daa plc | daa cpt

Annual Report 2020

A year like no other

Who we are

We are a global airports and travel retail Group that has businesses in 16 countries. We are owned by the Irish State and headquartered at Dublin Airport.

Our vision is to be airport industry leaders.

Our purpose is to connect Ireland with the world.

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A recovery will come
We will create a new daa and rebuild our business, both at home and abroad.

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Our strategy
A new strategic plan called 'Rebuilding Our Group Together' will shape the pathway forward for our business.

Last year was a year like no other for daa.

The economic fallout from the COVID-19 pandemic had a profoundly negative impact on our business internationally and at home in Ireland. Passenger traffic slumped in all of our markets, and all of our airport retail businesses were closed for part of the year.

In Ireland, our airports remained open throughout the crisis in line with Government policy and played a vital role by enabling the importation of critical medical equipment.

The health and welfare of our employees and our customers was central to everything that we did during the year, and we made significant operational changes to ensure they were always protected.

The financial impact of the pandemic meant we had to take some difficult decisions in 2020, and we did so in the best interests of the Group. We strengthened our liquidity, reduced our cost base, and made our businesses more efficient.

These prudent actions have left the Group well positioned to enable it to maximise the return to widespread international travel and rebuild the business.

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Chief Financial Officer's review

The Group's focus is on being ready post COVID-19 for the recovery opportunity, to be resized and reshaped with the financial flexibility to be able to respond effectively.

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Our ESG strategy

daa is committed to being a responsible and sustainable organisation and has supported the delivery of a range of ESG initiatives and activities at home and abroad for many years.

2020 Performance

Passengers at our Irish airports

7.9m

22% of 2019 Levels

See more on pages 16 and 19

Turnover

€291m

-69%

See more on page 26

Operating costs[1]

€260m

-42%

See more on page 26

Net debt

€783m

+82%

See more on page 26

1. Operating costs include payroll and related costs, materials and services and other income – government support.

Achievements

Dublin Airport designated as **carbon neutral** by the Airport Carbon Accreditation programme.

ARI North America (ARINA) named Americas Travel **Retailer of the Year and Airport Travel Retailer** of the Year at the DFNI-Frontier Americas Awards.

daa included in **Fast Company's 100 Best Workplaces for Innovators** list for 2020 due to the Future Factory at Dublin Airport.

Dublin Airport's Platinum Services team won Silver awards at the **International Customer Experience Awards** (ICXA) in the Customer Services Team of the Year – Customers at the Heart of Everything category, and also in the Business Change and Transformation – SME category.

daa and Trinity College Dublin's Business School won a **Silver award** in the Organisational Development category at the Global 2020 EFMD Excellence in Practice Awards for a bespoke leadership programme developed for Dublin Airport's Future Factory.

Dublin and Cork airports' **COVID-19 health and safety measures** are accredited by Airports Council International (ACI) World and ACI EUROPE as part of their Airport Health Accreditation programme.

daa International wins contract to operate new airport at **The Red Sea Development Project** in Saudi Arabia.

Cork Airport **Highly Commended** in the ACI Europe Best Airport Awards in the under 5 million passengers per year category.

Dublin Airport Occupational Health and Safety team named the **2020 Health Safety Team of the Year** in the Health Safety Excellence Awards.

ARI Ireland won the **Speciality Concept Of The Year award** at the 2020 Frontier Awards for the confectionery concept at The Loop in Terminal 2 at Dublin Airport.

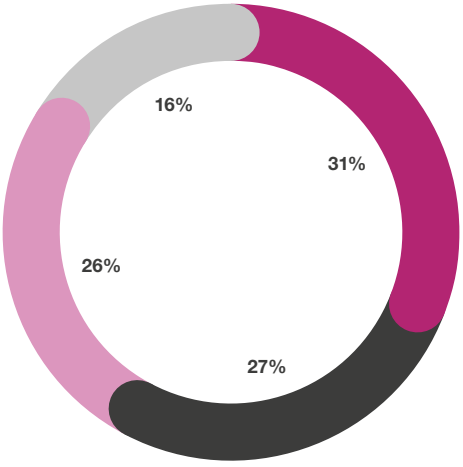
ARI's global marketing campaign for Black Friday won the **Best Tactical Advertising Campaign** category at the Moodie awards.

FUTURE FACTORY

What we do

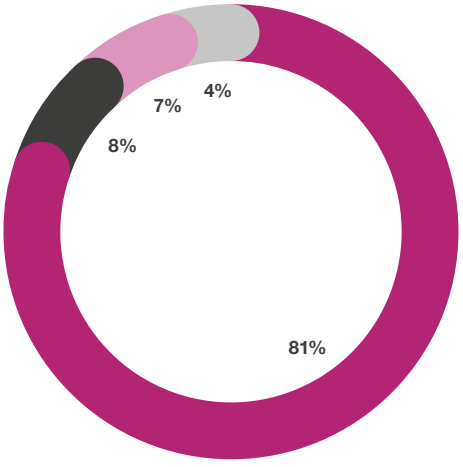
We are a global airports and travel retail Group with operations in 16 countries around the world.

Group turnover by class of business 2020



- Aeronautical turnover
- International retail and other activities
- Other commercial activities
- Direct retailing and retail/catering activities

Group turnover by region 2020



- Europe
- Middle East
- Australasia
- North America

01

We manage

We own and manage Dublin and Cork airports in Ireland, and manage Terminal 5 at King Khalid International Airport in Riyadh, Saudi Arabia. We also own a 20% stake in Düsseldorf Airport and an 11% stake in Hermes Airports, which operates Larnaca and Paphos airports in Cyprus. We also own and operate travel retail operations globally.

International airport retailing

Aer Rianta International (ARI), our international airport retail business, has travel retail operations at Dublin and Cork in Ireland, Montréal, Winnipeg, Halifax and Québec City in Canada, Bridgetown in Barbados, Larnaca and Paphos in Cyprus, Beirut in Lebanon, Riyadh in Saudi Arabia, Muscat in Oman, Manama in Bahrain, Doha in Qatar, Delhi in India, Jakarta in Indonesia, Auckland in New Zealand and most recently, Podgorica and Tivat in Montenegro.

02

We invest

Through ARI, we own a 20% stake in Düsseldorf Airport and an 11% stake in Hermes Airports, which owns and operates Larnaca and Paphos airports in Cyprus.

03

We advise

daa International has clients in Australia, Singapore, the Philippines, Saudi Arabia and the UK and provides airport management, operations and maintenance consultancy to them.

"At year-end, daa International won a contract with the Red Sea Development Company to become the airport operator for the Red Sea Airport project."

See more on page 59

Where we operate

daa Group is headquartered in Dublin with operations in 16 countries. It has airport operations at Dublin and Cork airports in Ireland and Terminal 5 at King Khalid International Airport in Riyadh, Saudi Arabia, and airport investments in Düsseldorf, Larnaca and Paphos airports.

ARI, daa's travel retail subsidiary, has operations in 14 countries and holds the Group's shareholding in Düsseldorf Airport and Hermes Airports. daa International offers advisory and management services internationally, leveraging the experience and expertise of daa Group.

Dublin Airport

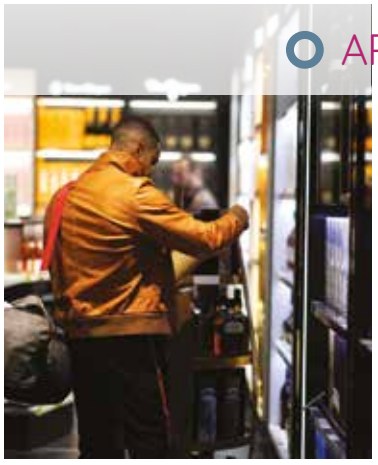
During 2020, Dublin Airport was a key player in Ireland's global supply chain and was the main hub for the import of essential PPE and medical equipment.

See more on page 16

Cork Airport

Cork Airport was highly commended in the ACI Europe Best Airport Awards in the under 5 million passengers per year category. Cork Airport won this award in 2019.

See more on page 19



ARI

ARI is the Group's travel retail subsidiary with operations in 14 countries. It manages its own outlets in Dublin and Cork airports, and has interests in retail operations in 13 other countries. ARI also holds the Group's shareholding in Düsseldorf Airport and Hermes Airports, which operates Larnaca and Paphos airports in Cyprus.

See more on page 22

daa International

daa International offers advisory, management and investment services to clients globally. The flagship contract for the business is the management contract for Terminal 5 at King Khalid International Airport in Riyadh, Saudi Arabia.

See more on page 24

A year when old certainties evaporated

> "We are now firmly focused on rebuilding our business to help Ireland reconnect with the world, and to continue to provide a world-class experience at our airports and travel retail outlets."

Basil Geoghegan
Chairman

As daa Chairman I would like to present the Group's Annual Report for 2020.

Last year was one of the most difficult periods in the Group's long history, as the global COVID-19 pandemic had a devastating impact on our people and on our business.

The safety and the welfare of our employees, our passengers and our retail customers, was the Group's key consideration during the year and that continues to be the case in all of the markets in which we operate.

Our employees had to face unprecedented difficulties during the year, as they grappled with national and local lockdowns, empty or closed facilities and for many, the often-complicated logistics of suddenly working from home. Old certainties evaporated, sometimes in an instant.

Similarly, our business had a very tough year in 2020. No part of daa's operation was unaffected by COVID-19. The pandemic had a very significant financial impact on the Group and all of its constituent parts.

Travel restrictions and lockdowns meant that passenger numbers fell very significantly at all of the airports that we manage, and at those where we operate travel retail outlets or hold an equity stake. Passenger traffic at our two Irish airports declined from 35.5 million in 2019 to just 7.9 million last year – a fall of 78%. Dublin and Cork airports had experienced a positive start to the year before the advent of COVID-19, with passenger numbers up by 2% to almost 4.5 million passengers at the end of February.

The Group recorded a loss before exceptional items of €187 million last year due to the impact of COVID-19 on air and travel retail. Turnover declined by 69% to €291 million during the year.

Dublin and Cork airports remained open throughout the year in line with Irish Government policy and played a vital role during the pandemic, facilitating essential cargo operations and repatriation services. At Dublin Airport, for example, our teams helped enable the delivery of 6.2 million kilogrammes of essential PPE and medical equipment on 356 flights operated by 16 different airlines.

While it faced unprecedented difficulties during the year, the Group took a series of mitigating actions to manage the business through the crisis and to protect its future. We had to take some very difficult decisions in 2020 and were guided by focusing on the long-term needs of the business, which we manage on behalf of the Irish State.

Spending was reduced in all areas and significant efforts were made to reduce pay and staff levels; a pay and hiring freeze were introduced which meant no replacement of any leavers, no renewals of contracts, and no seasonal hires. Significant reductions were made to planned operational and capital spending, and our medium-term capital programmes were reviewed to amend the delivery timescales of certain projects. When permitted by Irish Government health guidelines, work continued on key construction projects such as North Runway and the upgrade to hold baggage screening systems at our airports.

Loss after taxation (pre-exceptional)

-€187m

Capital expenditure 2020

€270m

+22% versus 2019

Liquidity

€1.2bn

€1.0bn 2019

Almost all of our Irish-based employees were placed on a four-day week in April to reflect the significant reduction in business activity. During the year, the Group availed of Government payroll and other financial supports that were available in Ireland, Canada, New Zealand and some other overseas locations.

The collapse in traffic at our Irish airports, coupled with the prospect of a slow return to 2019 business levels meant that the Group also had to take steps to right-size the organisation.

A voluntary severance scheme was introduced at our Irish operations, and employees were also offered options such as career breaks and reduced working hours to help reduce costs. A total of 918 people have left the business in Ireland as part of this process. Approximately 1,000 employees have also left our travel retail businesses overseas. On behalf of the Group, I would like to wish our former colleagues well and to thank them for their many years of dedicated service.

