18-19
Overall load factor	65.4	59.2	50.5	67.4	66.8
Breakeven load factor	57.2	60.8	77.2	63.4	66.4

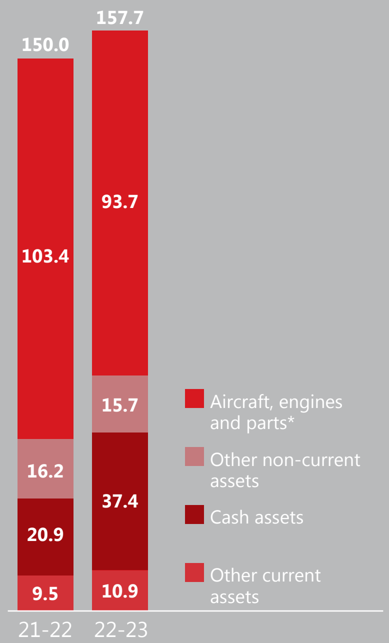
Return on Owner's funds

The return on Owner's funds, derived as the profit attributable to the Owner expressed as a percentage of average Owner's equity, accelerated to a record 45%, a significant rebound compared to the prior year's negative return on Owner's funds of 19.9%.

EBITDA and EBITDA margin

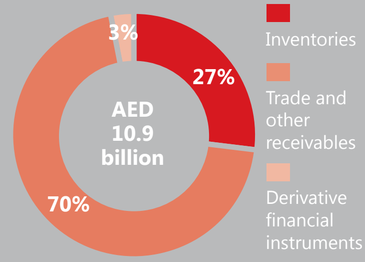
Cash profit from operations excluding working capital movements or EBITDA (computed as operating profit before depreciation and amortisation) increased by 88% and stood at AED 33.3bn, as our growth in revenues outpaced the increase in cash costs. The EBITDA margin increased by 1% pt. and closed at 31.0%.

Assets in AED bn

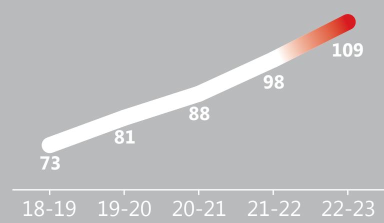


* includes aircraft and engine related overhaul events and pre-delivery payments.

Other current assets



Average fleet age in months



Fleet information

Aircraft	Total as at 31 March 2023	Owned*	Leased	Total as at 31 March 2022	Change since 31 March 2022	Future deliveries
A 380-800	116	61	55	118	(2)	-
B 777-300ER	123	66	57	124	(1)	-
B 777-200LR	10	6	4	10	-	-
B 787-9	-	-	-	-	-	30
B 777-X	-	-	-	-	-	115
A 350-900	-	-	-	-	-	50
Passenger	**249**	**133**	**116**	**252**	**(3)**	**195**
B777 Freighters	11	2	9	10	1	5
Freighters	**11**	2	**9**	**10**	**1**	**5**
Total aircraft	**260**	**135**	**125**	**262**	**(2)**	**200**

*Includes aircraft acquired on secured financing.

Statement of financial position

Emirates' balance sheet remained robust with total assets of AED 157.7bn (2021-22: AED 150.0bn).

Aircraft, engines and parts

Aircraft related assets, which comprise elements of property, plant and equipment, right-of-use ('ROU') assets and intangible assets, were down 9% or AED 9.7bn to AED 93.7bn. This was primarily due to depreciation and amortisation charges of AED 17.3bn, partially offset by additions and remeasurements (of ROU assets) of AED 7.6bn.

Our investment in these assets caters to our 'fly better' promise, ensuring that our customers get the best possible travel experience. In line with our long-term fleet plan, Emirates took delivery of two Boeing 777F aircraft and retired two of its older Boeing 777s (one Boeing 777-300ER and one Boeing 777F). Further, two Airbus A380s were removed from service during the year.

Last year, we announced plans to retrofit 120 of our Airbus A380 and Boeing 777 aircraft with our new Premium Economy product. We started the fleet retrofit project this year to upgrade the entire interior cabins of these aircraft. As of 31 March 2023, a total of six retrofitted Airbus A380s had re-joined the fleet. Additions worth AED 1.4bn to property, plant and equipment relate to the cost of two newly acquired aircraft and six retrofits.

Due to supply chain issues delaying delivery of aircraft on order, and with the aim of meeting our operational requirements, we extended leases of 25 Boeing 777 aircraft and 3 spare engines which were due to retire in the current and forthcoming financial years. These lease extensions added AED 1.6bn to the value of ROU assets. Further, adverse movements in benchmark interest rates contributed to the increase in the value of ROU assets by AED 1.3bn.

Other significant additions to aircraft, engines and parts relate to pre-delivery payments, spare engines, rotables and repairables, engine and other major overhaul events (including checks for airframe, APUs and landing gears).

Fleet and capital commitments

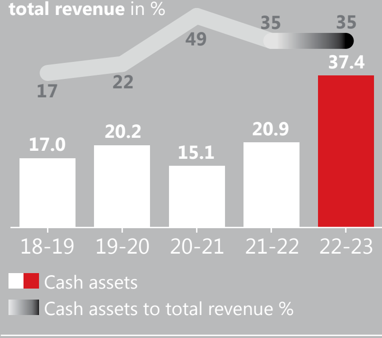
The high seat factor on the Airbus A380 continues to demonstrate customer preference for this aircraft. The fleet carried 38% of our passengers in FY 2022-23 and with 43 destinations, around 30% of the Emirates passenger network is served by our flagship aircraft. This aircraft is expected to remain the cornerstone of our fleet mix and product offering for many years to come.

The Boeing 777 aircraft continues to remain the second strong pillar of our fleet. We remain the world's largest operator of Boeing 777 aircraft. The fleet accounted for 55% of the airline's capacity in ASKMs, carrying 62% of our passengers.

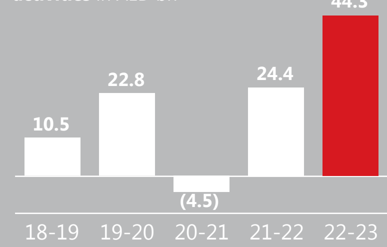
Emirates continues to maintain a young fleet with an average age of 9.1 years (109 months), considerably lower than the industry average, consisting of 144 Boeing aircraft and 116 Airbus A380 aircraft. In November 2022, Emirates announced a firm order for five new Boeing 777F aircraft, with two units to be delivered in 2024 and the remaining three in 2025. As the inaugural customer for the Boeing 777F, Emirates has made the versatile aircraft a linchpin of its operations, facilitating freighter operations across the globe.

We remain optimistic about the long-term travel demand. Our order book has 200 aircraft (excluding options) consisting of 50 Airbus 350-900s, 115 Boeing 777-Xs, 30 Boeing 787-9 and five Boeing 777F aircraft. As at 31 March 2023, capital commitments stood at AED 144.9bn (2021-22: AED 141.7bn) primarily comprising the spend for new aircraft and retrofits.

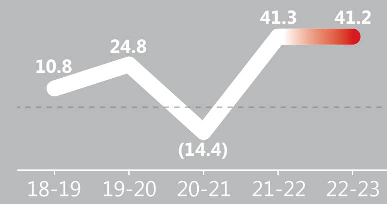
Cash assets in AED bn and **cash assets to total revenue** in %



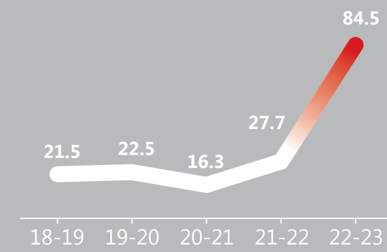
Cash generated from/(used in) operating activities in AED bn



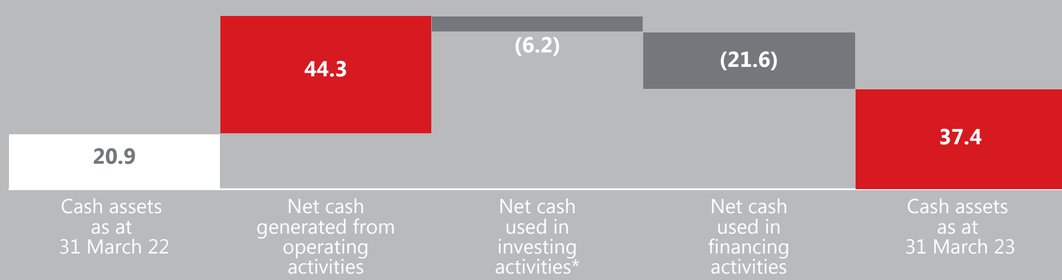
Operating cash margin in %



Cash assets to net debt in %

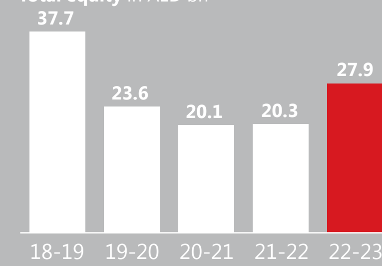


Cash flow in AED bn



*excluding movement in short-term bank deposits.

Total equity in AED bn



Other non-current assets

Other non-current assets primarily consist of non-aircraft related tangible assets (including land and buildings, leased assets, computer software and other intangible assets), investments in joint ventures and associates, and derivative financial assets. These assets reduced by AED 0.5bn mainly due to depreciation and amortisation amounting to AED 2.1bn, partially offset by additions of AED 1.1bn, along with an increase in derivative financial assets by 0.5bn due to positive mark-to-market positions on interest rate swaps and fuel related derivatives.

Cash assets

Emirates closed its financial year with its strongest ever cash assets balance of AED 37.4bn, an increase of 79% compared to last year. These represent surplus funds remaining after meeting all our financial obligations and investment requirements for the year.

Cash assets stood at 34.8% (2021-22: 35.3%) of total revenue (revenue plus other operating income) this year. Although this is outside the target range of 25% +/- 5%, the ratio is expected to normalise in the coming year once the dividend payable to the Owner of AED 3.5bn is settled.

Cash flow movement

The growth in operations and strong profitability were complemented by our efforts in managing working capital which helped us generate AED 44.3bn from operating activities this year, the highest ever in Emirates' history. Leaving aside the last two years with lower-than-normal revenues and costs, our operating cash margin stood at an impressive 41.2%.

With only two aircraft deliveries this year, compared to five last year, cash used in investing activities dropped by 15% and amounted to AED 6.2bn (2021-22: AED 7.2bn). The net cash used in investing activities as shown above excludes the movement in short-term bank deposits.

Cash used in financing activities amounted to AED 21.6bn - net, reflecting debt service of AED 22.8bn (including interest payments), partially offset by proceeds of AED 1.2bn from term loans – acquired through Islamic financing to fund the two new aircraft delivered this year.

Other current assets

Emirates' other current assets increased by 14% or AED 1.4bn to AED 10.9bn. These assets comprise inventories, trade and other receivables and the current portion of derivative financial instruments. The increase is because of the rise in trade and other receivables balance of AED 0.7bn (in line with the sales trend, due to higher interest income accrued on bank deposits and an increase in sponsorship-related prepayments) while inventories went up by AED 0.7bn (primarily relating to engineering stock and MMI related inventory).

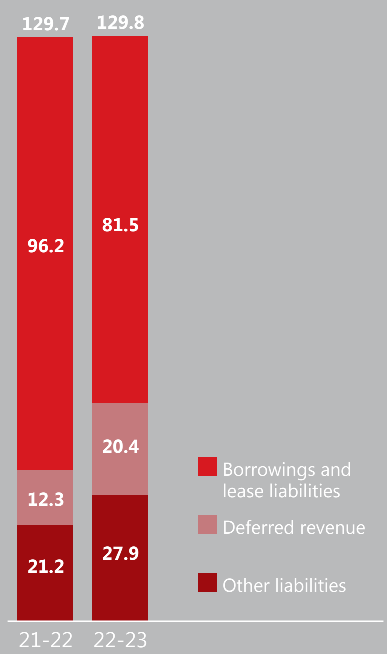
Total equity

Emirates' total equity increased by 37% to reach AED 27.9bn.

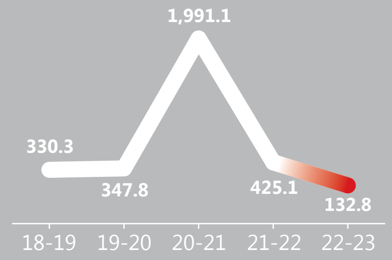
The profit for the year of AED 10.6bn was the main driver behind the increase in equity balance. Moreover, after receiving equity support from our Owner in the last two years of AED 14.8bn, we declared a dividend of AED 3.5bn at the end of the financial year. Other significant movements included AED 0.4bn of net credits from hedge reserves owing to the favourable movements in fuel derivatives and interest rate swaps.

Emirates' net debt to equity ratio reduced from 371.0% to 158.3%, the lowest ratio ever achieved, which demonstrates the strength of our balance sheet. With the increase in cash assets and a reduction in the total debt amount, our net debt balance reduced by 41% compared to last year.

Liabilities in AED bn



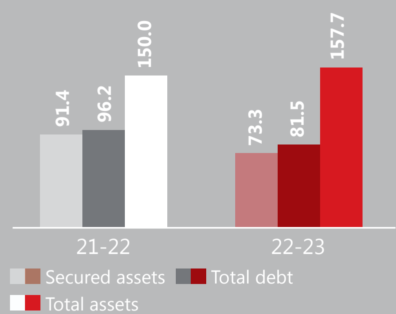
Net debt to EBITDA in %



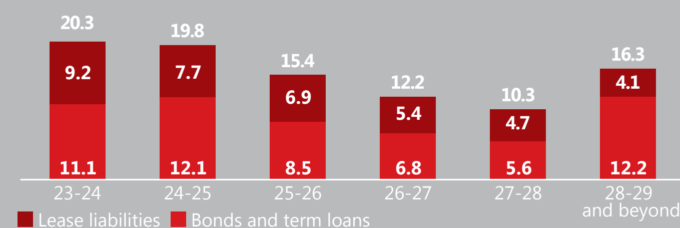
EBITDA and debt service in AED bn

	2022-23	2021-22	2020-21	2019-20	2018-19
EBITDA	**33.3**	**17.7**	**4.6**	**25.9**	**24.0**
Less: Debt service					
Repayment of borrowings and lease liabilities	(19.1)	(21.3)	(16.6)	(18.5)	(7.0)
Repayment of operating lease rentals	-	-	-	-	(11.7)
Interest paid	(3.7)	(3.3)	(4.1)	(4.9)	(1.9)
Total	**(22.8)**	**(24.6)**	**(20.7)**	**(23.4)**	**(20.6)**
EBITDA after debt service	**10.5**	**(6.9)**	**(16.1)**	**2.5**	**3.4**

Debt collateralisation in AED bn



Debt repayment profile* in AED bn



*including future interest.

Liabilities

Total liabilities increased by AED 0.1bn and stood at AED 129.8bn.

Deferred revenue increased by 67% to AED 20.4bn, a result of improved passenger travel demand leading to an increase in the advance sales to passengers, despite higher refunds of AED 9.7bn (2021-22: AED 8.3bn). Moreover, Skywards related deferrals grew to AED 2.4bn (2021-22: AED 2.1bn) as members earned more miles compared to redemptions. The Skywards programme achieved a milestone of crossing 30 million members during the year.

Other liabilities (consisting mainly of trade and other payables, derivative financial instruments, provisions and current tax liabilities) increased from AED 21.2bn to AED 27.9bn due to an increase in trade and other payables as a result of the upturn in operating activity. Further, this year's liabilities also include a dividend payable to the Owner of AED 3.5bn (2021-22: Nil).

Debt

Emirates' borrowings and lease liabilities reduced by 15% or AED 14.7bn to AED 81.5bn predominantly due to repayments of AED 22.8bn for amortising bonds, lease liabilities and term loans (including interest). Currency movements further reduced our lease liabilities by AED 0.3bn. These decreases were partially offset by additions to term loans of AED 1.2bn, remeasurements and additions to lease liabilities of AED 3.3bn, and interest accretion for the year amounting to AED 3.9bn.

Debt collateralisation

Of the total debt of AED 81.5bn, AED 33.2bn represents lease liabilities which are supported by right-of-use assets. From the remaining debt, 83% or AED 40.1bn is secured against property, plant & equipment and receivables while the balance AED 8.2bn is adequately covered against the carrying value of unencumbered assets.

Debt service

The airline's robust operations and cash flow generation demonstrate its consistent ability to fulfil contractual obligations (including pre-delivery payments) and repay financing liabilities as they become due, utilising its cash reserves. Debt service payments amounted to AED 22.8bn this year, a decrease of 7% compared to the previous year. These include settlement of debt taken during the pandemic of AED 3bn. The decrease was due to higher debt repayments in the prior year mainly towards working capital facilities availed during the pandemic.

Overall, Emirates has successfully repaid AED 7.5bn of the AED 17.5bn raised during the COVID-19 crisis. Additionally, the airline has prepaid AED 0.6bn from the lease deferral program established during the pandemic, backed by European Export Credit agencies and the US Export-Import Bank.

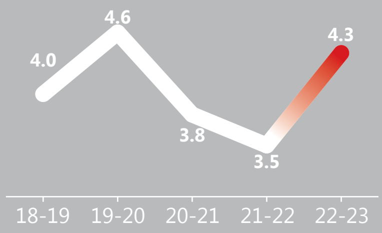
EBITDA increased to 18 months (2021-22: 9 months) of debt service payments this year, which is the highest reported figure since FY 2015-16. Net debt to EBITDA reduced to 132.8%, the lowest ratio in our history.

The payments shown in the table above (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.

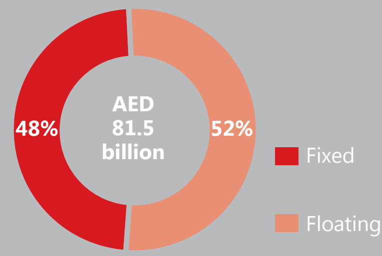
Debt repayment profile

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 97% of our debt was amortising in nature.

Effective interest rate on borrowings and lease liabilities in %

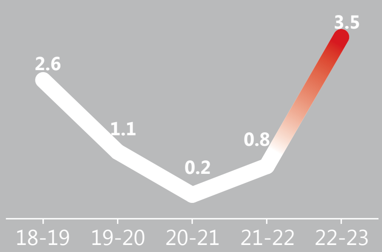


Debt mix

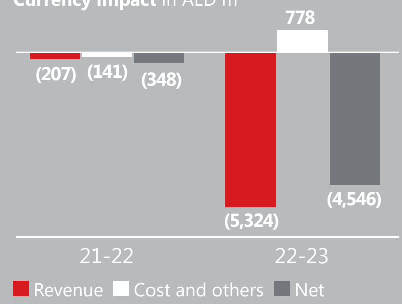


Currency average rate (in AED)			
	2022-23	**2021-22**	**% change**
Euro (EUR)	3.835	4.279	(10.4)
Pound Sterling (GBP)	4.458	5.024	(11.3)
Indian Rupee (INR)	0.046	0.049	(6.1)
Australian Dollar (AUD)	2.553	2.715	(6.0)
Chinese Yuan (CNY)	0.537	0.570	(5.8)
Japanese Yen (JPY)	0.026	0.038	(21.2)

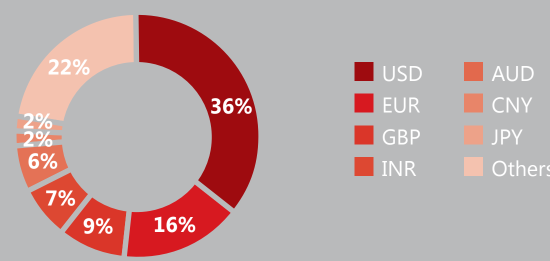
3 Months USD LIBOR rates in %



Currency impact in AED m



Transport revenue by currency in %



Financial risk management

Emirates 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 Emirates' financial performance. A risk management programme is carried out under the guidelines that are approved by an Executive Committee consisting of Senior Management. Identification, evaluation and management of financial risks are done in close cooperation with the operating units.

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, 48% of our debt was on a fixed interest rate basis with the balance 52% being on floating interest rates. Although market interest rates rose significantly year-on-year, our effective interest rate for borrowings and lease liabilities increased by only 0.8% pt. This was mainly because of our debt mix with almost 50% of our debt on fixed interest rates. Further, we also repriced term loans worth AED 4.5bn during the year at favourable rates in order to manage our interest rate risk.

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 36 months in advance using commodity forwards, options and swaps, as and when the opportunity arises and depending on the market conditions.

Currency risk

Being an international airline, we proactively manage currency exposures generally over a period of up to 24 months depending on market conditions by using various hedging solutions including currency forwards, swaps and natural hedges. Approximately 36% of our transport revenues and 90% of our total costs are denominated in US Dollar or currencies pegged to US Dollar.

The movements in exchange rates had an adverse impact of AED 4.5bn on Emirates' results (2021-22: adverse impact of AED 348m) this year. This was due to a weakening of major currencies against the US Dollar. The impact includes one-off devaluations in FX rates in certain markets having geopolitical or economic instability.

The six currencies in the table above accounted for 42% (2021-22: 39%) of our transport revenue this year.

Sustainability linked financing

Our Environment Sustainability Executive Steering Group comprising Senior Management meets at regular intervals to set direction and review progress made on the focus areas identified under the 'Emirates Group Environmental Sustainability Framework'. Senior Management is closely looking into this space to assess the group-wide sustainability related risks, opportunities and the related impact on long-term financing needs. This continues to be an area of focus for engagement with investors as we plan the future deliveries of our fleet and other capital-intensive investments.

DNATA FINANCIAL COMMENTARY

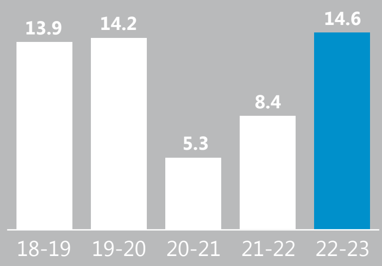
REVENUE
AED 14.6bn

PROFIT
AED 331m

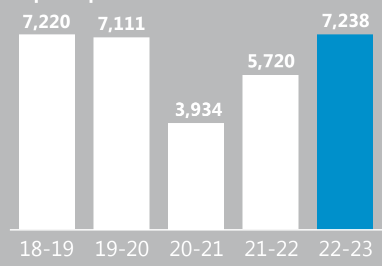
CASH ASSETS
AED 5.1bn

TOTAL EQUITY
AED 5.8bn

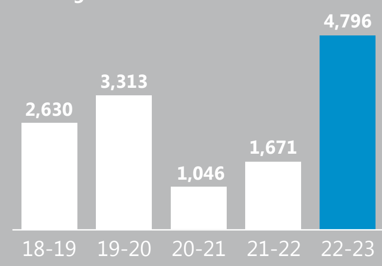
Revenue trend in AED bn



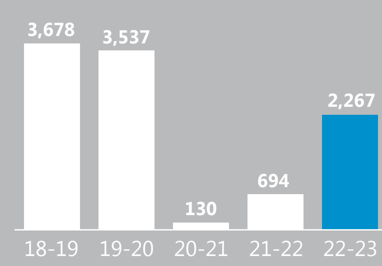
Airport operations revenue in AED m



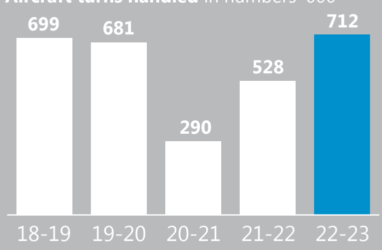
Catering & retail revenue in AED m



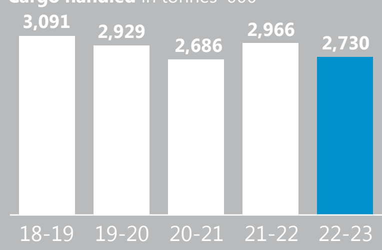
Travel services revenue in AED m



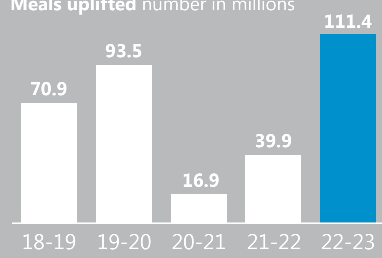
Airport operations - Aircraft turns handled in numbers '000



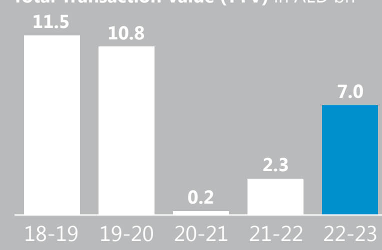
Airport operations - Cargo handled in tonnes '000



Catering & retail - Meals uplifted number in millions



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



As the world turned a corner on the COVID-19 pandemic this year and travel restrictions eased, the aviation industry saw a recovery of flight operations and increased travel demand. As a result, dnata's operations quickly accelerated and registered a significant growth in revenue of 75% year-on-year. However, our overall profitability remained constrained due to inflationary pressures in overseas markets and longer lead times involved in B2B contract revisions. With continued commitment towards sustainable growth, dnata expanded its global footprint with strategic acquisitions and contract wins across all business segments.

Geographical revenues

Revenue from operations outside the UAE rose by 10% pts. and now comprise 72% of dnata group's revenue. This was driven by growth in our international Catering and Travel businesses, primarily in the UK and Australia. This revenue increase was reduced by a stronger US Dollar which eroded AED 626m from dnata's top line this year.

Revenue by line of business

Airport operations

With a revenue share of 50%, Airport operations, representing dnata's largest business segment, witnessed an overall growth of 27% in revenue as air transport and passenger traffic increased across all markets.

Revenue from ground handling services grew by 42% due to an increase of 35% in aircraft turns handled, surpassing the pre-COVID levels. UAE, our biggest market, saw a commendable growth in revenue of 38% to AED 2.5bn with a 43% rise in aircraft turns handled. This was led by the upsurge in the operations of Dubai-based carriers; Emirates and flydubai. Moreover, marhaba - our airport hospitality brand, with its signature meet & greet and lounge services, continued to delight our customers and registered a 86% higher passenger footfall in the UAE. The overseas markets reported similar recoveries and posted a growth of 46% with revenue reaching AED 2.7bn as volumes increased by 32%, following the rebound of airline operations across various markets and through new contract wins. Notable contributions were seen in the US, the UK, Singapore, Australia and Switzerland.

For cargo handling services, although volumes dipped 8% in line with softening of global demand for air cargo, revenue of AED 2bn remained consistent with last year due to better margins. Forging ahead, with its entrance into the German cargo handling market through the acquisition of Wisskirchen group and various infrastructural investments in Amsterdam, London and Erbil (Iraq), dnata is well set for a promising year for cargo operations.

This year we also launched ground handling, cargo and marhaba operations in Zanzibar, Tanzania.

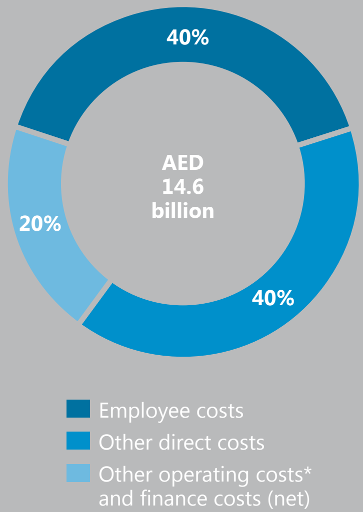
Catering & retail

With the global recovery of flight operations and reaping benefits from recently won contracts, the Catering & retail division registered strong revenue growth of 187% reaching record high levels of AED 4.8bn, as meals uplifted increased by 179% to 111.4m. Significant improvements in volumes were registered in Australia, after the country re-opened its borders for international travel in Q4 of last year, and from the easyJet contract in the UK. Other major upsides were witnessed in the US, Italy, Sharjah (UAE) and Romania. The division positioned itself with great agility as it supported the growing demand of its airline partners and continued to win new contracts worldwide. This year, Alpha Flight UAE also won exclusive rights to service 10+ airlines at Ras Al Khaimah Airport.

Travel services

The Travel business saw a growth of 227% in revenue as demand rebounded after two subdued pandemic years. The underlying travel services related turnover measured by Total Transaction Value (TTV) shot up by 203% to AED 7bn driven by better performances in the Middle East and the UK markets. Our travel business in the UK accounted for 79% of the total revenue, which grew by 309% to AED 1.8bn, reaching 86% recovery of its pre-pandemic levels.

Cost composition

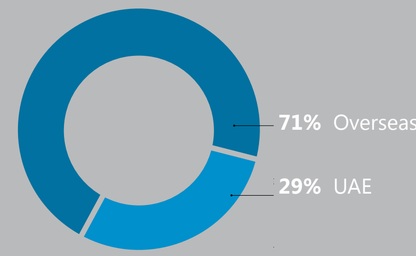


*Other operating costs includes net loss allowance for trade receivables

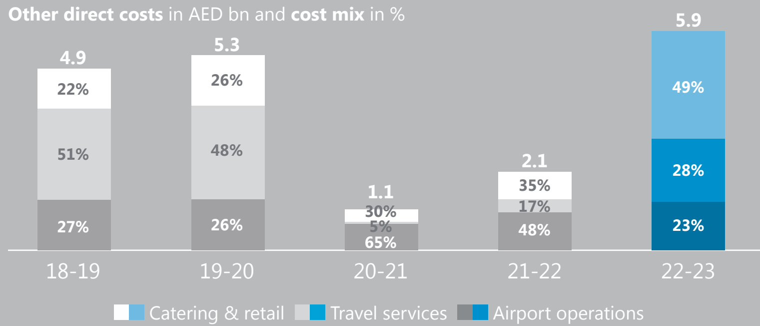
Employee strength in numbers

	2022-23	2021-22	% change	% of total
Airport operations	31,318	28,205	11	68
Catering & retail	10,538	6,718	57	23
Travel services	3,740	3,193	17	8
Others	404	1,260	(68)	1
Closing employee strength	**46,000**	**39,376**	**17**	**100**

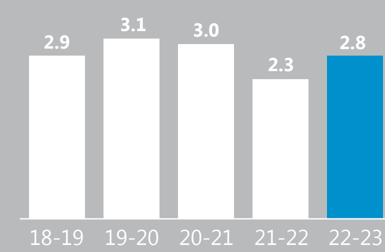
Geographical workforce in %



Other direct costs in AED bn and **cost mix** in %



Other operating costs* in AED bn



Costs

dnata's total costs (including the net loss allowance for trade receivables and net finance costs) climbed 73% to AED 14.6bn due to growth in operations and inflationary impacts across the three lines of business. The increase mainly related to employee expenses and other direct costs, and was partially offset by weakening of global currencies against the USD which led to a favourable impact of AED 612m on total costs.

Employee costs

Employee costs, being the most significant cost component, escalated by 49% to AED 5.9bn to comprise 40% of total costs this year. Commensurate with the growth in operations, there was a sharp rise of 17% in employee numbers which reached a total strength of 46,000 by the end of the year. Additionally, pay adjustments, reinstatement of staff benefits, higher bonuses, and full year impact of employees who joined in the previous year further contributed to the increase.

The recovery of businesses across the globe created an imbalance in the demand and supply of people. Our labour-intensive Airport operations division was particularly hit hard due to this situation leading to an increase in overtime expenses. Furthermore, as operations normalised, COVID related government grants significantly reduced this year by AED 342m, which pushed the costs up further.

Geographical workforce composition shows UAE representing 29% of the total group employee strength with its share dropping by 5% pts. This was caused by higher growth in our international businesses, where the workforce rose by 25% to 32,671 employees as at 31 March 2023.

Other direct costs

Consistent with employee costs and in line with the growth in operations, other direct costs also showed an upward trend and increased by 177% to AED 5.9bn.

Airport operations related costs of AED 1.3bn were 32% higher compared to last year. This was due to increases in contract labour spend, fuel and spares, and passenger transport costs - in line with the spike in business activity. Also, increases in the cost of food and supplies for marhaba lounges and engineering consumables further contributed to the hike in direct spend.

Catering & retail pertaining costs increased by 288% to AED 2.9bn in line with the revenue growth as the number of meals uplifted increased significantly in the UK, Australia, the US, Italy and the UAE.

Other direct costs for Travel services soared by 354% to AED 1.7bn, in sync with higher revenue as demand for travel bookings surged again, particularly in the UK.

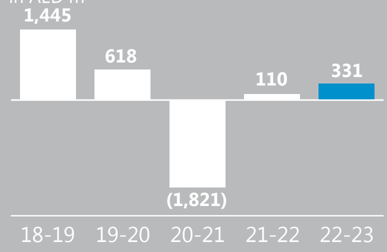
Other operating costs

Other operating costs (including net loss allowance for trade receivables) rose by 21% to AED 2.8bn. The increase was consistent with the ramp up in operations this year. Depreciation, amortisation and impairment charges include AED 86m of one-off impairments recognised this year, primarily for one of our Catering subsidiaries in the UK whose business performance continued to deteriorate. Other key drivers causing higher spend include; increase in short term warehouse and equipment lease charges, higher sales and marketing costs in our Travel business and reduced rent related grants received during the current year.

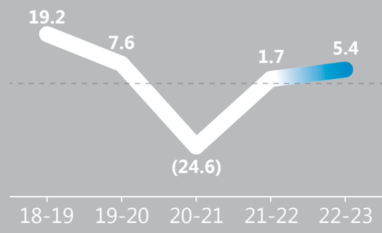
Finance costs (net)

Finance costs dropped by 33% to AED 41m on a net basis. This was because of higher interest income earned on short term bank deposits as interest rates increased on average by 120 bps, complemented by higher deposits placed with banks due to healthy cash inflows from operations and better working capital management.

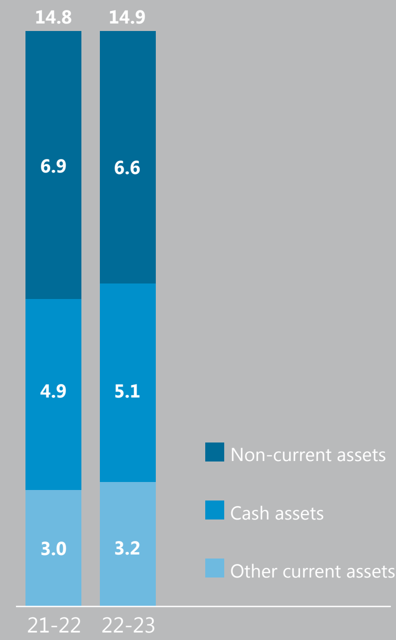
Profit/(loss) attributable to the Owner in AED m



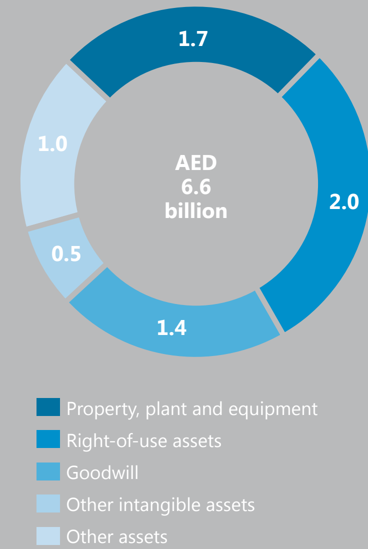
Return on Owner's funds in %



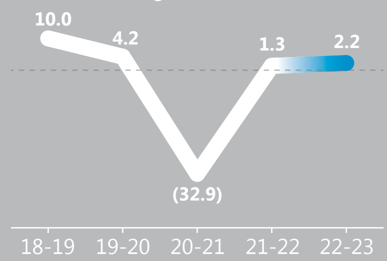
Assets in AED bn



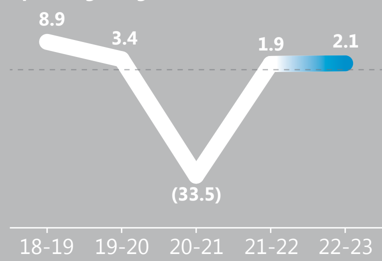
Non-current assets in AED bn



Profit/(loss) margin in %



Operating margin in %



Share of results

Strong performance by dnata's joint ventures and associates led to a higher share of income from these investments, which grew by 243% to AED 120m. The increase was driven by Transguard as the UAE's manpower outsourcing operations expanded and Imagine Cruising which yielded profit this year after two difficult pandemic years.

Other operating income

Other operating income improved by 36% to AED 282m mainly from higher hedging gains arising on the settlement of currency forward contracts.

Profitability

Profit attributable to the Owner grew by 201% returning a 2.2% margin on total revenue (revenue and other operating income).

The increase in operating and net profit margins is attributable to a sharp growth in revenue of 75% as customer demand rebounded this year. However, strong headwinds on the cost side which grew by 73%, restricted the overall profit margins. dnata's UAE Airport operations contributed significantly to this year's bottom-line whilst our international businesses struggled primarily due to inflationary pressures, and labour shortages.