We also took significant steps to strengthen the Group's liquidity in light of the changing business environment, raising €500 million through a bond issue.

We continued to progress our sustainability targets during the year and reached a major milestone in December, when Dublin Airport was formally designated as carbon neutral by the global Airport Carbon Accreditation programme.

We have reduced carbon emissions at Dublin Airport by 25% between 2013 and 2019, notwithstanding a 63% increase in passenger numbers during the same period. We purchased carbon credits to achieve our carbon neutrality status, and we are committed to doing much more in this area.

Carbon neutrality is the beginning not the end of our journey. We plan to reduce our overall energy consumption by a further 30% by 2030 and we are committed to becoming net zero for our carbon emissions at Dublin and Cork airports by 2050 at the latest.

The early part of 2021 has seen a fresh wave of infections in many countries. This has resulted in tighter travel restrictions in Ireland and in a number of other European countries.

The rollout of vaccinations offers the prospect of a significant improvement in the fortunes of our business, and for the wider aviation sector, but as yet, the exact timing and speed of a recovery remain uncertain.

The Group is well positioned to take advantage of the upturn in aviation when it does come. It took decisive steps to manage its costs during the year, and stayed close to customers, to employees, and to other key stakeholders.

We have always known that the global aviation sector is an interlinked ecosystem that delivers huge economic and social benefits – both locally and internationally – and this was brought into sharp relief during 2020. Our airline customers have also been hugely affected by the pandemic and we will work with them to restore lost connectivity.

We are now firmly focused on rebuilding our business to help Ireland reconnect with the world, and to continue to provide a world-class experience at our airports and travel retail outlets.

Basil Geoghegan
Chairman
13 April 2021

"We reached a major milestone in December, when Dublin Airport was designated as carbon neutral by the global Airport Carbon Accreditation programme."

Onsite tests facilitated at Dublin Airport in 2020

31,315

We will rebuild our Group together, both at home and abroad

> "Our immediate strategy, coupled with the necessary restructuring we have undertaken, will enable us to create a new daa and rebuild our business, both at home and abroad."

Dalton Philips
Chief Executive

daa entered 2020 in a strong position.

We were making very substantial progress across the key elements of our strategy 'Creating Our Future,' which was the Group's roadmap to help us meet our key objectives during the 2018-2021 period. At a high level, our goal is to run world-class airports and travel retail facilities for our customers in the 16 countries in which we currently operate.

Our strategy centred on core elements such as taking our airports to the next level, building for the future by putting in place the correct infrastructure, increasing our focus on sustainability, and growing our Group both at home and overseas. We were also focused on developing great people and teams within our business who would be ready for tomorrow's challenges.

During the first two years of Creating Our Future we had moved forward across all of the core metrics. While a business of this scale and geographic spread always faces challenges, we had strong momentum as we started the year.

Passenger numbers were increasing in Dublin and Cork airports and at our overseas airport locations. Turnover was up at our international travel retail outlets, and the key economies in which we operate were growing.

However, when the Group's 2019 Annual Report was being finalised last Spring, I signalled that the COVID-19 pandemic was likely to have a significant impact on the business during 2020.

At that point, no one could have predicted the devastating consequences that COVID-19 would have across the globe.

The introductions of lockdowns and travel restrictions in all of the countries in which we operate has had an unprecedented impact on our business. The global aviation sector has been one of the hardest hit by the economic fallout of COVID-19, and these effects continue to be felt across our Group.

After a positive start to trading in January and February across most of the business, the countries in which we operate began to impose restrictions on their citizens and on the operation of their economies in an effort to slow the spread of the disease.

Through our global footprint we saw the impact of the pandemic spread quickly. Our airport retail operations in New Zealand and in Canada were the first parts of our business to feel the economic effect of the pandemic, as Chinese citizens reduced international travel.

As the disease spread, passenger traffic plummeted at our Irish airports and in all the countries in which we operate across the world. Our travel retail business, Aer Rianta International (ARI), closed its operations in all markets except for Qatar for a period during the year.

Global air traffic fell by 60% last year, bringing air travel totals back to 2003 levels, according to ICAO, the UN agency for civil aviation. European airports lost a total of 1.72 billion passengers in 2020 compared to the previous year, as overall European passenger traffic fell by just over 70%, according to ACI Europe. In Ireland, the reduction in passenger traffic was even greater.

Throughout the pandemic, the health and safety of our teams and our customers was paramount. We followed Government health advice in all markets and introduced new health and safety protocols to reflect the new operating environment and to protect our staff and all those who use our facilities.

Group turnover

€291m

-69%

Operating costs[1]

€260m

-42%

EBITDA[2]

-€33m

-111%

The COVID-19 crisis radically changed the way in which our people worked during the year. The majority of our people across the globe spent significant periods working from home during 2020 to comply with public health guidelines. Some faced very strict lockdowns that only permitted trips outside at designated times for essential food shopping.

Colleagues worked in hastily established home offices, at kitchen tables, in spare bedrooms, in the corners of living rooms and in converted attics and garden sheds. In Ireland, and in many other markets, at times they had to juggle the home schooling of their children with working from home. The lines between work life and home life sometimes became blurred.

For many of our people this fundamental reshaping of the manner in which they work has been one of the largest changes in their professional lives. It was a change that they did not seek, and it often occurred at very short notice.

Our teams on the frontline had new procedures and policies to protect them and our customers and their working environment was also radically altered. The nature of their interaction with the few passengers and shoppers who continued to use our services was transformed, and they had to deal with the impact of seeing their workplace almost devoid of customers on a prolonged basis for the first time in their careers.

In these circumstances, it was essential that we kept our teams informed as the situation evolved. We started a daily email update in March, and this continued until October, when we reduced this communication to five times per week. Regular CEO video messages also enabled us to keep our teams fully informed of the latest developments on at least a weekly basis.

Daily briefing calls were held for our Leadership Team, which comprises about 100 senior management personnel, while weekly calls took place for the wider People Leaders group, which is made up of more than 500 team members who have management and supervisory roles. In December, we held two virtual town hall style briefing events for all our teams.

It has been a tremendously difficult year for our people across the business and we are acutely aware of that. Our staff wellbeing programme Focus on You, which has been in place since 2018, had a specific focus on mental health during the year, highlighting on a regular basis the suite of supports and resources that are available to employees. October was designated as Mental Health Month with a series of webinars and an online Mental Health First Aid course.

The COVID-19 pandemic obviously created the greatest crisis that the Group has faced during more than 80 years in existence. At the peak of the crisis, the business was losing more than €1 million per day and we had to move very quickly.

Given the profound impact that Covid had on our business, we took a number of proactive steps during the year to strengthen the Group's liquidity. Due to these prudent measures, the Group has a strong liquidity position, which is further detailed in the Chief Financial Officer's (CFO) review on page 26.

We also had to take very significant steps to reduce our cost base. All capital and operational spending was reviewed, and significant cost reductions were achieved across the business.

At Dublin Airport, we reviewed our medium-term capital plans and reassessed the delivery timeframe for a number of major projects. Our overall planned capital spend for the year was reduced by more than 10%. In total, non-payroll costs across the Group declined by 47% compared to 2019.

We also had to take measures to reduce our payroll costs. In late March, the Group indicated that there would be no pay increases in 2020 and introduced a ban on all recruitment. We also cancelled payment of profit share, gainshare and performance-related pay for 2020.

1. Operating costs include payroll and related costs, materials and services and other income - government support.
2. Earnings before interest, tax, depreciation and amortisation (before exceptional items).

In early April, we decided that almost all of our people would be moved to a four-day week and would therefore be paid just 80% of their normal salary. This measure, which was in place for the remainder of 2020 and into this year, meant that our team members had an effective pay reduction of between 20% and 45%, depending on whether they qualified for performance-related pay.

This was a very difficult step to take, and we are acutely aware of the impact that it had on our people, but we had no choice but to follow this path as part of a wide range of measures that were undertaken to protect the Company.

Initially, many commentators argued that the pandemic would constitute a short, sharp shock to the global economy. However, it quickly became apparent, that the downturn would be more prolonged and that the global aviation and international tourism sectors would continue to be among the worst affected.

In that context, by early summer, it was clear that unfortunately the Group had too many people to meet expected passenger demand at our Irish airports and our international travel retail businesses in the medium term, and that significant steps needed to be taken to right-size the business for the future.

A staff options package was introduced, which offered a voluntary severance programme, career breaks and reduced working hours. By year-end, there were 800 fewer people employed in the Irish operation. At the time of writing, an additional 118 employees have left the business in Ireland. Similar restructuring programmes also took place across our international businesses, with approximately 1,000 people exiting the retail operations that we manage overseas.

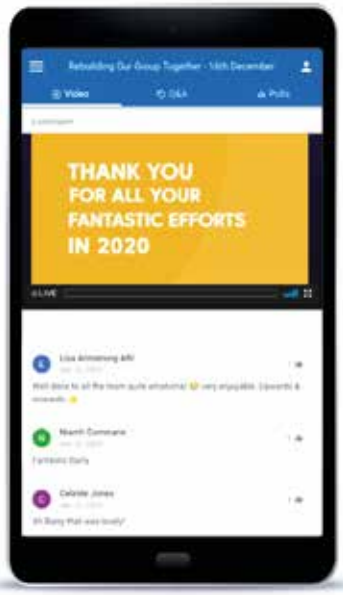
Many of our colleagues who have left as part of these right-sizing programmes had decades of service with the Group. We thank them for their service with the Group and wish them well in their future endeavours.

During the year, major changes in the way we operate the business in Ireland were negotiated with trade union and staff representatives and more than 93% of employees who voted in a series of ballots on these new work practice proposals agreed to accept the changes in question. The amendments to team structures, rosters, roles and responsibilities and the way in which our people operate are essential to enable the business to help manage the future recovery in passenger growth as efficiently as possible. The implementation of these changes is challenging at times, but it is essential to safeguard and protect long-term sustainable employment at our Irish operations.

We availed of the Irish Government's Temporary Wage Subsidy Scheme, which operated from March until the end of August, and continue to avail of the Employment Wage Subsidy Scheme which replaced it, along with rates waivers from local authorities in Dublin and Cork. Our businesses overseas also participated in COVID-related government support schemes in markets in which they were available.

Pieces of COVID-related signage at Dublin Airport

12,000



Hand sanitisers at Dublin Airport

>1,000

Despite having almost no passengers in the second quarter of the year, and hugely reduced traffic in the second half of the year, our Irish airports remained open throughout 2020 as an essential service in line with Irish Government guidelines.

Passenger traffic at Dublin and Cork airports declined by 78% to 7.9 million in 2020, as almost 28 million fewer passengers used our Irish airports last year. This quantum of business decline was mirrored in the airports that we operate or have a stake in overseas.

Traffic at Düsseldorf Airport, in which we hold a 20% stake, fell by 74% to 6.6 million last year. In Cyprus, passenger numbers at Larnaca and Paphos airports, operated by Hermes Airports, where we are also a shareholder, fell by 80% to 2.3 million. Passenger numbers in Terminal 5 at King Khalid International Airport, which we operate through daa International, declined by 54% to 7.6 million.

Turnover decreased by 69% to €291 million last year as the economic impact of the COVID-19 pandemic affected every part of the Group's business. With a tight focus on cost reduction, our operating costs[1] fell by 42% to €260 million during the year. Non-pay costs declined by 47% to €110 million while payroll-related costs fell by 37% to €150 million.