In the years to come, dnata will continue to focus on the quality of its services, safety in its operations, well-being of its people and the needs of its customers. We stand resolute to face the ongoing macroeconomic and geopolitical challenges and will continue to drive efficiencies across all our businesses in costs, processes and resources to keep dnata on the path to profitability and sustained growth.

Statement of financial position

Assets

Total assets stood at AED 14.9bn, fairly consistent with the prior year.

Non-current assets were down 4% to AED 6.6bn. A strong US Dollar decreased the value of these assets by AED 194m.

The net book value ('NBV') of property, plant and equipment decreased by 8% to AED 1.7bn following depreciation and impairment charges of AED 320m and negative forex, partially offset by AED 230m worth of investments made during the year. Key investments included; i) major infrastructural enhancements in Airport operations for the fully automated Cargo Centre in Amsterdam, the state of the art cargo facility in London Heathrow, the new warehouse in Erbil (Iraq) and the acquisition of Cologne Bonn Cargo Center in Germany, and ii) purchase of ground support equipment ('GSE') in the UK, Iraq, the US, the UAE, and for the newly launched operations in Zanzibar, and iii) catering equipment additions and kitchen renovations in Australia, the UK and Sharjah.

Right-of-use ('ROU') assets declined by 4% to AED 2bn. The impact of depreciation charges and an adverse foreign exchange movement for the year of AED 481m was partially offset by new or acquired contracts across all lines of business, particularly in the US, UK, UAE and Germany ground and cargo handling businesses.

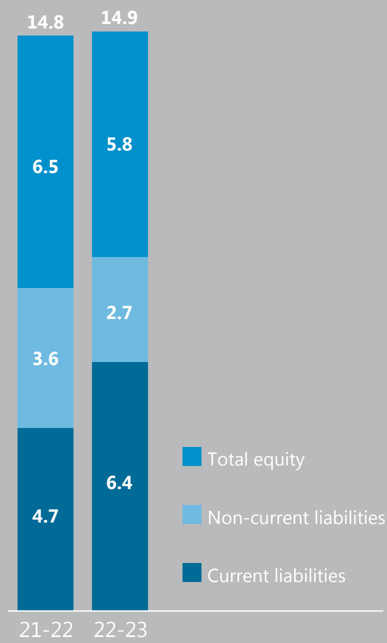
Intangible assets (including goodwill) were down 5% to AED 1.9bn. The impacts of amortisation, impairment and unfavourable forex were offset to an extent by; i) spend on various technological enhancements in the UK and the UAE Travel businesses, and ii) recognition of contractual rights on the acquisition of the business in Cologne.

Goodwill continues to form the largest part of the intangible assets portfolio at 74% which is validated on an annual basis through impairment testing.

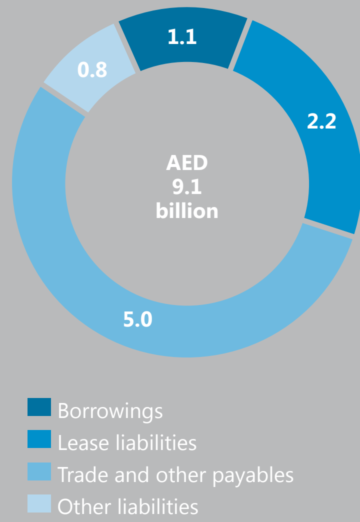
Other non-current assets (which include investments in joint ventures & associates and investment property) increased by 4% to AED 1bn due to share of results from group entities and an investment by Transecure, a fully owned subsidiary, in new accommodation facilities.

Other current assets improved by 4% to AED 3.2bn in line with the increase in operations.

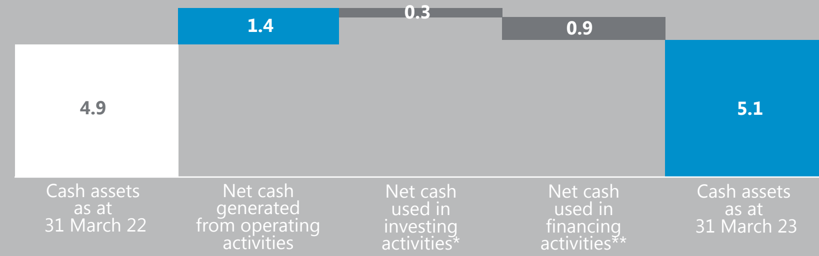
Equity and liabilities in AED bn



Liabilities in AED bn

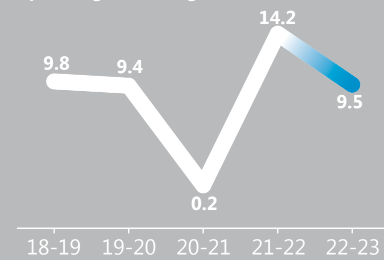


Cash flow in AED bn

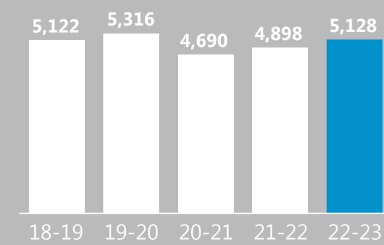


*excluding movement in short term bank deposits and adjusted for effect of exchange rate changes.
**excluding movement in bank overdrafts.

Operating cash margin in %



Cash assets in AED m



Liabilities

dnata's total liabilities stood at AED 9.1bn by the end of the year, up 10%.

Borrowings and lease liabilities, comprising of term loans, lease liabilities and bank overdraft balances, formed 37% of total liabilities and decreased by 12% to AED 3.3 bn. A strong USD led to a favourable forex impact of AED 182m on the total debt balance.

Borrowings (term loans and bank overdrafts) reduced by 22% to AED 1.1bn due to repayments of obligations as they fell due. The majority of the long-term funding needs of our international businesses were met through cash generated from operations during the year.

Lease liabilities decreased by 5% to AED 2.2bn, due to repayments of AED 476m, partly offset by the impact of new and acquired leases (as explained under ROU) compounded by the accretion of interest on outstanding liabilities.

Trade and other payables (including deferred revenue) rose by AED 1.2bn i.e. 31%. Trading balances remained fairly consistent with the previous year as the impact of increased operations was balanced out by favourable forex movement and reduced related party balances. This year's balance includes a dividend payable to the Owner of AED 1bn (2021-22: Nil).

Other liabilities comprising retirement benefit obligations, provisions and taxation liabilities, rose by 14% mainly on account of higher tax provisions due to better profitability.

Total equity

Total equity fell by AED 773m to AED 5.8bn due to the dividend appropriation to the Owner of AED 1bn offset by current year profits of AED 331m and other movements which include actuarial gains, NCI, translation and cash flow hedge reserves. dnata maintains an optimal capital structure and monitors it based on gearing ratio, being total debt expressed as a percentage of total equity. Effective capital management strategies led to a gearing ratio of 58%, consistent with last year.

Cash position

Cash assets grew to AED 5.1bn, an increase of 5%.

As operations ramped up, cash generated from operating activities returned a healthy AED 1.4bn, up 17% compared to previous year. However, the operating cash margin decreased to 9.5% (2021-22: 14.2%) and EBITDA margin was down to 8.2% (2021-22: 12.1%). This was driven by higher increase in operating cash costs of 82% which outpaced the total revenue growth of 74%.

Non-cash items forming part of operating costs primarily depreciation, amortisation and impairment charges comprised 6% of the total operating costs, and remained in line with last year.

Cash generated from operating activities and dividends received from investments were primarily utilised for net repayment of loans and lease obligations of AED 846m, and investments in capital assets of AED 401m.

Financial risk management

dnata is exposed to 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 to minimise potential adverse effects on its financial performance.

As part of its risk management programme, dnata regularly reviews its investments in financial institutions based on credit ratings assigned by external agencies such as S&P Global Ratings. As at 31 March 2023, more than 85% of cash and bank balances were held with financial institutions having rating A- and above.

Certain businesses of dnata are exposed to currency risk on purchases and sale of services outside the source market. This risk is managed through various hedging solutions including currency forwards. dnata is also exposed to effects of fluctuations in currency rates on its long-term obligations denominated in foreign currencies. The risk is naturally hedged against cash inflows in the respective currency.

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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 2023, 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 2023;
- the consolidated statement of comprehensive income for the year ended 31 March 2023;
- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statement of changes in equity for the year ended 31 March 2023;
- the consolidated statement of cash flows for the year ended 31 March 2023; 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 • 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.

PricewaterhouseCoopers Limited Partnership Dubai Branch, License no. 102451, Emaar Square, Building 5, P O Box 11987, Dubai - United Arab Emirates, T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me
Jacques Fakhoury, Douglas O'Mahony, Wassim El Afchal, 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)

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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
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 21 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 21 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 2,412 million as at 31 March 2023 is recognised in the consolidated statement of financial position as deferred revenue (refer to notes 2, 3 and 21 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 21 to the consolidated financial statements are consistent with the requirements of IFRS.

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF EMIRATES (CONTINUED)

Overview
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Emirates consolidated financial statements
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Additional information

Key audit matter	How our audit addressed the Key audit matter
Provision for aircraft return conditions Emirates operated 125 aircraft under lease arrangements at 31 March 2023 (2022: 129). 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 5,232 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 20 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 20 to the consolidated financial statements are consistent with the requirements of IFRS.

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF EMIRATES (CONTINUED)

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF EMIRATES (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:

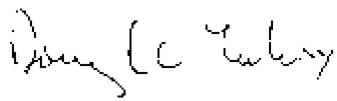
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 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
5 May 2023



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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 AED m	2022 AED m
Revenue	5	106,702	58,282
Other operating income		654	898
Operating costs	6	(93,479)	(59,618)
Operating profit / (loss)		**13,877**	**(438)**
Finance income	7	857	153
Finance costs	7	(4,033)	(3,737)
Other financial gains		-	70
Share of results of investments accounted for using the equity method	13	169	149
Profit / (loss) before tax		**10,870**	**(3,803)**
Income tax expense - net	8	(160)	(31)
Profit / (loss) for the year		**10,710**	**(3,834)**
Profit attributable to non-controlling interests		129	83
Profit / (loss) attributable to Emirates' Owner		**10,581**	**(3,917)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 AED m	2022 AED m
Profit / (loss) for the year		**10,710**	**(3,834)**
Items that will not be reclassified to the consolidated income statement			
Remeasurement of retirement benefit obligations	20 (a)	6	(93)
Items that may be reclassified subsequently to the consolidated income statement			
Currency translation differences	18	3	(5)
Net gain on cash flow hedges	18	421	652
Other comprehensive income for the year		**430**	**554**
Total comprehensive income for the year		**11,140**	**(3,280)**
Total comprehensive income attributable to non-controlling interests		129	84
Total comprehensive income attributable to Emirates' Owner		**11,011**	**(3,364)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 AED m	2022 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	10	70,459	76,144
Right-of-use assets	11	31,736	36,715
Intangible assets	12	5,652	5,704
Investments accounted for using the equity method	13	776	693
Trade and other receivables	15	46	32
Derivative financial instruments	26	717	223
Deferred tax assets	22	42	53
		109,428	**119,564**
Current assets			
Inventories	14	2,977	2,344
Trade and other receivables	15	7,566	6,833
Derivative financial instruments	26	365	363
Short term bank deposits	16	27,746	16,914
Cash and cash equivalents	16	9,606	3,966
		48,260	**30,420**
Total assets		**157,688**	**149,984**

	Note	2023 AED m	2022 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	17	15,647	15,647
Other reserves	18	928	504
Retained earnings		10,669	3,582
Attributable to Emirates' Owner		**27,244**	**19,733**
Non-controlling interests		675	580
Total equity		**27,919**	**20,313**
Non-current liabilities			
Trade and other payables	23	347	866
Borrowings and lease liabilities	19	65,084	78,432
Derivative financial instruments	26	1	13
Provisions	20	6,137	6,212
		71,569	**85,523**
Current liabilities			
Trade and other payables	23	20,202	13,013
Deferred revenue	21	20,429	12,257
Borrowings and lease liabilities	19	16,460	17,813
Derivative financial instruments	26	366	35
Provisions	20	645	997
Current tax liabilities		98	33
		58,200	**44,148**
Total liabilities		**129,769**	**129,671**
Total equity and liabilities		**157,688**	**149,984**

The consolidated financial statements were approved on 5 May 2023 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 2023

	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 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	3,500	-	-	3,500	-	3,500
Other capital contributions	-	-	-	-	2	2
Dividends	-	-	-	-	(56)	(56)
Transactions with owners in their capacity as owners	**3,500**	**-**	**-**	**3,500**	**(54)**	**3,446**
31 March 2022	**15,647**	**504**	**3,582**	**19,733**	**580**	**20,313**
Profit for the year	-	-	10,581	10,581	129	10,710
Other comprehensive income for the year	-	424	6	430	-	430
Total comprehensive income for the year	**-**	**424**	**10,587**	**11,011**	**129**	**11,140**
Other capital contributions	-	-	-	-	6	6
Dividends	-	-	(3,500)	(3,500)	(40)	(3,540)
Transactions with owners in their capacity as owners	**-**	**-**	**(3,500)**	**(3,500)**	**(34)**	**(3,534)**
31 March 2023	**15,647**	**928**	**10,669**	**27,244**	**675**	**27,919**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 AED m	2022 AED m
Operating activities			
Profit / (loss) before tax		10,870	(3,803)
Adjustments for:			
Lease rental waivers	19 (a)	(12)	(267)
Depreciation and amortisation	6 (a)	19,389	18,166
Provision for retirement benefit obligations	6 (b)	674	529
Net loss allowance for trade receivables	6	24	29
Finance costs - net	7	3,176	3,584
Other financial gains		-	(70)
Net loss on disposals / write-offs of property, plant & equipment and intangible assets		57	100
Exchange (gains) / losses on leases and term loans		(101)	64
Share of results of investments accounted for using the equity method	13	(169)	(149)
Payments of retirement benefit obligations		(573)	(389)
Income tax paid		(81)	(31)
Change in inventories		(633)	(22)
Change in trade and other receivables		(346)	(1,998)
Change in trade and other payables, deferred revenue and provision for aircraft return conditions		12,008	8,682
Net cash generated from operating activities		**44,283**	**24,425**

	Note	2023 AED m	2022 AED m
Investing activities			
Additions to property, plant and equipment		(4,397)	(6,181)
Payments for intangible assets		(2,296)	(1,374)
Proceeds from sale of property, plant and equipment		9	83
Investments in associates and joint ventures	13	(49)	(8)
Movement in short term bank deposits		(10,832)	(5,851)
Interest received		422	114
Dividends from investments accounted for using the equity method	13	157	112
Loans to related parties - net		(32)	-
Net cash used in investing activities		**(17,018)**	**(13,105)**
Financing activities			
Capital contributed by Emirates' Owner		-	3,500
Proceeds from term loans	19 (b)	1,236	9,657
Repayment of bonds and term loans (principal)		(11,107)	(13,056)
Principal element of lease payments		(7,984)	(8,209)
Interest paid		(3,718)	(3,294)
Settlement on account of ineffective fuel derivatives		-	70
Capital contributed by non-controlling interests		6	2
Dividends paid to non-controlling interests		(40)	(56)
Net cash used in financing activities		**(21,607)**	**(11,386)**
Net change in cash and cash equivalents		**5,658**	**(66)**
Cash and cash equivalents at beginning of the year		3,966	4,045
Effect of exchange rate changes on cash and cash equivalents		(18)	(13)
Cash and cash equivalents at end of the year	16	**9,606**	**3,966**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 food and beverages
- catering operations
- hotel operations
- 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 certain financial assets and financial liabilities (including derivative instruments) that are measured at fair value, as stated in the accounting policies.

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

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

Effective and adopted in the current year

At the date of authorisation of these consolidated financial statements certain new amendments to existing standards have been published and are mandatory for the current accounting period. These amendments did not have a material impact on the consolidated financial statements and are set out below:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts (Costs of Fulfilling a contract) – Amendments to IAS 37; and
- Annual Improvements to IFRS Standards 2018-2020.

Not yet effective and have not been early adopted

At the date of authorisation of these consolidated financial statements, certain new accounting standards, 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.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting

i.) Subsidiaries

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 on which control ceases.

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 arrangement 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 interests' proportionate share of recognised amounts of subsidiaries' identifiable net assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity, respectively.

Acquisition-related costs are expensed as incurred.

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 if 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 acquirer's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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.

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

If the business combination is achieved in stages, the acquisition date carrying value of Emirates' previously held equity interest in the investment is remeasured to fair value 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 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.

ii.) Associates

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.

iii.) Joint ventures

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.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting (continued)

iv.) Equity method of accounting

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 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.

v.) Change in ownership interests

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 'Other reserves' within equity attributable to Emirates' Owner.

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 of. 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 it's functional currency. Emirates' subsidiaries, associates and joint ventures determine their own functional currency related to the primary economic environment in which they operate.

i.) Transactions and balances

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, net investment in foreign operations and qualifying net investment hedges which are deferred in other comprehensive income, are recognised in the consolidated income statement.

ii.) Group companies

For the purpose of consolidation, where functional currencies of subsidiaries (none of which has the currency of hyperinflationary economy) 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. Their assets and liabilities at the reporting date are translated at the closing exchange rates at that date. 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.

2. Summary of significant accounting policies (continued)

Foreign currency translation (continued)

When investments in subsidiaries, associates or joint ventures are disposed, 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 operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the end of reporting period. Exchange differences arising are recognised in other comprehensive income.

Revenue

i.) Transport revenue

Transport revenue comprises airline passenger and cargo sales. These 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.

ii.) Non-transport revenue

Revenue other than passenger and cargo sales is defined as non-transport revenue and primarily comprises the sale of food and beverages, catering, travel services and hotel operations.

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

Revenue from travel services includes the sale of travel holiday packages and individual travel component bookings. Revenue is recognised on the performance of the related service obligation. Until then, any amounts received are held in the consolidated statement of financial position under current liabilities as 'Deferred revenue'.

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

For both transport and non-transport revenue, where Emirates acts as a principal in an arrangement, the total consideration received is treated as revenue and allocated to the 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, and 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.

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 under passenger revenue 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. These are recorded as a reduction in the cost of the related asset and depreciated over the remaining useful life of the asset.

2. Summary of significant accounting policies (continued)

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 or credit for the year comprises current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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.

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Property, plant and equipment

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

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

Depreciation on 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) except for land which is not depreciated.

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.

2. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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 a qualifying asset are added to the cost of the asset until such time that the asset is ready for its 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 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 applicable 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 avails 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.

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, SOFR) 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 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.

2. Summary of significant accounting policies (continued)

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 generally 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:

Contractual rights	10 to 15 years, or based on the usage pattern of the underlying contract
Computer software	5 – 10 years
Service rights	15 years
Trade names	20 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 net realisable value. Cost is determined on the weighted average cost basis.

Impairment of non-financial assets

Non-financial assets (including 'Investments accounted for using the equity method') 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 for possible reversals of historic impairment losses at the end of each reporting period.

2. Summary of significant accounting policies (continued)

Financial assets

Financial assets are classified in accordance with IFRS 9 as 'Financial assets at amortised cost' which consists of financial assets that are debt instruments and are intended to be held to maturity on the basis of 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 any loss allowance. 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 also 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 29.

Derivative financial instruments

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

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

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

2. Summary of significant accounting policies (continued)

Derivative financial instruments (continued)

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 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 immediately 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. Borrowings are classified as current liabilities unless Emirates has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

a.) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the effective interest rate of the financial liability is updated to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

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.

For defined contribution plans, Emirates pays fixed contributions and has no further payment obligations once the contributions have been paid. Contributions to the defined contribution plan are charged to the consolidated income statement in the period in which they fall due.

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

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

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

2. Summary of significant accounting policies (continued)

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 (within 'Other finance costs') 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. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

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.

Revenue recognition – Transport revenue

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 the transport 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.

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 20(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

	2023 AED m	2022 AED m
Transport revenue		
Passenger	84,793	32,917
Cargo	17,196	21,654
	101,989	**54,571**
Non-transport revenue		
Food and beverage	2,471	1,972
Catering operations	739	512
Hotel operations	675	602
Travel services	557	333
Others	271	292
	4,713	**3,711**
	106,702	**58,282**

6. Operating costs

	2023 AED m	2022 AED m
Jet fuel	33,664	13,855
Depreciation and amortisation (see (a))	19,389	18,166
Employee (see (b))	13,579	8,441
Sales and marketing	4,928	3,225
Handling	4,503	3,285
Inflight catering	3,010	1,416
Aircraft maintenance	2,929	1,863
Overflying	2,243	1,678
Landing and parking	1,856	1,480
Cost of goods sold	1,768	1,490
Facilities	972	799
Information technology	785	1,090
Net foreign exchange loss	420	193
Crew layover	390	269
Net loss allowance for trade receivables (Note 15)	24	29
Other operating costs	747	568
Corporate overheads	2,272	1,771
	93,479	**59,618**

(a) Depreciation and amortisation include:

	2023 AED m	2022 AED m
Depreciation of:		
- Property, plant and equipment (Note 10)	10,009	9,074
- Right-of-use assets (Note 11)	8,432	8,177
Amortisation of intangible assets (Note 12)	948	915
	19,389	**18,166**

(b) Employee costs include AED 674 m (2022: AED 529 m) in respect of retirement benefit obligations (Note 20 (a)).

(c) Operating costs include expenses related to short term leases of AED 225 m (2022: AED 228 m), non-index based variable leases of AED 181 m (2022: AED 107 m) and low value leases of AED 104 m (2022: AED 57 m).

7. Finance income and costs

	2023 AED m	2022 AED m
Finance income		
Interest income on bank deposits:		
Related parties (Note 28)	351	103
Others	506	50
	857	**153**
Finance costs		
Interest expense on lease liabilities:		
Aircraft	(1,780)	(2,139)
Non-aircraft	(122)	(141)
	(1,902)	**(2,280)**
Interest expense on term loans and bonds	**(1,852)**	**(1,155)**
Other finance costs	**(279)**	**(302)**
	(4,033)	**(3,737)**
Finance costs - net	**(3,176)**	**(3,584)**

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 653 m (2022: AED 217 m) on borrowings and lease liabilities from companies under common control (Note 28).

8. Income taxes

	2023 AED m	2022 AED m
Current tax expense	154	35
Deferred tax charge / (credit) (Note 22)	6	(4)
	160	**31**

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current taxes will only be payable for financial years beginning on or after 1 June 2023 so Emirates will be subject to current tax for the first time during the year ending 31 March 2025. However, enactment of the legislation requires Emirates to record deferred taxes in certain circumstances using the enacted rate of 9%. The deferred tax impact as at 31 March 2023 is considered immaterial to the consolidated financial statements based on management's impact assessment. The impact of any future changes in the enacted law will be accounted for when such changes are substantively enacted or enacted.

9. 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, wholesale and retail of food and beverages and travel services.

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 2023 is as follows:

	Airline AED m	**Catering operations** AED m	**Others** AED m	**Recon-ciliation** AED m	**Total** AED m
Total segment revenue	102,464	2,710	4,167	(204)	109,137
Inter-segment revenue	-	(1,971)	(464)	-	(2,435)
Revenue from external customers	102,464	739	3,703	(204)	106,702
Segment profit for the year	10,081	259	370	-	10,710
Finance income	841	19	1	(4)	857
Finance costs	(3,990)	(21)	(26)	4	(4,033)
Income tax expense - net	(136)	-	(24)	-	(160)
Depreciation and amortisation	(18,866)	(192)	(331)	-	(19,389)
Share of results of investments accounted for using the equity method	-	-	169	-	169
Segment assets	148,579	4,172	5,953	(1,016)	157,688
Investments accounted for using the equity method	-	-	776	-	776
Additions to property, plant and equipment	4,277	35	85	-	4,397
Additions to right-of-use-assets	491	19	75	-	585
Additions to intangible assets	895	-	7	-	902

9. Segment information (continued)

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 and amortisation	(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

Geographical information

	2023 AED m	**2022** AED m
Revenue from external customers:		
Europe	34,004	18,618
East Asia and Australasia	26,261	11,629
Americas	18,527	11,188
West Asia and Indian Ocean	11,572	6,686
Africa	8,594	4,681
Middle East	7,744	5,480
	106,702	**58,282**

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.

10. 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 2022	**105,429**	**7,121**	**7,532**	**13,766**	**7,264**	**2,868**	**143,980**
Additions	-	299	2,984	15	158	941	4,397
Transfer from capital projects	1,444	169	-	134	194	(1,941)	-
Disposals / write-offs	(720)	(163)	(2,836)	(80)	(320)	-	(4,119)
Currency translation differences	-	-	-	(37)	(16)	-	(53)
31 March 2023	**106,153**	**7,426**	**7,680**	**13,798**	**7,280**	**1,868**	**144,205**
Accumulated depreciation and impairment							
1 April 2022	**45,960**	**3,747**	**6,012**	**6,310**	**5,807**	**-**	**67,836**
Charge for the year (Note 6(a))	6,167	506	2,436	516	384	-	10,009
Disposals / write-offs	(720)	(108)	(2,836)	(80)	(311)	-	(4,055)
Currency translation differences	-	-	-	(30)	(14)	-	(44)
31 March 2023	**51,407**	**4,145**	**5,612**	**6,716**	**5,866**	**-**	**73,746**
Net book amount							
31 March 2023	**54,746**	**3,281**	**2,068**	**7,082**	**1,414**	**1,868**	**70,459**

The net book amount of aircraft includes an amount of AED 49,047 m (2022: AED 54,673 m) in respect of assets provided as security against financing obligations.

Land of AED 560 m (2022: AED 571 m) is carried at cost and is not depreciated.

Property, plant and equipment includes borrowing costs capitalised during the year amounting to AED 19 m (2022: AED 25 m). The interest on general borrowings for qualifying assets was capitalised using an annual weighted average capitalisation rate of 4.3% (2022: 3.5%).

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 with respect to future aircraft deliveries.

10. 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 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	-	-		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 6(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	-	-		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**

11. 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 2021	**38,562**	**33**	**4,878**	**13**	**43,486**
Additions	-	-	878	-	878
Remeasurements	843	43	(351)	(1)	534
Depreciation charge for the year (Note 6(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**
Additions	-	-	585	-	585
Remeasurements	2,895	5	(30)	-	2,870
Depreciation charge for the year (Note 6(a))	(7,425)	(28)	(975)	(4)	(8,432)
Currency translation differences	-	-	(2)	-	(2)
Net book amount at 31 March 2023	**27,714**	**9**	**4,010**	**3**	**31,736**

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

No depreciation is charged on land amounting to AED 478 m (2022: AED 478 m) as the legal title will be transferred to Emirates upon completion of the lease term.

12. 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 2022	**729**	**5,501**	**2,407**	**282**	**6**	**8,925**
Additions	-	752	150	-	-	902
Disposals	-	(41)	(62)	-	-	(103)
Currency translation differences	(4)	(1)	(2)	-	-	(7)
31 March 2023	**725**	**6,211**	**2,493**	**282**	**6**	**9,717**
Accumulated amortisation and impairment						
1 April 2022	**3**	**1,256**	**1,752**	**208**	**2**	**3,221**
Charge for the year (Note 6(a))	-	732	207	8	1	948
Disposals	-	(39)	(62)	-	-	(101)
Currency translation differences	-	(1)	(2)	-	-	(3)
31 March 2023	**3**	**1,948**	**1,895**	**216**	**3**	**4,065**
Net book amount						
31 March 2023	**722**	**4,263**	**598**	**66**	**3**	**5,652**

Computer software includes an amount of AED 115 m (2022: AED 133 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. 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 9.5% to 16.1% (2022: 6.3% to 8.7%), 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% (2022: 1.5% to 4.5%) 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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12. 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	2023 AED m	2022 AED m
Catering operations	UAE	Catering operations	369	369
Food and beverage	UAE	Others	185	185
Food and beverage	USA	Others	119	119
Food and beverage	Oman	Others	42	42
Food and beverage	South Africa	Others	7	11
			722	**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 2021	**729**	**4,349**	**2,054**	**282**	**6**	**7,420**
Additions	-	1,164	166	-	-	1,330
Transfer from dnata	-	-	198	-	-	198
Disposals	-	(12)	(11)	-	-	(23)
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 6(a))	-	699	208	7	1	915
Transfer from dnata	-	-	174	-	-	174
Disposals	-	(12)	(10)	-	-	(22)
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**

13. Investments in subsidiaries, associates and joint ventures

	Percentage of equity owned	Principal activities	Country of incorporation and principal operations
Material subsidiaries			
Emirates Flight Catering Company LLC	90	In-flight and institutional catering	UAE
Maritime & Mercantile International LLC	68.7	Wholesale and retail of food and beverages	UAE
Emirates Leisure Retail LLC	68.8	Food and beverage operations	UAE
Emirates Leisure Retail (Singapore) Pte Ltd	100	Food and beverage operations	Singapore
Emirates Leisure Retail (Australia) Pty Ltd	100	Food and beverage operations	Australia
Air Ventures LLC	75	Food and beverage operations	USA
Emirates Holidays (UK) Limited	100	Travel services	UK
Emirates Hotel LLC	100	Hotel operations	UAE

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.

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

Movement of investments accounted for using the equity method

	2023 AED m	2022 AED m
Balance brought forward	**693**	**660**
Additions	49	8
Share of results	169	149
Dividends	(157)	(112)
Currency translation differences	22	(12)
Balance carried forward	**776**	**693**

The aggregate financial information of associates is set out below:

	2023 AED m	2022 AED m
Share of results of associates	51	50
Share of total comprehensive income of associates	**51**	**50**
Aggregate carrying value of investments in associates	**47**	**45**

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

	2023 AED m	2022 AED m
Share of results of joint ventures	118	99
Share of total comprehensive income of joint ventures	**118**	**99**
Aggregate carrying value of investments in joint ventures	**729**	**648**

14. Inventories

	2023 AED m	2022 AED m
In-flight consumables	1,199	1,228
Food and beverages	868	595
Engineering	742	391
Others	168	130
	2,977	**2,344**

In-flight consumables include AED 916 m (2022: AED 960 m) relating to items which are not expected to be consumed within twelve months after the reporting period.

15. Trade and other receivables

	2023 AED m	2022 AED m
Trade receivables - net of loss allowance	4,846	4,971
Prepayments	730	586
Related parties (Note 28)	481	452
Lease and other deposits	217	193
Other receivables	1,338	663
	7,612	**6,865**
Less: Receivables over one year	(46)	(32)
	7,566	**6,833**

The carrying amounts of trade, related party and other receivables (including deposits) 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 loss allowance for 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 material as the balances are held with companies holding high credit ratings with no material balances overdue. These receivables are presented net of the loss allowance.

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15. Trade and other receivables (continued)

The loss allowance is determined as follows:

Description	Current	Below 3 months past due	3 - 6 months past due	Above 6 months past due	Total
	AED m	AED m	AED m	AED m	AED m
2023					
Gross carrying amount - trade receivables	4,411	164	65	320	4,960
Expected loss rate	0.3%	0.6%	6%	30%	
Loss allowance	13	1	4	96	114
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

Movement in the loss allowance of trade receivables is as follows:

	2023	2022
	AED m	AED m
Balance brought forward	**109**	**95**
Charge for the year - net (Note 6)	24	29
Amounts written off as uncollectible	(16)	(12)
Currency translation differences	(3)	(3)
Balance carried forward	**114**	**109**

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 29.

16. Short term bank deposits and cash and cash equivalents

	2023 AED m	2022 AED m
Bank deposits	31,827	17,719
Cash and bank	5,525	3,161
Cash and bank balances	**37,352**	**20,880**
Less: Short term bank deposits - with original maturity of more than 3 months	(27,746)	(16,914)
Cash and cash equivalents as per the consolidated statements of financial position and cash flows	**9,606**	**3,966**

Bank deposits earned an effective interest rate of 3.1% (2022: 1.0%).

Cash and bank balances include AED 15,498 m (2022: AED 15,838 m) held with financial institutions under common control.

17. Capital

Capital represents the permanent capital of Emirates.

18. Other reserves

	Capital reserve AED m	Cash flow hedge reserve AED m	Translation reserve AED m	Total AED m
1 April 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**
Net gain on fair value of cash flow hedges	-	984	-	984
Transferred to the consolidated income statement upon settlement	-	(563)	-	(563)
Currency translation differences	-	-	3	3
31 March 2023	**(84)**	**1,029**	**(17)**	**928**

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

	2023 AED m	2022 AED m
Revenue (Transport revenue)	147	(70)
Operating costs (Jet fuel)	349	1,591
Finance costs	67	(165)
Operating costs (Net foreign exchange loss)	-	(2)
	563	**1,354**

19. Borrowings and lease liabilities

	Non-current AED m	Current AED m	Total AED m
2023			
Lease liabilities (Note 19 (a))	25,624	7,622	33,246
Term loans (Note 19 (b))	38,369	8,364	46,733
Bonds (Note 19 (c))	1,091	474	1,565
	65,084	**16,460**	**81,544**
2022			
Lease liabilities (Note 19 (a))	30,147	8,096	38,243
Term loans (Note 19 (b))	46,726	8,894	55,620
Bonds (Note 19 (c))	1,559	823	2,382
	78,432	**17,813**	**96,245**

	2023 AED m	2022 AED m
Borrowings and lease liabilities are denominated in the following currencies:		
US Dollar	69,892	81,446
UAE Dirham	5,453	7,313
Euro	3,644	4,079
Japanese Yen	1,256	1,641
Pound Sterling	1,119	1,550
Others	180	216
	81,544	**96,245**

The effective interest rate on lease liabilities was 5.3% (2022: 5.4%), term loans was 3.5% (2022: 2.3%) and bonds was 4.0% (2022: 4.5%).

19 (a). Lease liabilities

	2023 AED m	2022 AED m
Balance brought forward	**38,243**	**46,553**
Additions	585	798
Interest (Note 7)	1,902	2,280
Remeasurements	2,656	(321)
Waivers	(12)	(267)
Repayments	(9,826)	(10,433)
Currency translation differences	(302)	(367)
Balance carried forward	**33,246**	**38,243**
Gross lease liabilities:		
Within one year	9,205	9,945
Between 2 and 5 years	24,709	26,624
After 5 years	4,093	7,868
	38,007	**44,437**
Future interest	(4,761)	(6,194)
Present value of lease liabilities	**33,246**	**38,243**
The present value of lease liabilities relate to:		
Aircraft	30,645	35,203
Non-aircraft	2,601	3,040
Repayable as follows:		
Within one year (Note 19)	**7,622**	**8,096**
Between 2 and 5 years	21,695	22,735
After 5 years	3,929	7,412
Total over one year (Note 19)	**25,624**	**30,147**

19 (a). Lease liabilities (continued)

	2023 AED m	2022 AED m
The present value of lease liabilities are denominated in the following currencies:		
US Dollar	26,568	30,034
UAE Dirham	2,216	2,636
Euro	1,907	2,166
Japanese Yen	1,256	1,641
Pound Sterling	1,119	1,550
Others	180	216
	33,246	**38,243**

Lease liabilities include AED 1,462 m (2022: 1,983 m) payable to companies under common control on normal commercial terms.

19 (b). Term loans

	2023 AED m	2022 AED m
Balance brought forward	**56,107**	**58,047**
Additions	1,236	9,657
Transfer from trade and other payables	-	633
Interest	1,941	980
Repayments	(12,083)	(13,121)
Currency translation differences	(45)	(89)
Balance carried forward	**47,156**	**56,107**
Less: Transaction costs	(423)	(487)
	46,733	**55,620**
Term loans are repayable as follows:		
Within one year (Note 19)	**8,364**	**8,894**
Between 2 and 5 years	27,070	31,433
After 5 years	11,299	15,293
Total over one year (Note 19)	**38,369**	**46,726**
Term loans are denominated in the following currencies:		
US Dollar	41,759	49,030
UAE Dirham	3,237	4,677
Euro	1,737	1,913
	46,733	**55,620**

19 (b). Term loans (continued)

Contractual repricing dates are set at three to six month intervals. Term loans amounting to AED 40,095 m (2022: AED 46,902 m) are secured on aircraft, plant & equipment and certain receivable balances.

The fair value of the term loans amounts to AED 47,524 m (2022: AED 55,995 m). The fair value is determined by discounting projected cash flows using the interest rate yield curve for the remaining term to maturities and currencies adjusted for credit spread. The fair value of the term loans fall into level 2 of the fair value hierarchy.

Term loans include AED 4,350 m (2022: AED 5,603 m) provided by financial institutions under common control on normal commercial terms.

19 (c). Bonds

	2023 AED m	2022 AED m
Balance brought forward	**2,395**	**3,207**
Transfer from trade and other payables	-	10
Interest	79	111
Repayments	(900)	(933)
Balance carried forward	**1,574**	**2,395**
Less: Transaction costs	(9)	(13)
	1,565	**2,382**
Bonds are repayable as follows:		
Within one year (Note 19)	**474**	**823**
Between 2 and 5 years	1,091	1,353
After 5 years	-	206
Total over one year (Note 19)	**1,091**	**1,559**

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

The fair value of the bonds is AED 1,535 m (2022: AED 2,385 m) based on listed prices and falls into level 1 of the fair value hierarchy.