An EBITDA[2] loss of €33 million before exceptional items was recorded during the year, compared to a €302 million EBITDA profit in 2019. The Group loss after tax including exceptional items was €284 million for the year. The exceptional items before taxation comprised a cost of €100 million relating to the Group's voluntary severance scheme and an €11 million fair value decrease in the value of investment property. Further details in relation to these exceptional items are set out on page 27 within the CFO's review.

We introduced a range of new enhanced safety measures at our Irish airports and our overseas operations to protect our customers and also our staff. Both Dublin and Cork airports were accredited by Airports Council International's Airport Health Accreditation programme during the year.

This independent validation of the new health and safety measures introduced as a result of COVID-19 confirmed that our operations were fully aligned with the recommendations of ICAO Council's Aviation Recovery Task Force, the joint European Union Aviation Safety Agency (EASA) and European Centre for Disease Prevention and Control (ECDC) Aviation Health Safety Protocol and ACI's own guidelines. The accreditation process examined areas such as cleaning and disinfection regimes, physical distancing, passenger communications and passenger facilities, staff protection, and the physical layout of the airports.

1. Operating costs include payroll and related costs, materials and services and other income - government support.
2. Earnings before interest tax depreciation and amortisation (before exceptional items).

From mid-March last year, the Irish Government advised against all non-essential overseas travel, and this advice remained in place for most of the year. There were similar guidelines/restrictions in place in many other countries.

In July, the Irish Government announced an initial travel Green List of 22 countries to which travel was permitted, however the number of countries on this list were reduced significantly in subsequent weeks, due to the changing health position across Europe. In early November, Ireland adopted the new EU traffic light system for travel, whereby travel guidelines would be based in part on the prevailing incidence of COVID-19 in the region from which a passenger was departing.

Last summer, we had advocated for the introduction of rapid pre-departure antigen testing for all passengers and for that to be incorporated into the passenger journey. This would have meant that all passengers would have tested Covid-free prior to travel. This position was supported by all of Europe's major airports and airlines, but it was not incorporated within the new EU traffic light system for travel that was introduced last year.

Instead, under the traffic light system, while the designation of each region was decided by an agreed set of criteria applied by the European Centre for Disease Prevention and Control (ECDC), each country was permitted to set its own rules and guidelines in relation to travel.

To enable pre-departure PCR testing at our airports, we facilitated the establishment of independent third party COVID-19 testing facilities at Dublin and Cork airports. These initially offered PCR and LAMP testing and their offer expanded to provide antigen testing when this became a requirement for travel to several other countries.

The all-pervasive impact of the COVID-19 pandemic meant that Creating Our Future, the Group's strategy for 2018-2021, was effectively no longer fit for purpose. We therefore devised a new Road to Recovery plan which took account of the new realities that were facing the Group. It focused on the twin elements of protecting our business in the short-term while creating the conditions whereby we can rebuild our Group as quickly and efficiently as possible. There is more detailed information in relation to our Road to Recovery plan and our immediate Rebuilding our Group Together strategy on pages 32-35.

One of our keys goals is to grow our business back in a sustainable manner. We are mindful of our vital strategic role in helping to restore Ireland's connectivity and the need to do so while delivering on our suite of sustainability targets.

We achieved a significant milestone in December when Dublin Airport became carbon neutral under the international Airport Carbon Accreditation programme, which independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions.

In order to achieve its Level 3+ carbon neutrality status, Dublin Airport had to reduce CO_2 emissions from the sources under its control as much as possible and also to compensate for the remaining residual emissions through the purchase of internationally recognised high-quality carbon offsets. The carbon neutral designation was based on 2019 data, which reflected a normal year of passenger operations at the airport.

We have stringent targets to continue to reduce our energy use and increase our use of onsite renewable energy sources at our airports by 2030 as part of our commitment for Dublin and Cork airports to become net zero for carbon emissions by 2050 at the latest. There is more information on our sustainability initiatives on pages 47-54.

The emergence of new strains of COVID-19 in late 2020, coupled with significant spikes in case numbers throughout most of Europe, has resulted in additional travel restrictions being introduced in Ireland and in a large number of other countries in the early part of this year.

Plexiglass protection screens

>700

Passenger numbers at our Irish airports have declined by 92% in the first quarter of this year compared to 2020. The national vaccination programmes currently underway in Ireland and in many of our other key markets bring hope for a major upturn in air travel. But at this point, there is little clarity in relation to the timing of a widespread resumption of travel, either to and from Ireland, or in the rest of our key international markets.

While passenger traffic levels have fallen very significantly at our Irish airports and a number of airlines suspended their operations entirely, we have continued to stay close to our customers. We intend to work collaboratively with airlines and other stakeholders to facilitate the return of these vital air routes to Dublin and Cork airports when we are able to do so.

We had to take some very hard decisions during the year, but our focus was on doing what was right for the long-term health of our businesses and we worked in partnership with our teams, both at home and internationally.

Our cost base has been transformed and structures have been simplified to make our operations more effective and more efficient. Our cost base was reduced by almost 60% between April and December last year. Our liquidity has been strengthened and we have availed of government supports – for which we are grateful – in all countries where they were available.

The past 12 months has provided further evidence of the fact that we operate within a wider aviation and travel ecosystem. Working closely with our partners in the sector at a national, European and international level, our collective goal should be the creation of a harmonised set of rules and protocols in relation to international travel.

As vaccination levels increase, and public health concerns lessen in key markets, there should be agreed pathways to reopening air travel at scale and a clear roadmap for reducing current travel restrictions. A common system of vaccine passport recognition and health documentation validation systems is desirable, as consumers can understandably become confused by a patchwork of different regulations.

While it is very difficult to forecast the speed and the nature of the recovery in the global aviation sector, it is certain that a recovery will come. Throughout 2020 and post year-end, we have been managing the Group to withstand the impact of the pandemic and to ensure that our businesses are perfectly positioned to maximise the return to widespread international travel.

Our new strategy, coupled with the necessary restructuring we have undertaken, will enable us to create a new daa and rebuild our business, both at home and abroad.

Dublin Airport is Ireland's major international gateway

Dublin Airport

Passenger numbers at Dublin Airport declined by 78% to just under 7.4 million due to the impact of the coronavirus pandemic.

In line with Irish Government guidelines, Dublin Airport remained opened as an essential service throughout the year.

Dublin Airport lost 25.5 million passengers last year, which was equivalent to 27 years of growth as annual throughput declined to 1994 levels. Such a huge loss in traffic can be hard to visualise. But to put that number in context, it is equivalent to the population of Australia.

More than half of all the passengers who travelled through Dublin Airport in 2020 did so during the months of January and February. We had a positive start to the year, with traffic up by 2% during the first two months. The impact of the pandemic began to be felt in March when the Irish Government began to advise citizens against non-essential travel overseas and Ireland entered lockdown for the first time. Passenger numbers fell by more than 55% in March and by April, traffic had fallen by 99%.

During the 2019 summer season, Dublin Airport had flights to more than 190 destinations in 42 countries operated by almost 50 airlines. By April 2020, which should have been the start of the summer season for the year under review, Dublin Airport had flights to just 22 destinations in 11 countries operated by seven airlines. Connectivity that had been hard won over many years had been decimated in a matter of weeks.

The number of passengers who took flights to and from continental Europe declined by 77% to 4 million last year. Passenger numbers on flights between Dublin Airport and Britain declined by 76% to 2.4 million, while transatlantic passenger numbers, including transits, fell by 84% to just over 690,000. Passenger numbers on flights to and from other international destinations, which includes flights to the Middle East, declined by 76% to almost 237,000. The number of people who took domestic flights declined by 68% last year to just under 34,000.

More than 400,000 passengers used Dublin as a hub during 2020, meaning that just under 7 million passengers either began or ended their journey at Dublin Airport last year.

The vital role that Dublin Airport plays in Ireland's global supply chain was clear during the year as it was the main hub for the import of essential PPE and medical equipment. Almost all of the critical PPE that was imported to help the Irish health system cope with the impact of COVID-19 passed through Dublin Airport on 365 dedicated cargo flights, which were facilitated by the continued operation of the airport. Ireland is home to large medical devices and pharmaceutical sectors and Dublin Airport was also a key hub for the export of essential products during the year.

Overall cargo volumes at Dublin Airport declined by 18% during the year, as the reduction in scheduled passenger services led to a 52% fall in bellyhold cargo. However, the volume of goods carried on dedicated cargo services doubled during the year, as airlines expanded their cargo operations to address the decline in scheduled flights. Dublin Airport continues to facilitate regular PPE cargo flights, and is now also beginning to handle regular shipments of COVID-19 vaccines.

Airport charges at Dublin Airport are set independently by the Commission for Aviation Regulation (CAR). In light of the devastating impact of COVID-19 on traffic levels at the airport, CAR held an Interim Review of its 2019 Determination, which set prices between 2020 and 2024, during the year.

The review was specifically in relation to 2020 and 2021 and CAR published its decision in late December. It removed all triggers and adjustments that related to the price caps for the two years in question and set the price cap at €7.50 per passenger for 2021. For 2020, CAR replaced the per passenger cap with a series of individual caps that reflected Dublin Airport's published menu of airport charges for the year.

CAR has said that a further review of the 2019 Determination will be required. All of the economic and traffic assumptions that the 2019 Determination were based on are now redundant. Passenger traffic collapsed in 2020 and at the time of writing, it is, as yet, impossible to make an accurate forecast for this year.

However, it is evident that the impact of the COVID-19 pandemic will be felt for several years and this will present challenges for Dublin Airport and other players in the aviation sector in the medium term.

As we have indicated previously, the nature of the current regulatory system is not conducive to the requirements of a cyclical industry in which the airport operator needs to take a prudent long-term view in relation to the management and the development of one of Ireland's key strategic assets.

The Irish aviation industry has been decimated by the pandemic and all players need to work together to rebuild Dublin Airport's connectivity in the medium term. CAR can have a role to play in this recovery. Investment decisions that may appear counter cyclical can often represent the most effective and efficient use of resources and are therefore in the best interests of all airport users.

"Irish aviation has been decimated by the pandemic and all players need to work together to rebuild Dublin Airport's connectivity."

Construction works continued on the North Runway project during the year.

Construction works continued on the North Runway project during the year, and very significant progress was made onsite, notwithstanding an interruption to the programme due to COVID-19 restrictions.

In March, planning approval was received to amend the physical layout of certain elements of the North Runway to comply with new international regulations governing runway construction. The new layout replaces a runway design which was granted planning permission in 2007 and was based on the prevailing standards at that time. Construction of the runway will be largely completed in the second quarter of this year. Following a rigorous period of testing and commissioning, the new runway is expected to become operational in 2022.

In December, we lodged a planning application with Fingal County Council (FCC) to amend the two onerous planning conditions that are due to apply to the operation of the new runway and the overall runway system at Dublin Airport when North Runway begins operations.

The current conditions would limit the use of the airfield between 11pm and 7am and also place an overall limit of 65 aircraft movements across the entire airport campus during that period. We have signalled for many years that these two conditions were hugely problematic for the operation of the airport and had originally wanted to have them removed. However, following engagement with local communities we revised our position. We are now seeking an amendment of the conditions and proposing significant noise-related mitigation measures.

Our application proposes introducing a noise quota system between 11.30pm and 6am. Noise quotas are the industry standard approach for managing night-time noise at large airports. We are also proposing that the new runway would only be used between 6am and midnight, meaning that there would be no flights on North Runway during the core midnight to 6am night-time hours.

Under these proposals the overall effects of night-time noise at Dublin Airport are less than envisaged under the planning permission granted in 2007, and do not exceed those in 2018.

Our proposal balances the requirements of the Irish economy with the concerns of the local community. It will provide Dublin Airport with the operational flexibility that is essential to help restore the air connectivity that has been lost due to COVID-19 and enable the Irish economy to recover from the economic impact of the pandemic. The proposal also ensures that the effects of night-time noise that were envisaged by the original 2007 planning conditions are not exceeded.