20. Provisions

	2023 AED m	2022 AED m
Non-current		
Retirement benefit obligations (Note 20 (a))	1,550	1,455
Aircraft return conditions (Note 20 (b))	4,587	4,757
	6,137	**6,212**
Current		
Aircraft return conditions (Note 20 (b))	645	997
	6,782	**7,209**

20 (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 2023 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements. The assessment assumed expected long term salary increase of 4.0% (2022: 3.0%) and a discount rate of 5.0% (2022: 3.5%) per annum. The present values of the defined benefit obligations at 31 March 2023 were computed using the actuarial assumptions set out above.

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

	2023 AED m	**2022** AED m
Funded scheme		
Present value of defined benefit obligations	2,505	2,500
Less: Fair value of plan assets	(2,487)	(2,491)
	18	**9**
Unfunded schemes		
Present value of defined benefit obligations	**1,532**	**1,446**
Provision recognised in the consolidated statement of financial position	**1,550**	**1,455**

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 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, 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 18 m (2022: AED 9 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.

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20 (a). Retirement benefit obligations (continued)

(i) Funded scheme (continued)

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

	2023 AED m	2022 AED m
Balance brought forward	**2,491**	**2,425**
Contributions received	282	190
Benefits paid	(166)	(181)
Change in fair value	(120)	57
Balance carried forward	**2,487**	**2,491**

Contributions received include the transfer of accumulated benefits from unfunded scheme. Emirates expects to contribute approximately AED 291 m for existing plan members during the year ending 31 March 2024.

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 schemes

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 present value of defined benefit obligation is as follows:

	2023 AED m	2022 AED m
Balance brought forward	**1,446**	**1,221**
Current service cost	166	135
Interest cost	52	28
Remeasurement:		
- changes in experience / demographic assumptions	60	85
- changes in financial assumptions	(66)	8
Payments made during the year	(126)	(112)
Transfer from dnata	-	81
Balance carried forward	**1,532**	**1,446**

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

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20 (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 the plans is as follows:

	2023 AED m	2022 AED m
Defined benefit plan		
Funded scheme		
Contributions expensed	257	180
Net change in the present value of defined benefit obligations over plan assets	9	8
	266	**188**
Unfunded schemes		
Current service cost	166	135
Interest cost	52	28
	218	**163**
Defined contribution plans		
Contributions expensed	190	178
Recognised in the consolidated income statement (Note 6 (b))	**674**	**529**

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

Assumptions	**Change**	**Effect on unfunded schemes** AED m
Discount rate	+ 0.5%	(72)
	- 0.5%	70
Expected salary increases	+ 0.5%	71
	- 0.5%	(73)

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 schemes is 9 years (2022: 10 years).

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

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

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

20 (b). Aircraft return conditions

	2023 AED m	2022 AED m
Balance brought forward	**5,754**	**5,759**
Unwinding of discount	278	288
Utilised on return of aircraft & engines	(667)	(579)
Unutilised amounts reversed	(78)	(84)
Remeasurements	(55)	370
Balance carried forward	**5,232**	**5,754**
The provision is expected to be utilised as follows:		
Within one year (Note 20)	**645**	**997**
Over one year (Note 20)	**4,587**	**4,757**

21. Deferred revenue

	2023 AED m	2022 AED m
Passenger and cargo sales in advance (Note 21 (a))	17,888	10,043
Frequent flyer programme (Note 21 (b))	2,412	2,073
Sales in advance from travel services	129	141
	20,429	**12,257**

21 (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.

21 (b). Frequent flyer programme

	2023 AED m	2022 AED m
Balance brought forward	**2,073**	**1,789**
Additions	2,188	1,364
Recognised	(1,849)	(1,080)
Balance carried forward	**2,412**	**2,073**

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.

22. 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:

	2023 AED m	2022 AED m
Deferred tax asset	42	53
Deferred tax liability	-	-
	42	**53**

	2023 AED m	2022 AED m
The movement in deferred taxes are as follows:		
Balance brought forward	**53**	**51**
(Charged) / credited to the consolidated income statement (Note 8)	(6)	4
Currency translation differences	(5)	(2)
Balance carried forward	**42**	**53**

23. Trade and other payables

	2023 AED m	2022 AED m
Trade payables and accruals	16,073	12,969
Related parties (Note 28)	976	910
Dividend payable	3,500	-
	20,549	**13,879**
Less: Payables over one year	(347)	(866)
	20,202	**13,013**

The carrying amount of trade and other payables 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 values of these payables.

24. Guarantees

	2023 AED m	2022 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**922**	**1,008**

Guarantees and letters of credit include AED 124 m (2022: AED 123 m) provided by companies under common control on normal commercial terms.

25. Commitments

Capital commitments

	2023 AED m	2022 AED m
Aircraft (contracted and non-contracted)	143,610	141,556
Non-aircraft	1,315	83
Joint ventures	24	52
	144,949	**141,691**

Aircraft related capital commitments pertain to future deliveries of 200 aircraft as at 31 March 2023 and includes commitments for aircraft spare engines, simulators and retrofits.

Operational commitments

	2023 AED m	2022 AED m
Sales and marketing	**3,155**	**2,710**

26. Derivative financial instruments

	2023		2022	
	Term	AED m	Term	AED m
Cash flow hedge				
Non-current assets				
Jet fuel forwards	2024-2026	421		-
Interest rate swaps	2024-2032	295	2023-2032	223
Currency forwards	2024-2025	1		-
		717		**223**
Current assets				
Jet fuel forwards		22		349
Interest rate swaps		212		12
Currency forwards		131		2
		365		**363**
Cash flow hedge				
Non-current liabilities				
Currency forwards	2024-2025	(1)		-
Interest rate swaps		-	2023-2032	(13)
		(1)		**(13)**
Current liabilities				
Interest rate swaps		-		(34)
Currency forwards		(366)		(1)
		(366)		**(35)**

	2023	2022
Jet fuel forwards		
Change in fair value of outstanding hedging instruments since 1 April (in AED m)	443	1,312
Hedge ratio	1:1	1:1
Weighted average hedged rate (in USD per barrel)	68	53
Interest rate swaps		
Change in fair value of outstanding hedging instruments since 1 April (in AED m)	388	321
Hedge ratio	1:1	1:1
Weighted average hedged rate	1.9%	1.9%
Currency forwards		
Change in fair value of outstanding hedging instruments since 1 April (in AED m)	(175)	1
Hedge ratio	1:1	1:1
Weighted average hedge rates for key currencies (against USD)		
Euro	1.1	1.1
Pound Sterling	1.2	1.3
Australian Dollar	0.7	0.8

The notional principal amounts outstanding are:

	2023	2022
	AED m	AED m
Jet fuel forwards	16,210	314
Interest rate swaps	7,365	8,528
Currency forwards	23,866	1,155

The notional principal amounts outstanding include AED 4,531 m (2022: AED 2,814 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.

27. Classification of financial instruments

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

	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
2023					
Assets					
Derivative financial instruments	-	1,082	-	-	1,082
Trade and other receivables (excluding prepayments)	6,882	-	-	-	6,882
Short term bank deposits	27,746	-	-	-	27,746
Cash and cash equivalents	9,606	-	-	-	9,606
Total	**44,234**	**1,082**	**-**	**-**	**45,316**
Liabilities					
Borrowings and lease liabilities	-	-	-	81,544	81,544
Provision for aircraft return conditions	-	-	-	5,232	5,232
Trade and other payables	-	-	73	20,476	20,549
Derivative financial instruments	-	367	-	-	367
Total	**-**	**367**	**73**	**107,252**	**107,692**

27. Classification of financial instruments (continued)

	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
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**

28. Related party transactions and balances

Emirates transacts with its associates, joint ventures and with companies under common control within the scope of its ordinary business activities. Companies under common control comprise Emirates' parent and its subsidiaries, associates and joint ventures.

Emirates and dnata (a company under common control) share central corporate functions such as information technology, facilities, human resources, finance, 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.

	2023 AED m	2022 AED m
Trading transactions:		
(i) Sale of goods and services		
Sale of goods - Companies under common control	441	247
Sale of goods - Associates	50	40
Sale of goods - Joint ventures	32	68
Services rendered - Companies under common control	305	116
Services rendered - Joint ventures	11	11
Sale of frequent flyer miles - Companies under common control	554	344
	1,393	**826**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	8,804	3,564
Purchase of goods - Associates	138	123
Services received - Companies under common control	2,683	2,066
	11,625	**5,753**

	2023 AED m	2022 AED m
Other transactions:		
(i) Finance income		
Companies under common control (Note 7)	351	103
(ii) Finance cost		
Companies under common control (Note 7)	653	217
(iii) Compensation to key management personnel		
Salaries and short term employee benefits	294	112
Post-employment benefits	14	8
	308	**120**

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.

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28. Related party transactions and balances (continued)

	2023 AED m	2022 AED m
Year end balances		
(i) Receivables - sale of goods and services (Note 15)		
Companies under common control	412	300
Joint ventures	18	74
Associates	8	8
	438	**382**
(ii) Other receivables (Note 15)		
Companies under common control	7	65
Joint ventures	-	1
	7	**66**

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.

	2023 AED m	2022 AED m
(iii) Loans and advances (Note 15)		
Key management personnel	1	4
Joint ventures	35	-
Movements in the loan and advances are as follows:		
Balance brought forward	**4**	**5**
Additions during the year	35	1
Repayments during the year	(3)	(2)
Balance carried forward	**36**	**4**
Receivable within one year	**1**	**1**
Receivable over one year	**35**	**3**

	2023 AED m	2022 AED m
(v) Payables - purchase of goods and services (Note 23)		
Companies under common control	956	845
Associates	8	17
	964	**862**
(vi) Other payables (Note 23)		
Companies under common control	12	48

29. Financial risk management

Financial risk factors

Emirates 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 Emirates’ financial performance.

Emirates' risk management procedures are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information. Emirates regularly reviews its risk management procedures and systems to reflect changes in markets, products and emerging best practice. Emirates uses derivative and non-derivative financial instruments to hedge certain risk exposures.

A risk management programme is carried out under guidelines that are approved by a steering group comprising senior management. Identification, evaluation and hedging of financial risks is done in close cooperation with the operating units. Senior management is also responsible for the review of risk management and the control environment. The various financial risk elements are discussed below:

(i) Credit risk

Emirates is exposed to credit risk, which is the risk that a counterparty will cause a financial loss to Emirates by failing to fulfil its obligation. Emirates’ credit risk mainly arises from deposits with banks and other financial institutions, derivative financial assets held by counterparties, receivables from agents selling commercial air transportation as well as other receivables. Emirates uses external ratings such as 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 2023, approximately 94% (2022: 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:

	2023 AED m	**2022** AED m
AA- to AA+	2,695	358
A- to A+	33,648	20,091
BBB+	402	147
Lower than BBB+	284	16
Unrated	305	235

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.

29. 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 changing economic environment. As of 31 March 2023, the loss allowance for trade and other receivables amounted to AED 114 m (2022: AED 109 m) and has been disclosed under Note 15. The 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 36 months in advance using commodity futures, options and swaps, as and when opportunity arises and depending on the market conditions. Fuel accounted for 36% of Emirates' operating costs during the year (2022: 23%).

Currency risk

Emirates is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates. Exposure arises due to exchange rate fluctuations between the UAE Dirham and other currencies in which Emirates' revenue is earned and costs are incurred. Long term debt obligations are mainly denominated in UAE Dirham or in US Dollar to which the UAE Dirham is pegged. Additionally, some lease liabilities and term loans are denominated in Euro, Pound Sterling and Japanese Yen and provide a natural hedge against revenue inflows in these currencies. Senior management monitors currency positions on a regular basis.

Emirates is in a net deficit position with respect to the US Dollar and UAE Dirham and in a net surplus position for other currencies. Currency surpluses are converted to US Dollar and UAE Dirham funds based on operational requirements. Currency risks arise mainly in Euro, Pound Sterling, Australian Dollar, Japanese Yen 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 periodic basis. Cash and cash equivalents for the current year include AED 481 m (2022: AED 330 m) held in countries where exchange controls and other restrictions apply.

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, lease liabilities 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.

29. Financial risk management (continued)

(ii) Market risk (continued)

Effects of Interest rate benchmark reform

Emirates main IBOR exposure as of 31 March 2023 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.

The following table shows the total contracts that have been migrated to an alternative benchmark (SOFR) and the contracts pending to be migrated as at the reporting date.

	Awaiting migration	Migrated
	AED m	AED m
Borrowings and lease liabilities:		
- USD LIBOR	48,967	3,948
Derivative financial instruments:		
- USD LIBOR	507	-

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.

	2023		2022	
	Effect on profit	Effect on equity	Effect on profit	Effect on equity
	AED m	AED m	AED m	AED m
Jet fuel price risk				
+ USD 1 on price	-	237	-	-
- USD 1 on price	-	(237)	-	-

	2023		2022	
	Effect on profit	Effect on equity	Effect on profit	Effect on equity
	AED m	AED m	AED m	AED m
Currency risk				
Euro				
+ 1%	7	(112)	6	(35)
- 1%	(7)	112	(6)	35
Pound Sterling				
+ 1%	(1)	(68)	1	(14)
- 1%	1	68	(1)	14
Australian Dollar				
+ 1%	(1)	(33)	-	-
- 1%	1	33	-	-
Indian Rupee				
+ 1%	3	23	1	1
- 1%	(3)	(23)	(1)	(1)

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29. Financial risk management (continued)

(ii) Market risk (continued)

	2023		2022	
	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	8	8	9	9
US Dollar	74	4	90	13
	82	**12**	**99**	**22**
+ 25 basis points				
UAE Dirham	(8)	(8)	(9)	(9)
US Dollar	(74)	(37)	(90)	(13)
	(82)	**(45)**	**(99)**	**(22)**
Interest income				
- 25 basis points	(29)	(29)	(12)	(12)
+ 25 basis points	29	29	12	12

(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 cash requirements can be met.
- Maintaining rolling forecasts of Emirates' liquidity position on the basis of expected cashflows
- 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.

Sources of liquidity are regularly reviewed as required by senior management to maintain a diversification by geography, provider, product and term.

29. Financial risk management (continued)

(iii) Liquidity risk (continued)

Summarised in the table is the maturity profile of financial liabilities and 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
2023				
Borrowings and lease liabilities	20,275	57,759	16,271	94,305
Derivative financial instruments (see (a))	366	1	-	367
Provision for aircraft return conditions	663	4,440	1,034	6,137
Trade and other payables	20,202	347	-	20,549
	41,506	**62,547**	**17,305**	**121,358**
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**

(a) Derivate financial instruments include currency forwards that are gross settled, with an expected outflow of AED 15,978 m and inflow of AED 15,623 m.

30. 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. In 2023, Emirates achieved a return on Owner's equity funds of 45.0% (2022: negative return on 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 2023, this ratio is 158.3% (2022: 371.0%).

31. Comparatives

Certain prior year comparatives have been reclassified, where necessary, in order to conform to the current year’s presentation. Such classifications did not result in changes to previously reported total comprehensive income:

a) Note 5: In order to reflect how revenues are monitored, the prior year comparatives for revenue from consumer goods (AED 1,591 m) and food and beverage (AED 458 m) have been combined in the current year as food and beverage revenues. In addition, AED 77 m has been reclassified from revenue from consumer goods to other revenue and AED 333 m has been reclassified from other revenue to travel services.

b) Note 6: The prior year comparatives for facilities and IT related costs of AED 1,889 m have been split out as facilities costs of AED 799 m and information technology costs of AED 1,090 m. In addition, AED 294 m has been reclassified from cost of goods sold to other operating costs.

c) Note 21: The prior year comparatives for passenger and cargo sales in advance have been split to include separate line for sales in advance for travel services of AED 141 m.

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 2023, 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 2023;
- the consolidated statement of comprehensive income for the year ended 31 March 2023;
- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statement of changes in equity for the year ended 31 March 2023;
- the consolidated statement of cash flows for the year ended 31 March 2023; 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.