Under legislation which came into effect in 2019, FCC is now the Aircraft Noise Competent Authority (ANCA) for the purposes of noise regulation at Dublin Airport. ANCA has now started its assessment of the noise situation at Dublin Airport following the submission of our planning application in December.

ANCA will apply the ICAO Balanced Approach to aircraft noise management in its deliberations. As part of this application, it will consider three elements before contemplating operating restrictions - reduction of noise at source, land-use planning and management, and noise abatement operational procedures. Only after these three elements have been exhausted, should the fourth element of the Balanced Approach – operating restrictions – be considered.

A major upgrade to the airport's hold baggage screening systems continued during the year. These works are an essential regulatory requirement to comply with new European standards. The project is particularly complex in Terminal 1, as elements of its existing baggage handling system are at the end of their natural life and cannot be restructured to accommodate the new screening machines. The works have necessitated the temporary closure of certain check-in areas in Terminal 1; however, this did not have a significant impact on operations due to very low passenger volumes during the year.

Significant progress was made on both the North Runway project and our new hold baggage screening systems during the year, almost all of our capital expenditure was spent on these two key projects making the most of reduced traffic and movement through our airport.

When possible, we also progressed key airfield and terminal projects during the year and in some cases, these works took advantage of the significant downturn in traffic. The airport's main runway, Runway 10/28 was re-designated during the year to take account of the new North Runway. Runway 10/28 is now 28L and 10R while the North Runway will be designated 28R and 10L. We also completed the rehabilitation of Runway 16/34 and a series of other airfield related projects.

A new expanded immigration hall serving arriving passengers from Pier 1 and Pier 2 was completed in the summer, providing an enhanced environment and additional dwell space if required. We also delivered a new seating area in the main departures lounge in Terminal 2 and continued works to upgrade certain passenger facilities in Terminal 1.

Passengers at Dublin Airport

7.4m

-78% versus 2019

Cork Airport

Cork Airport entered 2020 as Ireland's fastest growing airport. It had enjoyed five consecutive years of growth, which had seen passenger numbers increase by 25% from 2.1 million passengers in 2015 to almost 2.6 million in 2019.

The airport made a strong start to the year as passenger numbers increased by 6% in the first two months of 2020. But the pandemic had a catastrophic impact on Cork Airport's business in the remainder of the year. Passenger numbers declined by 80% to just 530,000 during 2020, 317,000 of whom had travelled in January and February.

Traffic declined across all markets served by Cork Airport. The number of passengers travelling on flights to Britain fell by 78% to 305,000. London traffic was down 76%, while passenger numbers travelling on routes to and from other British destinations declined by 81%.

Pre-Covid, Cork had more than 50 routes with nine scheduled airlines, flying to destinations in the United Kingdom and Continental Europe. Currently, Cork Airport's only routes are a service to Heathrow with Aer Lingus and a service to Amsterdam with KLM, both of which operate thrice weekly.

Cork Airport has remained open throughout COVID-19 as an essential service providing key infrastructure for vital air services. It continues to play a key role in search and rescue missions, Air Corps and Garda operations, and medical evacuations and transplant flights.

In recognition of the particular difficulties facing Cork and Shannon airports because of the pandemic, the Irish Government has established a funding programme for State-owned regional airports in 2021. It is making €32.1 million available under this programme in 2021, which is open to Cork and Shannon airports. A total of €16.5 million has been allocated to the capital spending schemes, while €15.6 million is being allocated to support operational activities at the airports.

First Irish airport to achieve ACI Airport Health Accreditation

See more on page 21

Cork Airport entered 2020 as Ireland's fastest growing airport

Passengers at Cork Airport

530k

-80% versus 2019

At the time of writing, Cork Airport has secured capital and operational support of €18.7 million from the Government for this year.

During the year, we began the procurement process for the reconstruction of Cork Airport's main runway, which will be part funded by the State. This will be the first time that the State has invested directly in operations at either Cork or Dublin airports in several decades, and the support from the Exchequer is appreciated.

The runway reconstruction will be the largest single investment at the airport since the opening of the new passenger terminal in 2006. Enabling works will begin in June and the main works will take place from mid-September until mid-November. It is anticipated that these main works will be on a 24-hour basis. The overall project will comprise a full reconstruction of runway 16/34, an upgrade to the aeronautical ground lighting (AGL) system, and other related works. The AGL system will use LED lights, which typically reduce energy consumption by more than 60%.

Good progress was made on the upgrade of Cork Airport's hold baggage screening system during 2020 and this project will be completed later this year. Our prudent investments in the main runway and the baggage screening system will help position Cork Airport to capitalise on the expected upturn in the aviation market in the medium term.

"The reconstruction of Cork Airport's main runway will begin in 2021."

Case Study **Safety Programme**

Global recognition for Dublin and Cork Airports' COVID-19 safety measures

Dublin and Cork airports received a global endorsement for the measures that they have introduced to protect the safety of passengers and staff during the COVID-19 pandemic.

Cork Airport was the first Irish airport to achieve ACI Airport Health Accreditation and now both airports' efforts have been formally recognised by Airports Council International (ACI) World and ACI EUROPE and Dublin and Cork airports are now a member of ACI's Airport Health Accreditation programme.

The airport health accreditation programme provides airports with an independent assessment of the new health measures and procedures that have been introduced as a result of the COVID-19 pandemic. It also measures an airport's compliance with new industry standards in relation to health and safety.

Cork Airport

Commentating on Cork Airport being certified under the Airport Health Accreditation programme, Niall MacCarthy, Managing Director said: "The fact that Cork Airport is the first airport in Ireland and one of the first in world to be a holder of this international certificate proves that it is always our top priority to ensure the health and safety of our passengers and employees. The awarding of the Airport Health Accreditation certificate is also proof that our measures at Cork Airport are at the top of all international standards. I should stress that we never ever compromise on the health and safety of our passengers and employees at Cork Airport. This certification will become increasingly important as the Government moves to reopen international travel and the industry and Government collaborate on restoring passenger confidence in travel."

Cork Airport has invested significantly in a wide range of public health measures including the fitting of plexiglass screens throughout the terminal, multiple sanitisation stations and units, hundreds of signage and social distancing graphics throughout, various face mask vending machines, five Anti-Viral Fogging Units, high technology queue management software with automated alerts where space capacities exceeded, state of the art (COVID-19 specifically tailored) cleaning regime to ensure the terminal is sparkling clean and hygienic.

Dublin Airport

Dublin Airport Managing Director Vincent Harrison said the ACI accreditation was "a significant validation" of the work that the airport has undertaken in the area of health and safety in recent months.

"The safety of our passengers, our employees and the staff of all the other companies that operate on the campus is always Dublin Airport's main priority," Mr Harrison added. "We introduced our safety measures based on a comprehensive series of risk assessments and the new international guidelines, and it is very pleasing that the efforts of the entire Dublin Airport team have been recognised in this manner."

Dublin Airport has introduced a wide range of new measures to protect the wellbeing and safety of all passengers and staff in light of the COVID-19 pandemic.

It has installed more than 1,000 hand sanitisers throughout the airport, and more than 700 plexiglass screens are in place at close contact points throughout the airport. About 12,000 separate pieces of COVID-19 related signage are in place to assist and inform passengers, and there are also regular announcements on the airport's public address system to remind passengers of social distancing guidelines.

Dublin Airport's cleaning processes have also been enhanced to reflect COVID-19. All key contact surfaces such as security trays, self-service kiosks, escalator handrails, and trolleys are now undergoing enhanced cleaning, with a specific focus on any areas where passengers dwell.

Modern electrostatic disinfection techniques are being used in many key areas. This electrostatic cleaning uses a special spray which is electrically charged and this enables the sanitisers and disinfectants in the spray to wrap around and evenly coat all types of surfaces for a much more complete and longer lasting clean.

ARI well placed to take full advantage of the upturn when it comes

Aer Rianta International (ARI)

ARI is the Group's travel retail operation and also holds our equity investments in overseas airport operations.

In addition to operating outlets in Dublin and Cork airports, ARI also has a broad span of retail activities internationally, with direct or indirect interests in 14 countries across North America, Europe, the Middle East, and Asia-Pacific and a minority shareholding in Düsseldorf Airport in Germany, and in Larnaca and Paphos airports in Cyprus.

Group turnover for 2020 was severely impacted by COVID-19 in all locations with significant disruption due to travel restrictions and border closures.

With such a major fall in turnover, the key focus of the year was implementing cost control measures across all areas and stringent cash flow management. An essential element of this has been the renegotiation of commercial terms with airports. Significant and material progress has been made in obtaining relief and also term extensions on certain key contracts. The core international retail losses and cash flow challenges would have been significantly worse had it not been for the speed and decisiveness of actions that have been taken to date. These actions included restructuring programmes which resulted in approximately 1,000 employees leaving the business across the ARI estate. At this point in time, it is impossible to predict how long travel restrictions will be in place across the globe and the nature of the manner in which the aviation industry and travel retail will bounce back.

Group loss on ordinary activities after taxation was €66.5 million, compared to a profit of €13 million in 2019. The impact on our investment in Düsseldorf Airport, where we hold a 20% stake, was significant, accounting for losses of €26 million during the year, but all other locations were also impacted by the pandemic. Passenger numbers at Düsseldorf Airport declined by 74% to 6.6 million. As part of an extensive refinancing of the airport, a €20 million subordinated loan facility was provided, some €12 million of which had been drawn by the end of 2020.

In Ireland, ARI operates our retail business, The Loop, at Dublin and Cork airports and also manages a number of retail concessions at the two airports. Total sales at Dublin and Cork airports, including retail and food and beverage sales by concessionaires, decreased by about 75% in 2020. This was marginally better than the overall decline in passenger numbers.

ARI's joint venture operations at Delhi International Airport, where ARI holds a 33.1% stake, started the year very well and benefited from the opening of the refurbished departure duty free store. However, the material decline in international traffic since March has had a severe impact on operations. Management have successfully managed cash resources and are well-placed to react speedily to a recovery in passenger volumes.

ARI Middle East (ARIME), which has business interests in Bahrain, Lebanon, Qatar, Oman, Saudi Arabia, and Cyprus, had a difficult year in all markets in 2020, with the exception of Qatar, which traded in line with 2019.

In addition to dealing with the COVID-19 pandemic, the situation in Lebanon was particularly challenging with civil unrest, currency weakness and a catastrophic explosion in Beirut port. However, the combination of the immediate application of cost reduction measures, coupled with relief negotiated with airports and also the leveraging of new e-commerce platforms has helped all locations perform better than the underlying drop in passenger volumes.

The new airport in Bahrain formally opened post year-end on January 28, 2021 and we look forward to continuing our long-term relationship there. The contract in Oman was extended for a further four years on commercial terms that will underpin a viable business during these uncertain times.

Trading in Qatar and Saudi Arabia held up particularly well, driven by domestic factors in both locations. Our investment in our Saudi Arabian entity completed during the year. Negotiations on an extension to ARIME's contract in Qatar progressed satisfactorily during the year, with a multi-year extension agreed.

The much-anticipated Midfield Terminal at Abu Dhabi's International Airport is now scheduled to open in 2022. ARIME will operate a number of stores in the new terminal, including perfume and cosmetics, sunglasses and jewellery outlets.

ARI, through its subsidiary CTC-ARI, owns the travel retail offering at Larnaca and Paphos in Cyprus in addition to a joint venture shareholding in the food and beverage operation at both airports. ARI's retail operations in Cyprus had a challenging year due to the fall in passenger numbers. Overall passenger numbers at the two airports decreased by almost 80% to 2.3 million which also impacted the airports' operator Hermes Airports, in which ARIME has an 11% stake.

However, despite the impact of COVID-19 restrictions, the refurbishment and upgrading of the retail space in Larnaca was fully completed on time and on budget in August 2020. Management there is confident that the business will recover quickly, underpinned by an increase in the array of global brands coupled with an extensive assortment of local Cypriot products.

The performance of ARI's retail operations in Canada and Auckland were significantly impacted by border closures and the fall in international long-haul traffic, particularly on Chinese routes, which typically have higher spending passengers.

In Montréal, building on our collaborative relationship with the airport and our award-winning offer there, the contract was extended for a further seven years to 2030. Our new e-commerce platform, The Loop was successfully launched in English and French in Montréal in the second half of the year.

In Auckland, we continued to work with the airport to develop a domestic duty paid offering and collaborated on their e-commerce platform, while preparing for a reopening of the borders. ARI remains hopeful that the key Trans-Tasman corridor between New Zealand and Australia will reopen in late April.

During the year, ARI was awarded a five-year duty free retail concession at Tivat and Podgorica airports in Montenegro. Implementation work in Montenegro is complete, but the opening of the stores has been impacted by COVID-19.

In 2020, ARI won several significant prestigious international awards for its retail offering including:

- Montréal: North America Airport Retailer of the Year
- Montréal: North America Travel Retailer of the Year
- Dublin: Best Tactical Advertising Campaign
- Dublin: Best Integrated Marketing Campaign
- Dublin: Speciality Concept of the Year
- Delhi: Best Use of Social Media

Across all of our markets, ARI management is now focused on ensuring that our retail offer is aligned with consumer expectations in the post-COVID-19 era.

Significant work is ongoing to redefine the customer proposition and while we have a clear plan in place for the next 18 months, our retail business must be prepared to adapt and be agile in an environment that is likely to remain uncertain for the foreseeable future.

Difficult decisions were made in 2020 to ensure the long-term viability of the business. New organisation structures are now in place and teams are smaller. But we are confident that these changes – coupled with the talented and dedicated teams we have across all locations – mean that ARI is well placed to take full advantage of the upturn in international travel when it comes. We have a strong estate of world-class outlets, with great teams and excellent relationships with our suppliers, our partners and our airports.

"Significant work is ongoing to redefine the customer proposition and while we have a clear plan in place for the next 18 months, our retail business must be prepared to adapt and be agile in an environment that is likely to remain uncertain for the foreseeable future."

daa International expands its range of activities

daa International

daa International leverages the expertise of the wider daa Group to offer advisory, management and consultancy services to its clients around the world.

The business had a positive start to 2020 that saw the expansion of daa International's operations to new locations in Saudi Arabia, a continuation of its ongoing work in the Philippines, and completion of a first project in Australia.

However, closure of much of the world's aviation business for several months due to the COVID-19 pandemic had a significant impact on daa International's operations, with a reduction in the services provided to aviation clients and the accompanying fall in revenue streams.

In addition, many of daa International's staff on international assignment endured some of the strictest local lockdowns and travel bans for much of the year.

The second half of 2020 saw an upturn in activity, particularly growth in the range of services provided to King Khalid International Airport (KKIA) and the Riyadh Airport Company (RAC) in Saudi Arabia. By year-end, daa International had re-grown the services it provides to KKIA by 40%, with a full-time team of 10 individuals working with RAC.

Additionally, as the operator of Terminal 5, the domestic terminal at KKIA, daa International has seen a quicker return to normal passenger numbers than many markets, with figures approaching 60% of pre-COVID-19 levels by year-end.

daa International continues to manage the ongoing operation of Terminal 5 in addition to providing speciality services to the Riyadh Airport Company in areas such as Aviation Business Development, Talent Development, Car Parks, Commercial Concessions, Asset Management, Business Continuity and Operational Readiness and Airport Transition (ORAT) Services.

daa International's advisory services contract with Dammam Airport and the Dammam Airports Company (DACO) in Saudi Arabia, continued during the lockdown period in the country and was completed successfully during the year. daa International is hopeful of developing further partnerships with DACO in the future.

At year-end, daa International won a contract with the Red Sea Development Company to become the airport operator for the Red Sea Airport project. Our role in the project will begin with providing consultancy services during the initial construction phase.

The Red Sea Development Company awarded the contract to daa International to deliver a next generation airport experience that will marry innovative design solutions and cutting-edge technology to create a unique travel experience.

The airport has been designed to comply with the highest environmental building practices and arrivals will be limited to one million passengers per year to protect the pristine environment of the Red Sea destination, which includes an archipelago of 90 islands and the world's fourth-largest barrier reef.

Passenger numbers at King Khalid International Airport, Riyadh, Saudi Arabia

11m

-57% versus 2019

The Red Sea Airport will receive its first passengers in late 2022, when the resort will have in the region of 3,000 hotel rooms available. Upon completion in 2030, visitor numbers will be capped at about 8,000 occupied rooms per night.

The Red Sea Development is a flagship project for the Saudi Government and represents an unprecedented opportunity for daa International to cement its position as a leading international aviation services provider within Saudi Arabia. The project further represents a long-term airport operations and management contract and will support daa International as it seeks to capitalise on this success and develop major projects in other areas of the world.

Other project work in South East Asia and Australia has faced significant challenges during the year due to the economic downturn in the aviation sector caused by the pandemic. However, daa International continues to support its clients, as the sector prepares for a return to more normal services in some locations in 2021.

In Australia, daa International is very well positioned to support a number of key airport development projects within the country. daa's experiences over the past decade, delivering a large scale new terminal operation and constructing an additional runway in Dublin, has developed internal capabilities and expertise which can be leveraged to support the development of similar infrastructure projects in the Australian states of New South Wales and Victoria.

daa International has also positioned itself within the international airport concession market, forming strategic relationships with key market players to explore emerging opportunities, particularly in the Middle East, the Caribbean and South East Asian markets.

Thanks

Our Group Chief Financial Officer Ray Gray is leaving daa later this year, after 22 years in the role. I would like to thank Ray for his huge contribution to the Group during that period and to wish him well for the future. I would also like to congratulate his successor Catherine Gubbins, who will take over as Group CFO in May.

It has been a very challenging year for the Group and for all of our employees. We had to act swiftly and take some very difficult decisions to protect the business. I would like to thank all of my colleagues in daa for their perseverance, resilience, and hard work during the year.

Our teams across the business dealt with adversity on a daily basis through much of 2020 and their efforts are hugely appreciated. We look forward to better days ahead for our Group.

Dalton Philips
Chief Executive Officer
13 April 2021

"The Red Sea Development is an unprecedented opportunity for daa International to cement its position as a leading international aviation services provider with Saudi Arabia."

Passengers in Terminal 5, King Khalid International Airport, Riyadh, Saudi Arabia

7.6m
-54% versus 2019

Maintaining strong finances

> "The effects of this pandemic continue to dominate the early part of 2021... uncertainties make it difficult to predict the shape, pace and extent of the recovery..."

Ray Gray
Chief Financial Officer

The headline for the CFO Review in the 2019 Annual Report was "2020 is set to be dominated by the effects of the global COVID-19 pandemic". This was written in March, as the first restrictions were being put into effect. Just as the 2019 results were being finalised, we were rapidly moving from record Group profitability in 2019 towards a record loss in 2020.

The global outbreak of COVID-19 has had an unprecedented adverse impact on every aspect of our operation in 2020. The pandemic and the resulting actions and measures taken by governments across the world, including significant travel restrictions, has led to a significant number of airport closures, flight cancellations and suspensions and a consequent reduction in passenger traffic globally. This has resulted in airline operators standing down their aircraft fleet and flight schedules, significantly reducing capacity levels and in some cases suspending all capacity at the domestic airports and international locations in which we operate. This has had a devastating effect on turnover and profitability for the Group in 2020.

A summary of the key Group financial results are as follows:

	2020	2019
Passenger numbers – Ireland (millions)	**7.9**	35.5
Change %	**-78%**	5%
	€'m	€'m
Group turnover	**291**	935
Change %	**-69%**	4%
Group operating costs[1]	**260**	446
Change %	**-42%**	5%
Group EBITDA[2]	**(33)**	302
Change %	**-111%**	4%
Group (loss)/profit after tax – before exceptionals and fair value movements	**(187)**	150
Exceptional items and fair value movements	**(97)**	26
Group (loss)/profit after tax – after exceptional items and fair value movements	**(284)**	176
Net cash outflows from operating activities (before restructuring payments)	**(8)**	276
Change %	**-103%**	-2%

1. Group operating costs include payroll and related costs, materials and services and other income - government support.
2. Group EBITDA comprises Group earnings before interest, tax, depreciation, before exceptional items, excluding contributions from associated and joint venture undertakings.

COVID-19 response

Our response to the financial challenges posed by the pandemic was swift and built around three key themes.

- **Cash flow control**
  Tight cost and cash flow and working capital controls were put in place. Notwithstanding a €446 million cost base in 2019 with significant fixed-cost elements, and a 70% drop in Group gross margin to €227 million, cash outflow from operations (before restructuring payments) was restricted to €8 million (see Cash flow statement). Significant cost actions were taken, and government and other stakeholder supports were availed of; year-on-year reductions on average of 58% were achieved in operating costs in the last seven months of 2020.
- **Liquidity and balance sheet management**
  The Group's available, committed, and essentially uncovenanted and unsecured, liquidity (€1.2 billion at the end of 2020) was significantly increased and average maturity lengthened. Scheduled repayments on the Group's borrowings of €1.6 billion are €185 million (12%) in the next five years. Contracted capital commitments amounted to less than 9% of available liquidity at the year-end. Future investment commitments were reviewed and will be informed by a range of factors including visibility and pace of the anticipated recovery in air traffic and price regulation factors.
- **Future size and shape**
  In May 2020, we launched a significant restructuring programme for our Irish businesses, incorporating a right-sizing programme and significant work practice changes. This will potentially see our workforce in Ireland operating at about 70% of 2019 levels and with new team-based models across our airport campus operations. Significant reductions have also been effected in ARI's international retail operations, where concession terms have also been revised in a number of cases.

2020 results

Passengers through Dublin and Cork airports for 2020 amounted to 7.9 million compared to 35.5 million in 2019. Passengers at daa's Irish airports were 22% of 2019 levels. Data from Airports Council International (ACI) Europe reported international passengers at 25% of 2019 levels.

Turnover generated at Dublin and Cork airports comprises aeronautical charges levied, turnover from direct retailing and from commercial activities such as car parking, car hire and other activities. Group turnover declined by 69% to €291 million compared to €935 million in 2019. The result is driven by a decrease across all categories of revenue. Domestic airport related turnover decreased by €457 million or 68% to €211 million compared to €668 million in 2019. Aeronautical revenue declined by 72% to €89 million. Domestic retail revenue decreased by 74% to €47 million and other commercial revenue declined by 57% to €75 million. International turnover declined by 70% to €80 million (see the CEO review). Gross margin decreased by 2% from 80% to 78% in 2020.

The Group recorded an EBITDA[2] loss before exceptionals of €33 million compared to an EBITDA profit of €302 million in 2019.

Group operating costs before exceptionals[1] decreased by €186 million or 42% to €260 million from €446 million. Domestic airport costs[1] amounted to €201 million; a decrease of 37% from €320 million in 2019 and international costs[1] decreased by 53% to €59 million (2019: €126 million).

We implemented a range of cost mitigating actions during 2020, including placing Irish-based employees on 80% of normal working hours, introducing a recruitment and pay freeze, reductions in contract and seasonal employment costs, and reductions in domestic and international employment levels. We introduced a voluntary severance scheme at our Irish operations in order to right-size the business over the next 18 months. Similar restructuring programmes also took place across our international operations (see the CEO review for further details), average Group employee numbers reduced by over 20% (see Note 3 to the Financial Statements), with year-end levels reducing by substantially more.