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF DNATA (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
Impairment of goodwill As at 31 March 2023, the carrying value of goodwill was AED 1,406 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)

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
5 May 2023

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 AED m	2022 AED m
Revenue	5	14,617	8,352
Other operating income		282	208
Operating costs	6	(14,571)	(8,356)
Net loss allowance for trade receivables	14	(13)	(44)
Operating profit		**315**	**160**
Finance income		100	62
Finance costs		(141)	(123)
Share of results of investments accounted for using the equity method	12	120	35
Profit before tax		**394**	**134**
Income tax expense - net	7	(52)	(18)
Profit for the year		**342**	**116**
Profit attributable to non-controlling interests		11	6
Profit attributable to dnata's Owner		**331**	**110**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
Profit for the year	**342**	**116**
Items that will not be reclassified to the consolidated income statement		
Remeasurement of retirement benefit obligations - net of deferred tax	27	(25)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	(12)	-
Items that may be reclassified subsequently to the consolidated income statement		
Currency translation differences	(36)	(49)
Net (loss) / gain on cash flow hedges	(25)	13
Loss on net investment hedge	(1)	(2)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	(2)	4
Other comprehensive income for the year - net of tax	**(49)**	**(59)**
Total comprehensive income for the year	**293**	**57**
Total comprehensive income attributable to non-controlling interests	8	6
Total comprehensive income attributable to dnata's Owner	**285**	**51**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 AED m	2022 AED m
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,683	1,838
Right-of-use assets	9	1,950	2,033
Investment property	10	490	458
Intangible assets	11	1,909	2,002
Investments accounted for using the equity method	12	385	391
Trade and other receivables	14	20	15
Deferred tax assets	21	170	156
		6,607	**6,893**
Current assets			
Inventories	13	278	147
Trade and other receivables	14	2,845	2,838
Current tax assets		5	27
Derivative financial instruments	25	27	21
Short term bank deposits	24	2,895	3,740
Cash and cash equivalents	24	2,233	1,158
		8,283	**7,931**
Total assets		**14,890**	**14,824**

	Note	2023 AED m	2022 AED m
EQUITY AND LIABILITIES			
Capital and reserves			
Capital	15	63	63
Other reserves	16	(402)	(346)
Retained earnings		6,145	6,825
Attributable to dnata's Owner		**5,806**	**6,542**
Non-controlling interests		(52)	(15)
Total equity		**5,754**	**6,527**
Non-current liabilities			
Trade and other payables	17	40	34
Deferred revenue	18	-	107
Borrowings and lease liabilities	20	2,053	2,834
Provisions	19	533	521
Deferred tax liabilities	21	70	82
		2,696	**3,578**
Current liabilities			
Trade and other payables	17	4,252	2,961
Deferred revenue	18	671	686
Borrowings and lease liabilities	20	1,294	949
Derivative financial instruments	25	45	-
Provisions	19	100	102
Current tax liabilities		78	21
		6,440	**4,719**
Total liabilities		**9,136**	**8,297**
Total equity and liabilities		**14,890**	**14,824**

The consolidated financial statements were approved on 5 May 2023 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 2023

		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 2021		**63**	**(312)**	**6,803**	**6,554**	**(19)**	**6,535**
Profit for the year		-	-	110	110	6	116
Other comprehensive income for the year - net of tax		-	(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 in their capacity as 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**
Profit for the year		-	-	331	331	11	342
Other comprehensive income for the year - net of tax		-	(61)	15	(46)	(3)	(49)
Total comprehensive income for the year		**-**	**(61)**	**346**	**285**	**8**	**293**
Dividends		-	-	(1,000)	(1,000)	(43)	(1,043)
Acquired from non-controlling interests		-	1	(22)	(21)	(2)	(23)
Transactions with owners in their capacity as owners		**-**	**1**	**(1,022)**	**(1,021)**	**(45)**	**(1,066)**
Reclassification to other reserves		-	4	(4)	-	-	-
31 March 2023		**63**	**(402)**	**6,145**	**5,806**	**(52)**	**5,754**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 AED m	2022 AED m
Operating activities			
Profit before tax		394	134
Adjustments for:			
Depreciation, amortisation and impairment	6 (b)	908	928
Finance costs - net		41	61
Lease rental waivers	20 (b)	(1)	(23)
Share of results of investments accounted for using the equity method	12	(120)	(35)
Gain on sale of investments accounted for using the equity method		-	(9)
Net gain on disposals / write-offs of property, plant and equipment and intangible assets		(4)	(3)
Net loss allowance for trade receivables	14	13	44
Provision for retirement benefit obligations	6	294	257
Payments of retirement benefit obligations		(273)	(239)
Income tax paid		(25)	(1)
Change in inventories		(134)	(76)
Change in trade and other receivables		(7)	(791)
Change in trade and other payables, deferred revenue and other provisions		332	970
Net cash generated from operating activities		**1,418**	**1,217**

	Note	2023 AED m	2022 AED m
Investing activities			
Additions to property, plant and equipment	8	(227)	(230)
Additions to investment property	10	(84)	(55)
Additions to intangible assets	11	(90)	(85)
Dividends from investments accounted for using the equity method	12	62	10
Proceeds from sale of property, plant and equipment and intangible assets		17	21
Movement in short term bank deposits		845	(10)
Interest received		58	59
Acquisition of subsidiaries, net of cash acquired	29	(35)	-
Settlement of contingent consideration		(13)	-
Investments in associates and joint ventures	12	(2)	-
Related party loans	27	(3)	4
Proceeds from sale of investments accounted for using the equity method		-	40
Net cash generated from / (used in) investing activities		**528**	**(246)**
Financing activities			
Proceeds from term loans	20 (a)	2	181
Repayment of term loans (principal)		(314)	(366)
Principal element of lease payments		(401)	(437)
Interest paid		(133)	(119)
Non-controlling interest acquired		(17)	-
Dividends paid to non-controlling interests		(43)	(4)
Net cash used in financing activities		**(906)**	**(745)**
Net change in cash and cash equivalents		**1,040**	**226**
Cash and cash equivalents at beginning of the year		1,030	816
Effect of exchange rate changes on cash and cash equivalents		(18)	(12)
Cash and cash equivalents at end of the year	24	**2,052**	**1,030**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

dnata comprises dnata and its subsidiaries. dnata was incorporated with limited liability, by 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. 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 certain financial assets and liabilities (including derivative instruments) that are measured at fair value as stated in the accounting policies.

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

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

Effective and adopted in the current year

At the date of authorisation of these consolidated financial statements certain new amendments to existing standards have been published and are mandatory for the current accounting period. These amendments did not have a material impact on the consolidated financial statements and are set out below:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16;
- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Onerous Contracts (Costs of Fulfilling a contract) – Amendments to IAS 37; and
- Annual Improvements to IFRS Standards 2018-2020.

Not yet effective and have not been early adopted

At the date of authorisation of these consolidated financial statements, certain new accounting standards, 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.

2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting

i.) Subsidiaries

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 deconsolidated 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 interests' proportionate share of recognised amounts of subsidiaries' identifiable net assets. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity respectively.

Acquisition-related costs are expensed as incurred.

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 acquirer's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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.

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

If the business combination is achieved in stages, the acquisition date carrying value of dnata's previously held equity interest in the subsidiary is remeasured at fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated income statement.

Inter-company transactions, balances and unrealised gains 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.

ii.) Associates

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.

iii.) Joint ventures

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.

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2. Summary of significant accounting policies (continued)

Basis of consolidation and equity accounting (continued)

iv.) Equity method of accounting

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 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 investee, 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.

v.) Change in ownership interests

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 'Other reserves' within equity attributable to dnata's Owner.

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 of. 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 it's functional currency. dnata's subsidiaries, associates and joint ventures determine their own functional currency related to the primary economic environment in which they operate.

i.) Transactions and balances

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, net investment in foreign operations and qualifying net investment hedges which are deferred in other comprehensive income, are recognised in the consolidated income statement.

ii.) Group companies

For the purposes of consolidation, where functional currencies of subsidiaries (none of which has the currency of hyperinflationary economy) 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. Their assets and liabilities at the reporting date are translated at the closing exchange rates at that date. 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.

2. Summary of significant accounting policies (continued)

Foreign currency translation (continued)

When investments in subsidiaries, associates or joint ventures are disposed , 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 operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

Revenue

i.) Airport operations revenue

Airport operations revenue comprises aircraft and air-cargo related handling services. The transaction price is allocated to each performance obligation based on the relative stand-alone selling price related to each performance obligation. These are recognised as revenue when each performance obligation for the related service is fulfilled and is presented net of discounts and taxes in the consolidated income statement.

ii.) Inflight catering revenue

Inflight catering revenue comprises revenue from sale of inflight meals and food and beverages. Revenue is recognised when the control of goods is transferred to the customer and is stated net of discounts, taxes and returns.

iii.) Travel services

Revenue from travel services includes sale of travel holiday packages and individual travel component bookings. Revenue is recognised on the performance of the related service obligation. Until then, any amounts received are held in the consolidated statement of financial position under current liabilities as 'Deferred revenue'.

Where dnata acts as principal in an 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 or credit for the year comprises current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 generates 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.

2. Summary of significant accounting policies (continued)

Income tax (continued)

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

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 reporting period in which they are incurred.

Depreciation on 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) except for land which is not depreciated.

The estimated useful lives are:

Plant and machinery	4 - 15 years
Buildings	15 - 33 years
Leasehold improvements	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 a qualifying asset are added to the cost of the asset until such time that the asset is ready for its 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 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 avails 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

2. Summary of significant accounting policies (continued)

Leases (continued)

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.

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, SOFR) 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 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.

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'.

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

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

2. Summary of significant accounting policies (continued)

Other intangible assets (continued)

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 (including 'Investments accounted for using the equity method') 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 for possible reversals of historic impairment losses at the end of each reporting period.

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 any loss allowance. 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. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

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. Borrowings are classified as current liabilities unless dnata has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

a.) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the effective interest rate of the financial liability is updated to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

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.

For defined contribution plans, dnata pays fixed contributions and has no further payment obligations once the contributions have been paid. Contributions to the defined contribution plan 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 retirement benefit obligations.

Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in retained earnings 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 or part of a volume of a forecast 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.

Hedge relationships are sometimes rebalanced for the purposes of maintaining a hedge ratio which is consistent with dnata's risk management objectives. Any resulting ineffectiveness upon rebalancing is also recognised in 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 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.

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 goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units or group of cash generating units to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the cash generating unit and use a suitable discount rate in order to calculate present value. The estimates made in arriving at the value-in-use calculation and associated sensitivities are set out in Note 11.

3. Critical accounting estimates and judgements (continued)

Valuation of defined benefit obligations

The present value of the defined benefit obligations is determined on an actuarial basis using various assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and expected salary increases which are reviewed at each reporting date. Due to the complexities involved in the valuation and its long-term nature, defined benefit obligations are sensitive to changes in these assumptions. A sensitivity analysis of changes in defined benefit obligations due to a reasonably possible change in these assumptions 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, 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 comprise forward exchange contracts and fall into level 2 of the fair value hierarchy. Forward exchange contracts are fair valued using forward exchange rates that are quoted in an active market.

The fair values of contingent consideration and the option to acquire non-controlling interests 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

	2023 AED m	2022 AED m
Services		
Airport operations	7,238	5,720
Travel services	2,267	694
Others	316	267
	9,821	**6,681**
Sale of goods		
Inflight catering	4,578	1,536
Others	218	135
	4,796	**1,671**
	14,617	**8,352**

6. Operating costs

	2023 AED m	2022 AED m
Employee (see (a))	5,898	3,964
Other direct costs:		
- Inflight catering	2,878	742
- Travel services	1,666	367
- Airport operations	1,340	1,012
Depreciation, amortisation and impairment (see (b))	908	879
Facilities	503	368
Information technology	312	276
Sales and marketing	154	87
Corporate overheads	912	661
	14,571	**8,356**

(a) Employee costs include AED 294 m (2022: AED 257 m) in respect of retirement benefit obligations (Note 19 (a)). Employee cost support of AED 24 m (2022: AED 366 m) related to the COVID-19 pandemic received from various governments has been offset against the cost.

(b) Depreciation, amortisation and impairment include:

	2023 AED m	2022 AED m
Depreciation of:		
- Right-of-use assets (Note 9)	415	396
- Property, plant and equipment (Note 8)	277	339
- Investment property (Note 10)	17	17
Amortisation of intangible assets (Note 11)	113	127
Impairment on:		
- Property, plant and equipment (Note 8)	43	-
- Intangible assets (Note 11)	43	-
	908	**879**

Depreciation and amortisation of AED 49 m is included under Information technology costs in the prior year.

(c) Operating costs include expenses related to short term leases of AED 165 m (2022: AED 115 m), low value leases of AED 8 m (2022: AED 15 m) and non-index based variable lease payments of AED 48 m (2022: AED 7 m).

7. Income taxes

	2023 AED m	2022 AED m
Current tax expense	89	1
Deferred tax (credit) / charge (Note 21)	(37)	17
	52	**18**
The income tax for the year can be reconciled to the accounting profit before tax as follows:		
Profit before tax	394	134
Tax calculated at domestic tax rates applicable in respective tax jurisdictions	**(172)**	**(203)**
Effect of tax losses for which no deferred tax asset has been recognised	160	244
Effect of non-deductible expenses	14	7
Recognition of previously unrecognised deferred tax assets	(9)	-
De-recognition of previously recognised deferred tax assets	-	33
Effect of income exempt from tax	(4)	(58)
Re-measurement of deferred tax - effects of changes in tax rate	(3)	-
Effect of adjustments for current tax of prior periods	71	-
Effect of other items	(5)	(5)
Income tax expense - net	**52**	**18**

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current taxes will only be payable for financial years beginning on or after 1 June 2023 so dnata will be subject to current tax for the first time during the year ending 31 March 2025. However, enactment of the legislation requires dnata to record deferred taxes in certain circumstances using the enacted rate of 9%. The deferred tax impact as at 31 March 2023 is considered immaterial to the consolidated financial statements based on management's impact assessment. The impact of any future changes in the enacted law will be accounted for when such changes are substantively enacted or enacted.

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8. Property, plant and equipment

	Plant and machinery AED m	Land, buildings and leasehold improvements AED m	Office equipment and furniture AED m	Motor vehicles AED m	Capital projects AED m	Total AED m
Cost						
1 April 2022	**2,299**	**1,608**	**622**	**177**	**100**	**4,806**
Acquisition (Note 29)	-	-	5	-	-	5
Additions	78	17	42	8	82	227
Transfer from capital projects	31	20	10	1	(62)	-
Disposals / write-offs	(53)	(5)	(27)	(5)	-	(90)
Currency translation differences	(68)	(53)	(17)	(2)	(5)	(145)
31 March 2023	**2,287**	**1,587**	**635**	**179**	**115**	**4,803**
Accumulated depreciation and impairment						
1 April 2022	**1,538**	**798**	**504**	**128**	**-**	**2,968**
Acquisition (Note 29)	-	-	2	-	-	2
Charge for the year (Note 6(b))	159	64	42	12	-	277
Impairment loss (Note 6(b))	-	43	-	-	-	43
Disposals / write-offs	(51)	(3)	(27)	(4)	-	(85)
Currency translation differences	(39)	(29)	(15)	(2)	-	(85)
31 March 2023	**1,607**	**873**	**506**	**134**	**-**	**3,120**
Net book amount at 31 March 2023	**680**	**714**	**129**	**45**	**115**	**1,683**

Land of AED 19 m (2022: AED 21 m) is carried at cost and is not depreciated.

Impairment loss of AED 43 m (2022: Nil) relating to leasehold improvements in one of dnata's subsidiary has been recognised due to significant deterioration in its business performance.

8. Property, plant and equipment (continued)

	Plant and machinery AED m	Land, buildings and leasehold improvements 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	-	-	(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 and impairment						
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	-	-	(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**

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 2021	**1,837**	**186**	**1**	**2,024**
Additions	328	24	8	360
Remeasurements	85	4	-	89
Depreciation charge for the year (Note 6(b))	(346)	(48)	(2)	(396)
Currency translation differences	(42)	(2)	-	(44)
Net book amount at 31 March 2022	**1,862**	**164**	**7**	**2,033**
Acquisition (Note 29)	21	-	-	21
Additions	279	66	8	353
Remeasurements	21	(19)	22	24
Depreciation charge for the year (Note 6(b))	(361)	(45)	(9)	(415)
Currency translation differences	(57)	(8)	(1)	(66)
Net book amount at 31 March 2023	**1,765**	**158**	**27**	**1,950**

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 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(b))	-	17	17
31 March 2022	**-**	**108**	**108**
Net book amount at 31 March 2022	**146**	**312**	**458**
Cost			
1 April 2022	**146**	**420**	**566**
Additions	-	84	84
Transfers	(9)	9	-
Derecognition	-	(52)	(52)
31 March 2023	**137**	**461**	**598**
Accumulated depreciation			
1 April 2022	**-**	**108**	**108**
Charge for the year (Note 6(b))	-	17	17
Derecognition	-	(17)	(17)
31 March 2023	**-**	**108**	**108**
Net book amount at 31 March 2023	**137**	**353**	**490**

Buildings include an amount of AED 123 m (2022: AED 33 m) in respect of projects under construction.

Investment property comprises rental properties in Dubai, leased to one of dnata's joint venture. The fair value of investment property as at 31 March 2023 is AED 560 m (2022: AED 608 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 future lease rentals at a discount rate of 11% (2022: 6%). 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 48 m (2022: AED 53 m) is recognised in the consolidated income statement as revenue from 'Services - Others'.

11. Intangible assets

	Goodwill	Computer software	Customer relationships	Contractual rights	Trade names	Total
	AED m	AED m	AED m	AED m	AED m	AED m
Cost						
1 April 2021	**2,325**	**852**	**697**	**680**	**137**	**4,691**
Additions	-	85	-	-	-	85
Disposals / write-offs	-	(15)	-	-	-	(15)
Transfer to Emirates	-	(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 off	-	(15)	-	-	-	(15)
Currency translation differences	(19)	(9)	(6)	(6)	(5)	(45)
Transfer to Emirates	-	(174)	-	-	-	(174)
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**
Cost						
1 April 2022	**2,279**	**710**	**689**	**673**	**131**	**4,482**
Acquisition (Note 29)	15	-	15	11	-	41
Additions	-	90	-	-	-	90
Disposals / write-offs	-	(8)	-	(1)	-	(9)
Currency translation differences	(77)	4	(18)	18	(7)	(80)
31 March 2023	**2,217**	**796**	**686**	**701**	**124**	**4,524**
Accumulated amortisation and impairment						
1 April 2022	**832**	**454**	**437**	**659**	**98**	**2,480**
Charge for the year (Note 6(b))	-	56	48	1	8	113
Impairment loss (Note 6(b))	4	17	4	15	3	43
Disposals / write-offs	-	(1)	-	-	-	(1)
Currency translation differences	(25)	3	(11)	18	(5)	(20)
31 March 2023	**811**	**529**	**478**	**693**	**104**	**2,615**
Net book amount at 31 March 2023	**1,406**	**267**	**208**	**8**	**20**	**1,909**

Computer software includes an amount of AED 74 m (2022: AED 113 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 2023	Goodwill 2022	Discount rate	Terminal growth rate
		AED m	AED m	%	%
Airport operations	USA	308	308	9.5	2.0
Airport operations	Switzerland	145	143	9.6	2.5
Airport operations	Singapore	94	92	10.0	2.0
Airport operations	Netherlands	58	59	10.5	1.5
Inflight catering	Australia	300	334	10.0	1.5
Inflight catering	Italy	67	70	11.5	1.5
Inflight catering	Romania	47	48	12.5	1.5
Travel services - B2C	UK	155	168	12.2	1.5
Travel services - B2B	UK	120	128	12.2	1.5
Others	Various	112	97	10.0 - 16.0	1.5 - 2.0
		1,406	**1,447**		

Goodwill pertaining to Airport Operations, USA includes AED 300 m (2022: AED 300 m) for Ground Services International Inc. & Metro Air Service Inc. and AED 8 m (2022: 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.