We also availed of a number of Government supports that were made available domestically and internationally where applicable, these included wage subsidy schemes, local authority rates waivers and rebates. The Group recognised €34 million from various Governments, wage subsidy schemes (see Note 4 to the Financial Statements). Separately, our international business obtained concession fee reductions and term extensions on key airport retail contracts.

Group loss after tax, before exceptional items was €187 million, a significant decrease compared to a profit of €150 million in 2019. Exceptional items net of tax amounting to €97 million arose with the introduction of a staff options package which included voluntary severance programme and career breaks, which led to €88 million (net of tax) being recognised. Exceptional items also includes a fair value decrease net of taxation of €9 million in investment properties (see Note 6 to the Financial Statements).

After exceptional items, the Group incurred a loss after tax of €284 million (2019: profit of €176 million).

Loss after taxation (pre-exceptional)

-€187m

EBITDA[2]

-€33m

Operating expenses[1]

€260m

-42%

1. Operating costs include payroll and related costs, materials and services and other income – government support.
2. Earnings before interest tax depreciation and amortisation (before exceptional items).

Business units

Dublin Airport regulated activities recorded a negative EBITDA of €2 million (2019: €276 million). EBITDA from all other activities including international locations was a loss of €31 million (2019: profit of €26 million) reflecting, in particular, COVID-19 induced losses at Cork Airport and from international retail activities.

International results significantly decreased from a profit contribution of €13 million in 2019 to a loss of €66.5 million in the current year, this takes into account a €34 million share of loss from associates and joint ventures (2019: profit of €17 million) of which €26 million is due to the Group's share of losses arising in Düsseldorf Airport.

daa International also had a difficult year due to COVID-19, with turnover decreasing by 58%, reversing its 2019 profitability into a modest loss.

Tax

The Group experienced a €35 million taxation credit compared with a tax charge of €27 million in 2019. The Group's overall effective tax rate was 11% (2019: 13%) and has remained relatively stable year-on-year. Irish corporation tax payments on account in 2019 of €19.5 million in respect of that year are offsetable due to the availability of 2020 losses, €13.5 million of which was refunded during 2020. No material foreign tax arose in the year.

We availed of the Government's tax debt warehousing scheme to assist Irish businesses during the period of restricted trading caused by COVID-19. This scheme allows companies that are severely affected by the pandemic to warehouse VAT and PAYE liabilities arising for a period of 12 months on an interest free basis. The total amount warehoused at 31 December 2020 was €31 million (see Note 17 to the Financial Statements for further details).

Investment

Overall planned capital spend for the year was reduced by more than 20% versus planned levels, and the Group's capital investment pipeline was adjusted in light of the pandemic and the delivery timeframe for a number of major capital projects has been reassessed.

Capital additions for 2020 amounted to €293 million, an increase of €49 million from €244 million in 2019. Expenditure was focused on the key construction projects such as the new North Runway, the required upgrade to hold baggage screening (HBS) infrastructure at our airports and completing projects already well advanced including airfield works at Dublin Airport, construction at Dublin Airport Central and the substantial refurbishment of the retail store in Cyprus.

At the end of 2020, capital commitments were €301 million, of which €108 million were contracted and primarily relate to the North Runway and HBS projects.

During 2020, the Group acquired a 49.9% shareholding in Ahlan Modern Travelers Services Company Limited (AMTSC) (see Note 32 to the Financial Statements) and also committed to provide loans of €26 million in aggregate to two associated undertakings (see Note 14 to the Financial Statements).

Treasury Management

Cash flow activities and net debt

Reflecting the reduction in operating cash flow arising from the impact of COVID-19, Group had net cash outflows from operating activities (before restructuring payments) of €8 million in 2020 compared to inflows of €276 million in 2019 (see Note 25 to the Financial Statements).

After restructuring payments of €40 million (2019: €0.7 million), investing activities of €285 million (net) (2019: €204 million), the effects of interest, bond issue and dividend payments, net debt increased by €353 million to €783 million.

Funding and liquidity

We took a number of financing decisions in 2020 to secure the Group's strong liquidity position:

- In March, the Group upsized its committed revolving credit facility (RCF) from €300 million to €450 million and extended the maturity out from November 2022 to March 2025 and subsequently in October, extended the maturity again by another year to March 2026.
- In the second quarter of 2020, the committed €350 million European Investment Bank (EIB) loan was drawn on an average fixed rate of 0.935% and was disbursed on a 20-year amortising basis with a capital moratorium for the first five years with interest and capital payable semi-annually.
- Finally, in October, the Group issued a €500 million Eurobond on Euronext, Dublin's main securities market, at a fixed rate coupon of 1.601% repayable in November 2032. See existing group debt facilities table on page 29 for further information.

The Group is currently rated 'A-/A-2' on negative outlook by credit rating agency S&P Global Ratings (S&P). At the start of 2020, the Group was rated A/A-1 and was on a stable outlook. However, in March, S&P placed the rating on CreditWatch with negative implications due to the onset of COVID-19 and potential weaker passenger traffic in 2020. Then in July, S&P lowered the rating to A-/A-2 and placed the outlook on negative. This rating of A-/A-2 remains on negative outlook today.

Net debt

€783m

+82% versus 2019

Liquidity

€1.2bn

+26% versus 2019

Eurobond issued in 2020

€500m

Treasury management

The Group operates a centralised treasury function operated in compliance with Board approved policies which are reviewed periodically by management and Internal Audit for appropriateness and the effectiveness of the system of internal controls.

The main Group financial risks, managed from a treasury perspective, relate to:

- Funding – to maintain access to the debt markets and other sources of finance.
- Liquidity – to put in place sufficient liquidity to meet the Group's requirements.
- Interest rate movements on the Group's existing and projected future debt requirements.
- Foreign exchange volatility mainly due to overseas operations.
- Counterparty credit risk.

Some of these risks can be mitigated through the use of derivative financial instruments and, where appropriate, such instruments are executed in compliance with the Specification of the Minister for Finance issued under the Financial Transactions of Certain Companies and Other Bodies Act 1992. This Act authorises the Group to enter into derivative contracts to eliminate or reduce the risk of loss arising from changes in interest rates, currency or other factors similar in nature.

Funding	The Group's funding operations are strategically important and support capital expenditure, the refinancing of maturing debt and supply of adequate liquidity. The Group has consistently placed a high priority on maintaining a strong investment grade credit rating and targeted longer maturity funding from the capital markets and the European Investment Bank. The Group's funding policy is to ensure a consistent supply of committed funding at Group level at reasonable cost, to meet the anticipated funding requirements of the Group taking into account the period covered by the long-term business plan and to provide flexibility for other unanticipated events. Gearing was 39% at the year-end, which increased from 22% in 2019. Details of fundraising and liquidity management are set out above. The detailed cash flow statement is shown on page 84 and is supported by Notes 25 and 26 to the Financial Statements. The Group's debt maturity profile shows a very manageable repayment position with no significant repayments until June 2028 when the €400 million Eurobond matures – see Group debt maturity to 2032 on page 30.
Liquidity	The Group's liquidity policy ensures it has sufficient liquidity available to meet its liabilities when due by ensuring sources of liquidity are at least 1.5 times or more than the uses of cash for the next 12 months and has the ability to absorb high impact, low probability events without having to refinance. As a result of financing actions, the Group had, at 31 December 2020, liquidity of €1,235 million consisting of €785 million cash and the undrawn €450 million committed RCF, providing the Group with strong liquidity to meet the ongoing challenges presented by COVID-19. Capital commitments contracted at 31 December 2020 were €108 million, while a further €193 million were authorised by the Directors but not contracted.
Interest rate	The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt so as to protect the profit and loss account and cash flows from material adverse movements in interest rates. At 31 December 2020, 99% of the Group's debt was fixed to maturity thus minimising exposure to interest rate fluctuations. The weighted average interest rate applicable to the Group's borrowings was 1.7% (2019: 2.2%).
FX	The majority of the Group's cash flows are generated from Euro-denominated operations at its Irish airports. The Group has a number of overseas subsidiaries, joint venture and associated undertakings from which dividends and management charges are denominated in foreign currencies. The Group's policy is to minimise currency transaction risk, by seeking, where appropriate, to hedge foreign exchange transaction exposures, using currency derivatives such as forward purchase contracts. The Group does not hedge translation risk arising from profits and net assets of these overseas subsidiaries, joint venture and associated undertakings. Currency exposures are disclosed in Note 27 to the Financial Statements.
Counterparty credit	The Group's counterparty credit risk consists principally of trade debtors and bank deposits. The Group's policy is to limit exposure to counterparties based on an assessment of credit risk and projected credit exposure. The Group has formalised procedures for managing credit risk including the setting of credit limits, the monitoring of trade debtors and bank deposit levels. It is Group policy to deposit cash surpluses with banks with an appropriate credit rating as determined by the leading credit rating agencies.

Existing Group debt facilities

Instrument	Maturity	Current outstanding
Eurobond	June 2028	€400m
Eurobond	November 2032	€500m
Various EIB facilities	Amortising to 2040*	€662m
Revolving Credit Facility (RCF) (€450m)	March 2026	€NIL (Undrawn)

* Varies by loan.

Capital expenditure

€270m

+22% versus 2019

Capital commitments

€301m

-48% versus 2019

Outlook

The effects of this pandemic continue to dominate the early part of 2021. Due to further waves and new strains of COVID-19, international travel has been much more severely curtailed in Ireland and many other countries in which the Group operates. Irish passenger and Group revenue activity levels for the first quarter of 2021 were down 92% and 80%, respectively, on the same, largely pre-pandemic period in 2020. We had already fully anticipated a very weak start to 2021.

As outlined below, many uncertainties continue to make it difficult to determine the upper and lower levels of activity that the Group will experience for the remainder of 2021. Industry forecasts suggest the recovery of European passenger traffic could be limited to 30% of 2019 levels. For Ireland, estimates need to be tempered by an absence of a domestic air market (typically more rapidly recovering), the present cautious national health and travel policy response, the pace of vaccine rollout, and an absence as yet of any effective co-ordinated EU or widespread international response to travel restrictions, corridors, vaccine passports or digital certification. All of these factors necessitate cautious consideration with regard to the pace of a 2021 recovery.

Despite the substantial challenges occasioned by COVID-19, there are substantive grounds for optimism in the medium-term recovery. We know aviation is critical for our economy in Ireland for our connectivity, trade and tourism and there is huge underlying demand for international travel.

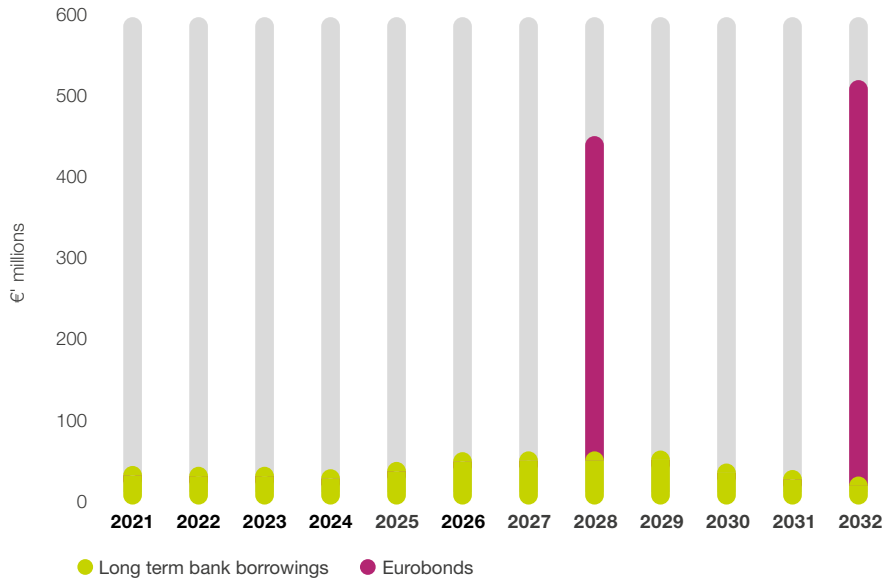
The rapid development and rollout of vaccines, the continuous investment in non-pharmaceutical interventions (including rapid and scalable testing, test/trace effectiveness and genome sequencing) together with improved international co-ordination of measures, all offer opportunity for overtaking and successfully suppressing the virus and the lifting or easing of travel restrictions.