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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	100	Ground handling services	Brazil
Dnata for Airport Services Ltd	75	Ground and cargo handling services	Iraq
Dubai Express LLC	100	Freight clearing and forwarding	United Arab Emirates
Freightworks Logistics LLC	100	Freight clearing and forwarding	United Arab Emirates
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
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

	2023 AED m	2022 AED m
Balance brought forward	**391**	**455**
Additions	2	-
Share of results	120	35
Share of other comprehensive income - net of deferred tax	(14)	4
Share of other changes in equity	-	(61)
Dividends	(62)	(10)
Disposal	-	(31)
Other movements	(44)	-
Currency translation differences	(8)	(1)
Balance carried forward	**385**	**391**

The aggregate financial information of associates is set out below:

	2023 AED m	2022 AED m
Share of results of associates	1	8
Share of other comprehensive income - net of deferred tax	1	-
Share of total comprehensive income of associates	**2**	**8**
Aggregate carrying value of investments in associates	**29**	**37**

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

	2023 AED m	2022 AED m
Share of results of joint ventures	119	27
Share of other comprehensive income - net of deferred tax	(15)	4
Share of total comprehensive income of joint ventures	**104**	**31**
Aggregate carrying value of investments in joint ventures	**356**	**354**

13. Inventories

	2023 AED m	2022 AED m
Food and beverages	252	117
Spares and consumables	21	24
Others	5	6
	278	**147**

14. Trade and other receivables

	2023 AED m	2022 AED m
Trade receivables - net of loss allowance	1,664	1,692
Prepayments	492	516
Deposits and other receivables	371	352
Related parties (Note 27)	338	293
	2,865	**2,853**
Less: Receivables over one year	(20)	(15)
	2,845	**2,838**

The carrying amounts of trade, related party and other receivables (including deposits) 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.

dnata uses the lifetime expected loss allowance to measure the expected credit losses on its trade receivables. The loss allowance 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 loss allowance 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 material as the balances are held with companies holding high credit ratings with no material balances overdue. These receivables are presented net of loss allowance.

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
2023					
Gross carrying amount - trade receivables	838	701	76	160	**1,775**
Expected loss rate	1%	1%	2%	59%	
Loss allowance	8	7	2	94	**111**
2022					
Gross carrying amount - trade receivables	681	556	168	472	**1,877**
Expected loss rate	1%	1%	2%	36%	
Loss allowance	7	6	3	169	**185**

Movement in the loss allowance of trade receivables is as follows:

	2023 AED m	2022 AED m
Balance brought forward	**185**	**307**
Charge for the year - net	13	44
Amounts written off as uncollectible	(79)	(164)
Currency translation differences	(8)	(2)
Balance carried forward	**111**	**185**

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.

15. Capital

Capital represents the permanent capital of dnata.

16. Other reserves

	Capital reserve AED m	Translation reserve AED m	Cash flow hedge reserve AED m	Others AED m	Total AED m
1 April 2021	**(70)**	**(241)**	**(4)**	**3**	**(312)**
Loss on net investment hedge (Note 20 (a))	-	(2)	-	-	(2)
Net gain on fair value of 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)**	**13**	**3**	**(346)**
Loss on net investment hedge (Note 20 (a))	-	(1)	-	-	(1)
Net gain on fair value of cash flow hedges	-	-	48	-	48
Transferred to the consolidated income statement upon settlement	-	-	(73)	-	(73)
Share of other comprehensive income of investments accounted for using the equity method - net of deferred tax	-	-	(2)	-	(2)
Currency translation differences	-	(33)	-	-	(33)
Recognised in other comprehensive income	**-**	**(34)**	**(27)**	**-**	**(61)**
Transferred from retained earnings	-	-	-	4	4
Acquired from non-controlling interests	1	-	-	-	1
31 March 2023	**(69)**	**(326)**	**(14)**	**7**	**(402)**

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

The amounts transferred to the consolidated income statement upon settlement amounting to AED 73 m have been credited to other operating income (2022: AED 12 m have been credited to corporate overheads).

17. Trade and other payables

	2023 AED m	2022 AED m
Trade payables and accruals	3,023	2,711
Dividend payable	1,000	-
Related parties (Note 27)	229	250
Other payables	40	34
	4,292	**2,995**
Less: Payables over one year	(40)	(34)
	4,252	**2,961**

The carrying amounts of trade and other payables 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 values of these payables.

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:

	2023 AED m	2022 AED m
Balance brought forward	**49**	**73**
Acquisition (Note 29)	2	-
Interest charge	1	2
Payments	(15)	(2)
Remeasurement gain	(11)	(22)
Currency translation differences	(1)	(2)
Balance carried forward	**25**	**49**

18. Deferred revenue

	2023 AED m	2022 AED m
Sales in advance from travel services	668	678
Lease rentals received in advance	3	115
	671	**793**
The deferred revenue is expected to be recognised as follows:		
Within one year	**671**	**686**
Over one year	**-**	**107**

Revenue recognised during the year includes AED 686 m which was included in 'Deferred revenue' as at 31 March 2022.

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

19. Provisions

	2023 AED m	2022 AED m
Non-current		
Retirement benefit obligations (Note 19 (a))	434	447
Other provisions (Note 19 (b))	99	74
	533	**521**
Current		
Other provisions (Note 19 (b))	100	102
	100	**102**
	633	**623**

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 2023 in respect of retirement benefit obligations under relevant local regulations and contractual arrangements.

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

	2023 AED m	2022 AED m
Funded schemes		
Present value of defined benefit obligations	507	712
Less: Fair value of plan assets	(456)	(639)
	51	**73**
Unfunded schemes		
Present value of defined benefit obligations	**383**	**374**
Provision recognised in consolidated statement of financial position	**434**	**447**

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:

	2023 AED m	2022 AED m
Present value of funded defined benefit obligations	62	132
Less: Fair value of plan assets	(61)	(131)
	1	**1**

The assessment of the present value of defined benefit obligations assumed expected long term salary increase of 4.0% (2022: 3.0%) and a discount rate of 5.0% (2022: 3.5%) per annum. The present values of the defined benefit obligations at 31 March 2023 were computed using the actuarial assumptions set out above. These assumptions are also applicable for the unfunded schemes.

19 (a). Retirement benefit obligations (continued)

The liability of AED 1 m (2022: 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:

	2023 AED m	2022 AED m
Balance brought forward	**131**	**144**
Contributions received	10	16
Change in fair value	(69)	-
Benefits paid	(11)	(29)
Balance carried forward	**61**	**131**

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:

	2023 AED m	2022 AED m
Present value of funded defined benefit obligations	241	267
Less: Fair value of plan assets	(214)	(226)
	27	**41**

The actuarial valuation for the Swiss plan included assumptions relating to the discount rate of 2.3% (2022: 0.4%) and expected salary increase of 1.5% (2022: 1.0%) per annum.

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

	2023 AED m	2022 AED m
Balance brought forward	**267**	**266**
Current service cost	14	17
Interest cost	2	1
Remeasurement gain	(43)	(15)
Employee contributions	9	8
Benefits paid	(10)	(15)
Currency translation differences	2	5
Balance carried forward	**241**	**267**

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

	2023 AED m	2022 AED m
Balance brought forward	**226**	**197**
Interest income	2	-
Remeasurement - return on plan assets, excluding amounts included in interest income	(26)	20
Employer contributions	11	11
Employee contributions	9	8
Benefits paid	(10)	(15)
Currency translation differences	2	5
Balance carried forward	**214**	**226**

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:

	2023 AED m	2022 AED m
Present value of funded defined benefit obligations	204	313
Less: Fair value of plan assets	(181)	(282)
	23	**31**

The actuarial valuation for the Netherlands plan included an assumption relating to the discount rate of 3.7% (2022: 1.2%) per annum.

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

	2023 AED m	2022 AED m
Balance brought forward	**313**	**359**
Interest cost	4	4
Remeasurement gain	(96)	(25)
Benefits paid	(7)	(8)
Currency translation differences	(10)	(17)
Balance carried forward	**204**	**313**

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

	2023 AED m	2022 AED m
Balance brought forward	**282**	**324**
Interest income	4	3
Remeasurement - return on plan assets, excluding amounts included in interest income	(89)	(23)
Employer contributions	1	1
Benefits paid	(7)	(8)
Currency translation differences	(10)	(15)
Balance carried forward	**181**	**282**

dnata expects to contribute, in respect of existing plan members of all its funded schemes, approximately AED 20 m during the year ending 31 March 2024.

Unfunded schemes

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:

	2023 AED m	2022 AED m
Balance brought forward	**374**	**386**
Current service cost	31	39
Interest cost	14	9
Remeasurement:		
- changes in experience / demographic assumptions	9	48
- changes in financial assumptions	(16)	8
Benefits paid	(26)	(38)
Transfer to Emirates	-	(81)
Currency translation differences	(3)	3
Balance carried forward	**383**	**374**

Payments made during the year include transfer of accumulated benefits to dnata parent'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:

	2023 AED m	2022 AED m
Defined benefit plans		
Funded schemes		
Contributions expensed	24	35
	24	**35**
Unfunded schemes		
Current service cost	31	39
Interest cost	14	9
	45	**48**
Defined contribution plans		
Contributions expensed	**225**	**174**
Recognised in the consolidated income statement (Note 6(a))	**294**	**257**

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%	**(28)**	**(15)**
	- 0.5%	**32**	**16**
Expected salary increases	+ 0.5%	**3**	**17**
	- 0.5%	**(2)**	**(15)**

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

	2023 Years	2022 Years
Funded scheme - Swiss plan	**14.5**	17.5
Funded scheme - Netherlands plan	**14.2**	18.0
Unfunded schemes	**9.1**	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

	2023 AED m	2022 AED m
Balance brought forward	**176**	**226**
Acquisition (Note 29)	2	-
Charge for the year	56	35
Utilised during the year	(17)	(13)
Unutilised amounts reversed	(9)	(13)
Reclassification	-	(60)
Currency translation differences	(9)	1
Balance carried forward	**199**	**176**

Provisions are expected to be used as follows:

	2023 AED m	2022 AED m
Within one year (Note 19)	100	102
Over one year (Note 19)	99	74
	199	**176**

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

20. Borrowings and lease liabilities

2023	Non-current AED m	Current AED m	Total AED m
Term loans (Note 20 (a))	253	696	949
Lease liabilities (Note 20 (b))	1,800	417	2,217
Bank overdrafts (Note 24)	-	181	181
	2,053	**1,294**	**3,347**

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**

Borrowings and lease liabilities are denominated in the following currencies:

	2023 AED m	2022 AED m
Pound Sterling	958	1,030
Australian Dollar	735	877
US Dollar	704	765
UAE Dirham	366	497
Euro	199	231
Swiss Franc	171	155
Singapore Dollar	152	159
Others	62	69
	3,347	**3,783**

20 (a). Term loans

	2023 AED m	2022 AED m
Balance brought forward	**1,313**	**1,517**
Additions	2	181
Interest (see below)	39	-
Repayments	(353)	(366)
Currency translation differences	(52)	(19)
	949	**1,313**
Less: Transaction costs	-	(1)
Balance carried forward	**949**	**1,312**
Term loans are repayable as follows:		
Within one year	**696**	**374**
Between 2 and 5 years	250	935
After 5 years	3	3
Total over one year	**253**	**938**
Term loans are denominated in the following currencies:		
US Dollar	320	446
Australian Dollar	282	348
Pound Sterling	135	249
Swiss Franc	101	113
Singapore Dollar	51	50
Euro	43	53
Others	17	53
	949	**1,312**

Contractual repricing dates are set at three to six month intervals. The effective interest rate on the term loans was 3.2% (2022: 1.5%). 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 by dnata Aviation Services Limited 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 1 m (2022: loss of AED 2 m), recognised in the translation reserve through other comprehensive income.

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

20 (b). Lease liabilities

	2023 AED m	2022 AED m
Balance brought forward	**2,343**	**2,398**
Acquisition (Note 29)	21	-
Additions	353	360
Interest	83	86
Repayments	(476)	(518)
Remeasurements	24	89
Waivers (see note below)	(1)	(23)
Currency translation differences	(130)	(49)
Balance carried forward	**2,217**	**2,343**
Gross lease liabilities:		
Within one year	476	520
Between 2 and 5 years	1,180	1,242
After 5 years	836	904
	2,492	**2,666**
Future interest	(275)	(323)
Present value of lease liabilities	**2,217**	**2,343**
The present value of lease liabilities is repayable as follows:		
Within one year	**417**	**447**
Between 2 and 5 years	1,018	1,060
After 5 years	782	836
Total over one year	**1,800**	**1,896**
The present value of lease liabilities is denominated in the following currencies:		
Pound Sterling	735	731
Australian Dollar	406	477
US Dollar	384	319
UAE Dirham	366	463
Euro	146	170
Singapore Dollar	101	109
Swiss Franc	34	24
Others	45	50
	2,217	**2,343**

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

The effective interest rate on lease liabilities was 3.7% (2022: 3.6%).

21. Deferred taxes

	2023 AED m	2022 AED m
Deferred tax assets	170	156
Deferred tax liabilities	(70)	(82)
	100	**74**
Movements in the deferred tax account are as follows:		
Balance brought forward	**74**	**101**
Acquisition (Note 29)	(8)	-
Credited / (charged) to the consolidated income statement (Note 7)	37	(17)
Charged to the consolidated statement of comprehensive income	(4)	(6)
Currency translation differences	2	(4)
Others	(1)	-
Balance carried forward	**100**	**74**

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 2021	**40**	**111**	**27**	**73**	**251**		
Credited / (charged) 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**
Credited / (charged) to the consolidated income statement	20	5	(10)	(4)	11		
Charged to the consolidated statement of comprehensive income	-	(4)	-	-	(4)		
Currency translation differences	(1)	-	-	-	(1)		
Others	-	(1)	-	-	(1)		
31 March 2023	**68**	**69**	**10**	**69**	**216**	**(46)**	**170**

Deferred tax assets amounting to AED 616 m (2022: AED 501 m) have not been recognised in respect of carried forward tax losses.

21. Deferred taxes (continued)

Deferred tax liabilities

	Property, plant and equipment	**Intangible assets**	**Others**	**Total**	**Offset**	**Net**
	AED m	AED m	AED m	AED m	AED m	AED m
1 April 2021	**(70)**	**(80)**	**-**	**(150)**		
Credited / (charged) 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)**
Acquisition (Note 29)	-	(8)	-	(8)		
Credited to the consolidated income statement	6	20	-	26		
Currency translation differences	-	3	-	3		
31 March 2023	**(67)**	**(48)**	**(1)**	**(116)**	**46**	**(70)**

22. Capital commitments

	2023 AED m	2022 AED m
dnata	193	218
Joint ventures	19	6
	212	**224**

23. Guarantees

	2023 AED m	2022 AED m
Guarantees and letters of credit provided by banks in the normal course of business	**219**	**239**

Guarantees and letters of credit include AED 47 m (2022: AED 45 m) provided by companies under common control on normal commercial terms.

24. Short term bank deposits, cash and cash equivalents

	2023 AED m	2022 AED m
Bank deposits	3,644	3,809
Cash and bank	1,484	1,089
Cash and bank balances	**5,128**	**4,898**
Less: Short term bank deposits - with original maturity of more than 3 months	(2,895)	(3,740)
Cash and cash equivalents as per the consolidated statement of financial position	**2,233**	**1,158**
Bank overdrafts (Note 20)	(181)	(128)
Cash and cash equivalents as per the consolidated statement of cash flows	**2,052**	**1,030**

Bank deposits earned an effective interest rate of 2.8% (2022: 1.6%).

Cash and bank balances include AED 2,452 m (2022: AED 2,574 m) held with financial institutions under common control.

Cash and cash equivalents at the reporting date includes AED 118 m (2022: AED 92 m) pertaining to certain travel services related cash deposits which have restrictions governing their use and are held in a trust account till the provision of travel services or settlement of certain supplier obligations.

25. Derivative financial instruments

	2023 AED m	2022 AED m
Current assets		
Currency forwards	27	21
	27	**21**
Current liabilities		
Currency forwards	45	-
	45	**-**

The notional principal amounts outstanding are:

	2023 AED m	2022 AED m
Currency forwards	2,866	561

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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
2023					
Assets					
Derivative financial instruments	-	27	-	-	27
Trade and other receivables (excluding prepayments)	2,373	-	-	-	2,373
Short term bank deposits	2,895	-	-	-	2,895
Cash and cash equivalents	2,233	-	-	-	2,233
Total	**7,501**	**27**	**-**	**-**	**7,528**
Liabilities					
Borrowings and lease liabilities	-	-	-	3,347	3,347
Other provisions	-	-	-	199	199
Trade and other payables	-	-	25	4,267	4,292
Derivative financial instruments	-	45	-	-	45
Total	**-**	**45**	**25**	**7,813**	**7,883**
2022					
Assets					
Derivative financial instruments	-	21	-	-	21
Trade and other receivables (excluding prepayments)	2,337	-	-	-	2,337
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**

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27. Related party transactions and balances

dnata transacts with its associates, joint ventures and with companies under common control within the scope of its ordinary business activities. Companies under common control comprise dnata's parent and its subsidiaries, associates and joint ventures.

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.

	2023 AED m	2022 AED m
Trading transactions		
(i) Sale of goods and services		
Sale of goods - Companies under common control	583	193
Services rendered - Companies under common control	1,910	1,428
Services rendered - Joint ventures	54	62
Services rendered - Associates	15	13
	2,562	**1,696**
(ii) Purchase of goods and services		
Purchase of goods - Companies under common control	194	61
Services received - Companies under common control	215	74
Services received - Joint ventures	180	60
Purchase of goods - Associates	1	1
	590	**196**
Other transactions		
(i) Finance income		
Companies under common control	63	38
	63	**38**
(ii) Compensation to key management personnel		
Salaries and short-term employee benefits	37	23
Post employment benefits	3	2
	40	**25**

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.

	2023 AED m	2022 AED m
Year end balances		
(i) Receivables-sale of goods and services (Note 14)		
Companies under common control	268	236
Joint ventures	22	10
Associates	28	27
	318	**273**
(ii) Loans - receivables (Note 14)		
Joint ventures	5	2
	5	**2**
Movements in the loans were as follows:		
Balance brought forward	**2**	**6**
Additions	3	-
Repayments	-	(4)
Balance carried forward	**5**	**2**
Receivable within one year	**5**	**-**
Receivable over one year	**-**	**2**
(iii) Other receivables (Note 14)		
Companies under common control	**15**	**18**
(iv) Payables-purchase of goods and services (Note 17)		
Companies under common control	220	202
Joint ventures	1	4
	221	**206**
(v) Other payables (Note 17)		
Companies under common control	**8**	**44**

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 2023, approximately 85% (2022: 84%) 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:

	2023	**2022**
	AED m	AED m
AA- to AA+	119	89
A- to A+	4,307	4,670
BBB+	371	3
Lower than BBB+	315	121
Unrated	12	7

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 changing economic environment. As of 31 March 2023, the loss allowance for impairment of trade receivables amounted to AED 111 m (2022: AED 185 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.

28. Financial risk management (continued)

(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.

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 SONIA for Pound Sterling, BBSY for Australian Dollar, USD LIBOR for US Dollar, EURIBOR for Euro, SIBOR for Singapore Dollar and SARON 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

dnata's main IBOR exposure as of 31 March 2023 is indexed to USD LIBOR amounting to AED 276 m. A committee has been setup which monitors and manages the smooth transition to alternative benchmark rate and periodically reports to the senior management on the progress.

28. Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that dnata is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

dnata's liquidity management process as monitored by senior management, includes the following:

- Day to day funding is managed by monitoring future cash flows to ensure that cash requirements can be met.
- Maintaining rolling forecasts of dnata's liquidity position on the basis of expected cashflows.
- Monitoring and optimising 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.

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 and 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
2023				
Borrowings and lease liabilities	1,385	1,436	839	3,660
Derivative financial instruments	45	-	-	45
Trade and other payables	4,255	41	-	4,296
Other provisions	100	36	64	200
	5,785	**1,513**	**903**	**8,201**
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**

29. Acquisition

dnata Aviation Services GmbH

On 31 May 2022, dnata acquired a 100% shareholding in the WISSKIRCHEN group (providing cargo handling services) through its wholly owned subsidiary, dnata Aviation Services GmbH.

WISSKIRCHEN group consists of WISSKIRCHEN Handling Services GmbH (renamed as "dnata Cargo GmbH"), WISSKIRCHEN Aviation Services GmbH (renamed as "dnata Air Services GmbH") and Aviation Security Cologne GmbH (renamed as "dnata Security GmbH").

The assets and the liabilities arising from and recognised on this acquisition are as follows:

Description	AED m
Property, plant and equipment (Note 8)	3
Right-of-use assets (Note 9)	21
Intangible assets (Note 11)	26
Other current assets	10
Cash and cash equivalents	5
Lease liabilities (Note 20 (b))	(21)
Current liabilities	(7)
Provisions (Note 19 (b))	(2)
Deferred tax liabilities (Note 21)	(8)
Fair value of net assets acquired	**27**
Goodwill (Note 11)	15
Total purchase consideration	**42**
Less: Cash and cash equivalents acquired	(5)
Less: Contingent consideration (Note 17)	(2)
Cash outflow on acquisition	**35**

Goodwill is attributable to the expected synergies, revenue growth and future market development of the acquired business.

The financial effect of the acquired business is set out below:

Description	AED m
Contribution from acquired business	
Revenue from acquisition date to 31 March 2023	25
Loss from acquisition date to 31 March 2023	(8)
If the acquisition had taken place at the beginning of the year	
Revenue	38
Loss	(11)

30. 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 2023, dnata achieved a positive return on Owners equity of 5.4% (2022: 1.7%).

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Consolidated income statement		**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Revenue and other operating income	AED m	107,356	59,180	30,927	91,972	97,907	92,322	85,083	85,044	88,819	82,636
Operating costs	AED m	93,479	59,618	45,948	85,564	95,260	88,236	82,648	76,714	82,926	78,376
- of which jet fuel	AED m	33,664	13,855	6,398	26,260	30,768	24,715	20,968	19,731	28,690	30,685
- of which depreciation, amortisation and impairment	AED m	19,389	18,166	19,665	19,444	9,680	9,193	8,304	8,000	7,446	6,421
- of which employee costs	AED m	13,579	8,441	7,830	12,058	12,623	13,080	12,864	12,452	11,851	10,230
Operating profit / (loss)	AED m	13,877	(438)	(15,021)	6,408	2,647	4,086	2,435	8,330	5,893	4,260
Profit / (loss) attributable to the Owner	AED m	10,581	(3,917)	(20,279)	1,056	871	2,796	1,250	7,125	4,555	3,254
Consolidated statement of financial position											
Non-current assets	AED m	109,428	119,564	128,886	144,357	96,483	93,417	93,722	87,752	83,627	74,250
Current assets	AED m	48,260	30,420	22,891	27,705	30,915	34,170	27,836	31,427	27,735	27,354
- of which cash assets	AED m	37,352	20,880	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561
Total assets	AED m	157,688	149,984	151,777	172,062	127,398	127,587	121,558	119,179	111,362	101,604
Total equity	AED m	27,919	20,313	20,147	23,587	37,743	37,046	35,094	32,405	28,286	25,471
- of which equity attributable to the Owner	AED m	27,244	19,733	19,597	22,978	37,149	36,454	34,508	31,909	27,886	25,176
Non-current liabilities	AED m	71,569	85,523	95,925	99,583	52,190	49,975	48,082	48,250	48,595	43,705
Current liabilities	AED m	58,200	44,148	35,705	48,892	37,465	40,566	38,382	38,524	34,481	32,428
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	44,283	24,425	(4,454)	22,798	10,528	14,134	10,425	14,105	13,265	12,649
Cash flow from investing activities	AED m	(17,018)	(13,105)	(2,644)	(10,231)	(1,360)	(10,977)	(3,129)	(2,361)	(6,411)	(4,257)
Cash flow from financing activities	AED m	(21,607)	(11,386)	2,902	(9,366)	(9,807)	(6,442)	(10,502)	(7,975)	(6,264)	(7,107)
Net change in cash and cash equivalents	AED m	5,658	(66)	(4,196)	3,201	(639)	(3,285)	(3,206)	3,769	590	1,285
Other financial data											
Net change in cash assets	AED m	16,472	5,772	(5,141)	3,212	(3,383)	4,752	(4,320)	3,103	324	(8,011)
EBITDA	AED m	33,266	17,728	4,644	25,852	23,977	24,970	21,248	24,415	20,259	17,229
Borrowings and lease liabilities	AED m	81,544	96,245	107,576	110,157	53,039	51,101	51,002	50,105	47,808	42,431
Less: Cash assets	AED m	37,352	20,880	15,108	20,249	17,037	20,420	15,668	19,988	16,885	16,561
Net debt	AED m	44,192	75,365	92,468	89,908	36,002	30,681	35,334	30,117	30,923	25,870
Capital expenditure	AED m	5,299	7,431	4,997	11,870	13,437	8,496	12,632	16,723	19,873	21,142

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.

Key ratios		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operating margin	%	12.9	(0.7)	(48.6)	7.0	2.7	4.4	2.9	9.8	6.6	5.2
Profit / (loss) margin	%	9.9	(6.6)	(65.6)	1.1	0.9	3.0	1.5	8.4	5.1	3.9
Return on Owner's funds	%	45.0	(19.9)	(95.3)	3.5	2.4	7.9	3.8	23.8	17.2	13.6
EBITDA margin	%	31.0	30.0	15.0	28.1	24.5	27.0	25.0	28.7	22.8	20.8
Cash assets to revenue and other operating income	%	34.8	35.3	48.9	22.0	17.4	22.1	18.4	23.5	19.0	20.0
Net debt to equity ratio*	%	158.3	371.0	459.0	381.2	209.8	216.4	237.9	215.9	212.1	209.9
Net debt to EBITDA*	%	132.8	425.1	1,991.1	347.8	330.3	321.0	392.9	286.5	296.2	310.3
Effective interest rate on borrowings and lease liabilities	%	4.3	3.5	3.8	4.6	4.0	3.2	3.0	3.1	3.3	3.2
Fixed to floating debt mix		48:52	49:51	54:46	56:44	44:56	43:57	52:48	55:45	55:45	57:43
Key operating statistics											
Performance indicators											
Yield	Fils per RTKM	325	255	229	222	219	213	204	218	245	250
Unit cost	Fils per ATKM	186	155	177	141	146	139	132	132	158	162
Unit cost excluding jet fuel	Fils per ATKM	116	117	151	96	97	98	97	97	102	97
Breakeven load factor	%	57.2	60.8	77.2	63.4	66.4	65.2	64.5	60.4	64.7	64.9
Fleet											
Aircraft	number	260	262	259	270	270	268	259	251	231	217
Average fleet age	months	109	98	88	81	73	68	63	74	75	74
Production											
Destinations**	number	150	152	157	157	158	157	156	153	144	142
Overall capacity	ATKM million	48,181	36,394	24,782	58,584	63,340	61,425	60,461	56,383	50,844	46,820
Available seat kilometres	ASKM million	284,044	159,962	64,062	367,153	390,775	377,060	368,102	333,726	295,740	271,133
Aircraft departures	number	155,746	117,744	79,156	189,081	203,281	201,858	204,543	199,754	181,843	176,039
Traffic											
Passengers carried	number '000	43,626	19,562	6,553	56,162	58,601	58,485	56,076	51,853	48,139	44,537
Passenger seat kilometres	RPKM million	225,867	93,799	28,353	288,148	299,967	292,221	276,608	255,176	235,498	215,353
Passenger seat factor	%	79.5	58.6	44.3	78.5	76.8	77.5	75.1	76.5	79.6	79.4
Cargo carried	tonnes '000	1,849	2,139	1,873	2,389	2,659	2,623	2,577	2,509	2,377	2,250
Overall load carried	RTKM million	31,516	21,550	12,510	39,505	42,304	41,250	39,296	36,931	34,207	31,137
Overall load factor	%	65.4	59.2	50.5	67.4	66.8	67.2	65.0	65.5	67.3	66.5
Employee											
Employee strength-Emirates	number	56,379	45,843	40,801	60,033	60,282	62,356	64,768	61,205	56,725	52,516
Employee strength-airline	number	44,733	36,173	33,304	47,518	47,808	49,740	51,628	48,023	44,571	41,471
Revenue per airline employee	AED '000	2,400	1,636	929	1,935	1,975	1,784	1,580	1,717	1,939	1,938

*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 operational reasons.

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

DNATA TEN-YEAR OVERVIEW

Consolidated income statement		**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Revenue and other operating income	AED m	14,899	8,560	5,541	14,760	14,419	13,074	12,182	10,630	9,160	7,565
Operating costs*	AED m	14,584	8,400	7,398	14,253	13,141	11,878	10,958	9,569	8,155	6,702
- of which employee costs	AED m	5,898	3,964	3,290	5,875	5,386	5,055	4,654	3,847	3,351	3,251
- of which inflight catering direct costs	AED m	2,878	742	326	1,352	1,070	843	794	715	735	663
- of which travel services direct costs	AED m	1,666	367	53	2,534	2,476	2,135	1,913	1,951	1,458	84
- of which airport operations direct costs	AED m	1,340	1,012	715	1,364	1,350	1,293	1,138	949	824	883
Operating profit / (loss)	AED m	315	160	(1,857)	507	1,278	1,196	1,224	1,061	1,005	863
Profit / (loss) attributable to the Owner	AED m	331	110	(1,821)	618	1,445	1,317	1,210	1,054	906	829
Consolidated statement of financial position											
Non-current assets	AED m	6,607	6,893	7,314	8,143	6,196	5,718	5,372	4,590	4,219	4,364
Current assets	AED m	8,283	7,931	6,960	8,560	8,895	8,574	6,675	6,388	5,427	4,303
- of which cash assets	AED m	5,128	4,898	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434
Total assets	AED m	14,890	14,824	14,274	16,703	15,091	14,292	12,047	10,978	9,646	8,667
Total equity	AED m	5,754	6,527	6,535	8,302	8,027	7,282	6,706	5,554	4,853	4,756
- of which equity attributable to the Owner	AED m	5,806	6,542	6,554	8,259	7,911	7,103	6,539	5,387	4,788	4,674
Non-current liabilities	AED m	2,696	3,578	3,839	4,109	2,126	1,734	1,542	1,362	1,213	1,386
Current liabilities	AED m	6,440	4,719	3,900	4,292	4,938	5,276	3,799	4,062	3,580	2,525
Consolidated statement of cash flows											
Cash flow from operating activities	AED m	1,418	1,217	10	1,393	1,417	1,858	1,281	1,390	1,058	1,125
Cash flow from investing activities	AED m	528	(246)	(179)	(878)	78	(2,157)	(961)	(1,076)	(697)	316
Cash flow from financing activities	AED m	(906)	(745)	(548)	(899)	(643)	78	(146)	(496)	(344)	(443)
Net change in cash and cash equivalents	AED m	1,040	226	(717)	(384)	852	(221)	174	(182)	17	998
Other financial data											
Cash assets	AED m	5,128	4,898	4,690	5,316	5,122	4,945	3,398	3,465	3,148	2,434

* 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 rules i.e. only the immediately preceding year's figures are restated.

Key ratios		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operating margin	%	2.1	1.9	(33.5)	3.4	8.9	9.1	10.0	10.0	11.0	11.4
Profit / (loss) margin	%	2.2	1.3	(32.9)	4.2	10.0	10.1	9.9	9.9	9.9	11.0
Return on Owner's funds	%	5.4	1.7	(24.6)	7.6	19.2	19.3	20.3	20.7	19.2	19.1
Employee											
Employee strength	number	46,000	39,376	34,344	48,503	45,004	41,007	40,978	34,117	27,428	22,980
Revenue per employee	AED '000	324	217	161	304	320	319	297	333	399	356
Key operating statistics											
Airport operations											
Aircraft turns handled	number	712,383	527,501	289,526	680,867	698,739	659,591	623,611	389,412	298,298	288,335
Cargo handled	tonnes '000	2,730	2,966	2,686	2,929	3,091	3,083	2,844	2,056	1,671	1,604
Catering											
Meals uplifted	number '000	111,350	39,890	16,939	93,492	70,889	55,718	60,747	57,062	57,687	41,275
Travel services											
Total transaction value (TTV)	AED m	7,020	2,318	229	10,751	11,459	11,281	10,687	11,747	9,782	5,892

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

GROUP TEN-YEAR OVERVIEW

Financial highlights		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue and other operating income*	AED m	119,817	66,248	35,586	104,002	109,255	102,409	94,706	92,896	96,053	87,766
Operating costs*	AED m	105,625	66,526	52,464	97,087	105,330	97,127	91,047	83,505	89,155	82,643
Operating profit / (loss)	AED m	14,192	(278)	(16,878)	6,915	3,925	5,282	3,659	9,391	6,898	5,123
Operating margin	%	11.8	(0.4)	(47.4)	6.6	3.6	5.2	3.9	10.1	7.2	5.8
Profit / (loss) attributable to the Owner	AED m	10,912	(3,807)	(22,100)	1,674	2,316	4,113	2,460	8,179	5,461	4,083
Profit / (loss) margin	%	9.1	(5.7)	(62.1)	1.6	2.1	4.0	2.6	8.8	5.7	4.7
Dividend to the Owner	AED m	4,500	-	-	-	500	2,000	-	2,500	2,569	1,026
Financial position											
Total assets**	AED m	172,140	164,355	165,872	188,461	142,267	141,625	133,281	129,989	120,886	110,100
Cash assets	AED m	42,480	25,778	19,798	25,565	22,159	25,365	19,066	23,453	20,033	18,995
Employee											
Employee strength	number	102,379	85,219	75,145	108,536	105,286	103,363	105,746	95,322	84,153	75,496

* After eliminating inter-company income/expense of the year.

** After eliminating inter-company receivables/payables as at year end.

Notes :
1. The ten-year overview has been extracted from the audited financial statements which have been drawn up in compliance with IFRS.
2. Comparative figures are restated, where applicable, according to IFRS rules i.e. only the immediately preceding year's figures are restated.
3. Employee strength is presented as at the reporting date from 2019-20 and onwards. Prior years' data represent average employee strength.

GROUP COMPANIES OF EMIRATES

Air transportation related services

Emirates

- 100% Emirates Holidays (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)

Food and beverage operations, hotel operations, and others

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)
- 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 Hospital Australia Pty Ltd (Australia)
  - 100% Emirates Leisure Retail (New Zealand) Ltd
  - 100% Emirates Leisure Retail (Singapore) Pte Ltd
  - 75% Emirates Leisure Retail Zanzibar Limited
  - 68.8% Emirates Leisure Retail LLC (UAE)
- 51% Premier Inn Hotels LLC (UAE)
  - 49% Premier Inn Hotels Qatar WLL (Qatar)

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% 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 Holdings Limited (Canada)
    - 50% G.T.A. Dnata World Cargo Limited (Canada)
  - 100% dnata Aviation Services GmbH (Germany)
    - 100% dnata Air Services GmbH (Germany)
    - 100% dnata Cargo GmbH (Germany)
    - 100% dnata Security GmbH (Germany)
  - 100% dnata Aviation Services US Inc. (USA)
    - 100% ALX Cargo Center IAH LLC (USA)
    - 100% dnata Aviation USA Inc.
    - 100% Ground Services International Incorporated (USA)
    - 100% Metro Air Service Inc. (USA)
  - 100% dnata B.V. (The Netherlands)
    - 100% dnata N.V. (Belgium)
    - 100% dnata Passenger Handling Services B.V. (Netherlands)
  - 100% dnata Limited (UK)
    - 70% Airports Bureau Systems Ltd (UK)
  - 100% Dnata Switzerland AG
    - 30% GVAssistance SA (Switzerland)
  - 100% Air Dispatch (CLC) s.r.o. (Czech Republic)
    - 100% Air Dispatch (CLC) Spolka z.o.o. (Poland)
  - 100% dnata Pty Ltd (Australia)
    - 100% dnata Airport Services Pty Ltd (Australia)
    - 100% Airport Handling Services Australia Pty Ltd
  - 100% RM Servicos Auxilliares de Transporte Aereo Ltda (Brazil)
  - 70% Airport Handling SpA (Italy)
- 100% dnata Inc. (Philippines)
  - 100% dnata Clark, Inc. (Philippines)
- 100% Dnata International Airport Services Pte. Ltd. (Singapore)
  - 100% CIAS International Pte Ltd (Singapore)
    - 100% Dnata Singapore Pte. Ltd. (Singapore)*
      - 20% Guangzhou Baiyun International Airport Ground Handling Services Co. Ltd. (P. R. China)
- 100% Dubai Express LLC (UAE)
- 100% Freightworks Logistics LLC (UAE)
- 75% Dnata Airport Services Kurdistan (Cayman Islands)
  - 100% Dnata for Airport Services Ltd (Iraq)
- 75% dnata Zanzibar Aviation Services Co. Ltd (Tanzania)
- 70% Dubz Holding Limited (BVI)
  - 100% Delivering Your Bags Passenger Luggage Delivery LLC (UAE)
- 51% Wallenborn Middle East Logistics 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
        - 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 Ltd
  - 100% Destination Asia Destination Management Sdn Bhd (Malaysia)
  - 100% Destination Asia Japan
  - 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 Limited (India)
  - 100% dnata Marketing Services Private Limited (India)
- 100% dnata Travel and Tourism WLL (Bahrain)
- 100% dnata Travel Holdings UK Limited
  - 100% Airline Network Limited (UK)
  - 100% Gold Medal Travel Group Limited (UK)
    - 100% Gold Medal Transport Limited (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% BD4Travel 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)
- 52.27% 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)
  - 100% Transguard Transport Services 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 Iraq.
Dormant companies are not included in the above structure.

GLOSSARY

A

Acquisitions – The sum of the purchase consideration for the 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 borrowings and lease liabilities (current and non-current) (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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