This will take time, and immediate grounds for optimism are tempered by uncertainties, including what the post-hibernation condition of the aviation sector and policy responses will be, together with the effects of changes occasioned by the effects of the pandemic on travel. These uncertainties make it difficult to predict the shape, pace and extent of the recovery that we expect will follow.

Our focus is on being ready for the recovery opportunity, to be resized and reshaped, with the financial flexibility to be able to respond effectively, informed by national aviation policy. We will continue to protect our business by adapting our cost base to remain competitive and investing in critical capital infrastructure programmes.

Ray Gray
Group CFO
13 April 2021

Group debt maturity to 2032

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Our strategy

The COVID-19 pandemic in 2020 has had a profoundly negative impact on the aviation industry. Since the initial lockdown in Ireland in March of 2020, traffic levels at both of our Irish airports have dropped to between 1% and 15% of 2019 levels.

Our existing strategy, 'Creating Our Future', covered the period from 2018-2021. The pandemic made this strategy largely redundant and the business quickly responded with a new 'Road to Recovery' (R2R) plan that sought to protect our business and create the right foundations for it to rebound post-2020. Defining our core objectives and priorities for the business early in the pandemic was key to ensuring our survival through this crisis. The key areas of focus in the R2R plan are set out below.

Road to Recovery (R2R) plan – key areas of focus

Finances

- Ensure we have sufficient cash and liquidity to support our operational requirements and recovery plans.
- Reduce our costs, limit losses and renegotiate commercial agreements.

Strategy in action

- Extended existing €450 million credit facility from March 2025 to March 2026.
- Raised €500 million in long-term debt from bond market.
- Renegotiated approximately 40% of international contracts.
- Reduced cost base by approximately €186 million* by proactively implementing cost mitigation measures.

* Net of Government support.

Business operations

- Understand and adapt our passenger journey across all our operations to reflect changes due to COVID-19 and reinstil customer confidence.
- Work closely with our airlines, commercial customers and international partners to retain business and support resumption of services as soon as practical.

Strategy in action

- Implemented a fully compliant passenger journey (e.g. circa 12,000 signs, more than 700 new plexiglass protection screens, socially distanced seating, deep cleaning and disinfection regimes and more than 1,000 hand sanitiser stations).
- Implemented passenger testing by independent operators at our Irish airports.
- Obtained ACI's Airport Health Accreditation for both Irish airports.
- Provided discounted charges in relation to aircraft parking, airbridge and cargo.

People

- Maintain a safe and secure workplace for our staff.
- Agree new ways of working with our staff and unions to ensure our business is agile and can respond to changes in business demand.
- Take steps to ensure our business is appropriately sized and structured given changed environment and downsizing of business.

Strategy in action

- Implemented staff testing across the campus for all staff on site.
- Agreed new ways of working with 93% of employees who voted.
- Implemented various technology initiatives to assist with staff working remotely.
- Implemented a voluntary severance scheme in order to right-size our business which will result in about one-third of our Irish-based workforce exiting the business.

> “We therefore devised a new Road to Recovery plan which took account of the new realities that were facing the Group. It focused on the twin elements of protecting our business in the short-term while creating the conditions whereby we can rebuild our Group as quickly and efficiently as possible.”

Road to Recovery (R2R) plan – key areas of focus

Infrastructure

- Progress with critical projects such as North Runway, Hold Baggage Screening and planning applications.
- Review timing of investment plan under revised passenger trajectory expectations and ensure programme is affordable.

Strategy in action

- Continued to progress critical projects such as North Runway, Hold Baggage Screening and planning applications.
- Submitted planning application to Fingal County Council to address two onerous conditions attached to the grant of planning for North Runway.
- Achieved Level 3+ Carbon Neutrality for Dublin Airport under the Airport Carbon Accreditation Programme.

Stakeholders

- Work collaboratively with wider airport industry on recovery plans.
- Engage with National and European stakeholders to ensure we have the right supports for our business and industry.

Strategy in action

- Participated in the Aviation Recovery Taskforce and provided input to Report Recommendations.
- Attended various Oireachtas Committee sessions to explain the impact of the pandemic on our business and seek support for reopening aviation markets.
- Worked collaboratively with various stakeholders throughout the year.

The Road to Recovery KPIs

Over a short time frame, our R2R plan led to a number of significant changes in our business. This ultimately resulted in the need to devise new KPIs which were reflective of the challenges facing the business over the course of 2020. Below, we have outlined the key KPIs that were used to track progress under four pillars of the Road to Recovery strategy:

Finances

#1 Net Debt

Definition
Net debt is defined as total debt less cash and cash equivalents.

Importance
Due to the prolonged impact of COVID-19 on our business and industry, access to additional liquidity and long-term borrowings was required to support our business as revenues dropped by 69%.

Performance
Net debt has increased to €783 million in 2020. In March, the Group upsized its committed revolving credit facility (RCF) from €300 million to €450 million, and subsequently extended the maturity out to March 2026. In October, the Group issued a €500 million Eurobond on Euronext Dublin's main securities market. Additional liquidity during the year contributes to the security of the airports' future development.

2020: €783m
2019: €430m
MVMT 82%

#2 Operating Costs

Definition
Operating costs encompasses payroll costs and non-payroll costs for the Group net of Government support.

Importance
With the decimating impact of COVID-19 on our business and revenues operating at -69% compared to 2019, a substantial reduction in our cost base was required to minimise losses.

Performance
Costs[1] have significantly reduced in the year by €186 million, 52% attributable to non pay cost and 48%, attributed to payroll costs.

2020: €260m
2019: €446m
MVMT -42%

Business Operations

#3 Technology Initiatives

Definition
Technology initiatives relate to small and large-scale digital technology and analytics projects implemented across the business.

Importance
The impact of COVID-19 globally heightened the importance of digital technology, analytics and automation in order to quickly adapt how we work and survive during the crisis.

Performance
A total of 245 initiatives were delivered in 2020. 83 of these initiatives supported the implementation of our 2020 Road to Recovery plan across the Group. This included the rollout of remote working, the automation and streamlining of processes to support new ways of working and enhancing the passenger journey and experience.

2020: 245
2019: 242
MVMT 1.2%

People

#4 Staff FTEs

Definition
FTEs refer to full-time equivalent contracted employees in the business for the year.

Importance
Our business has seen traffic drop to between 1% and 15% of 2019 levels for 75% of the year. A recovery to 2019 levels is expected to take a number of years requiring us to right-size our business and reduce our staff numbers.

Performance
By implementing a combination of voluntary severance, career breaks and a recruitment freeze, we achieved a 23% reduction in FTEs by year-end.

2020: 3,205
2019: 4,139
MVMT -23%

#5 New Ways of Working (NWOW)

Definition
NWOW refers to how staff will work at our Irish airports going forward.

Importance
NWOW will increase our agility and allow for staff to work interoperably between terminals at Dublin Airport and ensure our rosters are more aligned to traffic demand.

Performance
93% of staff who voted on NWOW have agreed with the terms and implementation has commenced.

2020: 93%
2019: N/A
MVMT N/A

Infrastructure

#6 Capital Spend

Definition
Capital spend shows the amount spent in the year on capital items at our airports and businesses.

Importance
Investment is required to unlock capacity and progress key compliance and essential maintenance projects.

Performance
Higher capital spend in 2020 versus 2019 driven by North Runway and Hold Baggage Screening projects.

2020: €270m
2019: €222m
MVMT 22%

#7 Energy Consumption

Definition
This KPI measures the change in energy consumption by the airport year-on-year.

Importance
Dublin Airport committed to achieving carbon neutral status by the end of 2020 and energy consumption is a major contributor to our carbon footprint.

Performance
Dublin Airport consumed 21.9% less energy in 2020 versus 2019 and achieved carbon neutrality.

2020: -21.9%
2019: -5.4%
MVMT 300%

#8 Number of Noise Complaints and Complainants

Definition
Complainants represent the number of individuals who have logged complaints to the Noise & Flight Track Monitoring Service (NFTMS).

Importance
Monitoring the number of complainants and analysing the reasons for deviations from the expected, helps us to minimise disruption and plan for the future.

Performance
There was a sharp decrease in complainants due to reduced movements at our airports in 2020.

2020: 112
2019: 293
MVMT -62%

Rebuilding our Group Together

As we progressed through this workplan in quarter two of this year, it became apparent that the impact of the pandemic on our business would be longer lasting than was initially thought. With little scope for business certainty until vaccines are rolled out, we needed to look further ahead, while being mindful that the level of uncertainty that still exists in the environment means that it would not be appropriate to consider a long-term strategy at this time.

The prolonged impact of the pandemic has given rise to significant adverse financial results for the year with net debt almost doubling by the end of 2020. While a resumption to higher demand in 2021 will be a positive step for our business as vaccines are rolled out, a resumption to 2019 traffic levels is expected to take a number of years and therefore it will take some time to address the financial effects of the pandemic which we need to be cognisant of as we plan ahead.

Using the Road to Recovery plan as a foundation, we have developed a new strategic plan called 'Rebuilding Our Group Together' which will shape the pathway forward for our business over the next 12-18 months.

Rebuilding Our Group Together retains the five core pillars from the R2R plan and seeks to build our business priorities around three key objectives:

1. surviving the crisis;
2. recovering from the crisis; and
3. ensuring we are well positioned beyond the crisis to seize opportunities and restore value in our business as rapidly as possible.

Finances

Restore our finances:

- **Protect our financial position**
- **Restore the value of our business**

Business Operations

Return our businesses to growth:

- **Adapt to passengers' changing needs and expectations**
- **Attract customers back to our businesses**
- **Add value through new opportunities**

People

Re-inspire our people:

- **Embed new structures and ways of working together**
- **Create a climate that recognises people and performance**
- **Engage and empower our people**

Infrastructure

Refocus on our development plans:

- **Deliver critical projects**
- **Unlock capacity through planning**
- **Raise our sustainability ambition**

Stakeholders

Renew and strengthen our relationships:

- **Seek out beneficial partnerships**
- **Be recognised as an authentic voice**

Restore our finances:

- We will continue to focus on cash and liquidity, ensuring we maintain an investment grade credit rating to support our business in the longer term.
- The outcome of the Interim Determination and securing financial supports as the pandemic continues will be critical to protecting our financial position in the short to medium term.

Return our businesses to growth:

- This pillar represents the core activities for all businesses at home and abroad. It focuses on adapting and improving the passenger journey in light of changing developments.
- As our traffic has been decimated in 2020, we have placed a large emphasis on working together with our airlines and commercial customers to rebuild services at our Irish airports.
- We seek to add value through identifying new opportunities right across our Group. This may involve working in partnership with other businesses to increase revenues, exploit new markets and opportunities abroad and expand our revenue base to other non-passenger related services.

Re-inspire our people:

- 2021 will see our business move into a new phase with about one-third fewer staff at our Irish operations and new ways of working and structures agreed with staff and unions now requiring full rollout and embedding across the business.
- We acknowledge this has been a very difficult time for our staff with large numbers leaving the business and there has been a prolonged reduction in pay and hours. We want to ensure we keep staff on the journey with us as we recover from this crisis and aim to seek to create an environment that (1) retains and promotes high performance and (2) engages and empowers our staff through various initiatives and development opportunities.

Refocus on our development plans:

- Our revised plans commit to investing in critical infrastructure to ensure compliance with security and safety regulations (e.g. Hold Baggage Screening) and to complete projects already underway (e.g. North Runway).
- We believe our longer-term success at Dublin Airport hinges on us progressing with planning applications next year, given the lengthy and complex nature of the process. Securing the appropriate planning will position us to respond as traffic returns.
- We also want to raise our sustainability focus and ambition over the next 18 months to deliver our 2030 targets through investment, operational and construction guidelines and driving awareness across our business.

Renew and strengthen our relationships:

- We want to continue to work collaboratively across our industry to deliver the common goals of re-establishing connectivity and delivering profitable growth.
- We also aim to progress a range of issues with our Shareholders, including the review of the National Aviation Policy.
- We want to identify suitable partners to support our efforts to win new business in international markets. As part of that work we will be looking to build our ARI and daa International brands in new markets.
- Finally, communicating how we are supporting the recovery, keeping our country and communities safe and safeguarding our planet will be crucial to building trust in local communities and ultimately in rebuilding our business. We will be seeking to raise our reputation and get greater visibility for the work we are doing in all of these areas.

Our values

Our values are the guiding principles for the way we behave and work together each day to deliver on our strategy.

Respect each other's value

- We respect each other's value by finding out about each other's roles, being considerate, listening and asking questions.
- By collaborating as one team we build confidence in each other.

Passing the baton, not the buck

- We pass the baton and not the buck by trusting and supporting each other.
- By encouraging others to take responsibility and finding ways to share problems and by thinking 'how can we help?'.

Brilliant at the essentials

- Being brilliant at the essentials involves being an expert in whatever role our employees occupy.
- Being guided by the processes in place, being thorough and providing exceptional performances and recognising everyday brilliance – and above all, thinking as a customer.

Always better

- We can always do better by listening to ideas, being open about making decisions and by valuing incremental improvements.

This has been an unprecedented time for all and the biggest crisis to ever face our industry. We have come together to take the necessary steps to safeguard our business and have worked collaboratively with industry stakeholders with a common objective to protect the aviation industry and aim to get air travel back to 2019 levels as soon as practical.

Risk report

Approach to risk management

Risk management is an integral part of decision-making at daa.

The framework for managing risk is modelled on principles of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) methodology. The Group's risk management process is such that drivers of change in the internal and external environment are identified and considered in terms of their impact on the management of enterprise and business unit level risks, in line with the Group's risk appetite.

During 2020, COVID-19 amplified certain risks for daa's businesses. The focus throughout the year has therefore been on dynamically assessing the risks, particularly those directly arising from the pandemic and taking mitigating actions to reduce the impacts right across the business. Responsibility for assessing the overall levels of risk and the appropriate responses to the key risk issues rests with the Board. There was active discussion of risk issues throughout the year through the various sub-committees of the Board and the Board as a whole. The Group's governance structure is illustrated in the Governance report on page 66. Key decisions taken were based on careful balancing of long-term and short-term consequences of the evolving pandemic situation, assessment of risks and practical mitigation measures that could be deployed. The ongoing process also involved active engagement with key stakeholders including but not limited to the Shareholder, customers, staff and regulatory bodies.

At operational level, there was ongoing assessment of risks again with enhanced structures and systems in place for managing COVID-19 related risks. These include local health and safety committees, widespread lead worker representative structures at business unit levels, cross functional teams examining various legal, regulatory and financial issues with escalation of matters through management structures and oversight functions.

In assessing the approach to risk, management teams are cognisant of the Group's Values which are founded on respect and high standards of conduct, behaviour, and customer service. There is also a strong focus within the Group on performance and accountability. Risk management is integrated into key aspects of operating the business, ranging from definition of the organisation's culture and vision, through to the development and implementation of the business strategy and performance reviews.

"The focus throughout the year has therefore been on dynamically assessing the risks, particularly those directly arising from the pandemic, and taking mitigating actions to reduce the impacts right across the business."

Approach to risk management

Risk appetite

Risks relating to the delivery of the strategy and objectives are captured, considered and reviewed at business unit, Executive and Board level as appropriate. In response to the impact of the pandemic on the business, a revised interim strategy for the period to mid-2022 was developed and adopted in Quarter 4 2020. Rebuilding our Group Together Strategy, as set out on page 36, provides a pathway for recovery of the business. In December 2020, the Board reviewed and set the Group's risk appetite aligned with the interim strategy, recognising the fine balancing required between different pillars of the strategy in order to manage the overall level of risk for the Group as it rebuilds its business. Thus, the risk assessment and management process continues to respond dynamically as the trajectory of COVID-19 evolves.

The Group's risk appetite profile across different areas and activities of its business is summarised as follows:

- The Board is willing to tolerate a moderate level of risk in pursuit of strategic objectives, however, carefully balancing the pursuit of strategy with maintaining key financial metrics.
- The Board achieves a balanced risk appetite by taking a cautious approach and ensuring the business is adequately financed to meet short and medium-term cash requirements. Thus, daa is not prepared to take risks that would jeopardise its investment grade credit rating or that would threaten the financial stability of the business. Hence, in the short-term, there is a low risk appetite for capital spending (other than on critical projects and those projects already in progress) and for directly investing in non-core activities.
- The Board prioritises the safety and security of passengers, visitors and staff, and has a range of measures in place to support staff welfare, hence, the risk appetite for compromising on areas of safety, security and staff welfare remains low.
- daa takes measures to identify and manage other business and operational risks. There is a low risk appetite for not achieving standards set in relation to maintaining critical systems, protecting data and delivering excellence in passenger experience.
- daa seeks to be a responsible operator, meeting its environmental and planning obligations and raising its sustainability ambitions. This may involve sacrificing short-term gains in favour of the longer-term benefits of more sustainable infrastructure and operations.
- Based on a low risk appetite for non-compliance with regulatory matters, daa seeks to ensure that compliance activities meet the requirements of relevant regulations.

Principal risks

Principal areas of risk and uncertainty which could adversely affect the Group's business, financial condition or results of operations to a significant extent, have been identified. A summary of the principal risks and uncertainties, as well as the strategies being adopted to mitigate them, are set out below. As noted, the risks and uncertainties are assessed on a continuous basis and management regularly reports to the Board on significant changes in the business and external environment. The summary is not intended to be an exhaustive analysis of all the risks and uncertainties which may arise in the ordinary course of business or indeed in the current heightened risk landscape for the aviation sector.

All levels of management are expected to be aware of internal and external sources of risk and regularly review existing and emerging threats to the areas of the business which they manage on a day-to-day basis.

The impact right across the business of the ongoing COVID-19 pandemic, which is described in more detail below, is currently the single biggest risk and uncertainty that is materially impacting the Group and its operations. The Group faces a challenging recovery due to ongoing travel restrictions and/or consumers' appetite to fly pending the rollout of vaccines. Uncontrollable factors relating to demand and supply will continue to put pressure on the business. Overall consumer sentiment for travel remains low and the successful rapid rollout of the vaccine is critical to restoring confidence in air travel. The impact on available capacity in the short to medium-term remains uncertain as airlines consolidate, review strategies and deal with the consequences of the pandemic on their businesses.

In addition to the impacts of COVID-19, other dynamic and evolving risks have been considered by the Executive and Board throughout the year, most notably, climate change and Brexit. Emerging and evolving risks identified by other agencies are regularly reviewed as part of daa's risk management process.

Key to strategic pillars:

- Restore our finances
- Return our businesses to growth
- Re-inspire our people
- Refocus on our development plans
- Renew and strengthen our relationships

Risk area	Risk description	Mitigation	Strategic pillar	Risk trend during 2020
Economic	**External Economic Factors** **COVID-19** The spread of COVID-19 and the implementation of stringent travel restrictions, have had, and will continue to have, a significant adverse effect on the Irish, European and international aviation industry and on passenger demand for air travel for an unknown period of time. This pandemic and the resulting actions and measures taken across the world, have resulted in a massive reduction in travel and business activities. Globally, airline operators (including Ryanair, Aer Lingus and others) have substantially reduced, or in some cases suspended all, their flight capacity levels. The impact of the pandemic is being felt right across daa's international businesses. The Group has operations and/or investments in 16 countries and the COVID-19 pandemic has significantly adversely affected all of these operations. Like other airports and retail operators during the crisis, daa has had a very limited income stream, relying on cash resources and access to credit facilities to meet outgoings. COVID-19 is also having an impact on passenger and customer behaviours. A failure to properly understand and respond to changing passenger/customer behaviours and expectations could result in poor customer service and/or passenger experience. At present, it is unclear how the global aviation industry will recover from the current crisis and the extent of an economic slowdown in Ireland or the markets on which we depend, however aviation industry sources currently believe it could be 2024 or later before the number of passengers and air transport movements return to levels seen prior to the COVID-19 crisis. The speed, nature and extent of the recovery will depend on the rapid and successful rollout of the COVID-19 vaccine.	The Group has put in place a strategy to safeguard the long-term viability of its businesses. There is a comprehensive communication programme in place with employees, to keep them informed of the situation as it evolves and to ensure public health guidelines are followed. The Group has a strong cash position and access to credit facilities which it will draw upon as required during this crisis. Strong focus is being maintained on cash collection and operating costs. The Group continues to implement a range of cost mitigation actions to reduce its operating costs and continues to re-evaluate operating and capital expenditure plans. There is continued engagement with credit rating agencies, banks and other stakeholders to keep them up to date on the business and how the crisis is being managed. The Group continues to monitor and review passenger behaviours and responds dynamically. The Group participates in relevant national and international fora to understand and advocate and influence where appropriate the development of policy in relation to responses to the pandemic. In this regard the Group continues to monitor and review passenger behaviours and responds dynamically.		Increased
	Reliance on Core Airline Customers The Group is reliant on core airline customers, all of whom have been significantly affected by COVID-19. These core airline customers have adapted their business models to deal with the impact of the pandemic and are currently operating vastly reduced schedules. The prospects of the Group are dependent to a significant extent on the future strategies, capacity and financial strength of key airlines operating either to/from daa airports or those airports in which daa has significant business interests. A negative impact on revenues arising from a change in strategy by these key airlines, (including any restructuring of any of their route network, consolidation or other structural change in the airline industry) or factors adversely affecting their businesses, such as COVID-19, Brexit or fuel prices, could have a material adverse effect on the Group's business.	The Group is engaging with its airline customers to understand and align as far as possible with their strategies, to rebuild the route network and to identify their future capacity requirements and infrastructure needs.		Increased

Key to strategic pillars:

- Restore our finances
- Return our businesses to growth
- Re-inspire our people
- Refocus on our development plans
- Renew and strengthen our relationships

Risk area	Risk description	Mitigation	Strategic pillar	Risk trend during 2020
Environmental	**Climate Change, Environmental and Sustainability** There is increasing public and regulatory focus on climate action and environmental sustainability. Taking action on climate change is a national and international priority for policymakers, regulators, influencers and decision makers. New targets are being set and codified into laws and regulations. daa is raising its own ambition, and has committed to being net zero carbon by 2050 and setting challenging interim targets towards achievement of this goal. Risks associated with this include: • daa fails to deliver on its ambitions or is constrained in doing so through misaligned regulatory pricing, airline customer or stakeholder expectations. • Failure to stay ahead of changing passenger, customer and consumer sentiment and expectations in the areas of sustainable operations leading to lowering of reputational status. • Challenging regulations and standards may be applied in relation to environmental and sustainability management leading to risks arising from inadvertent non-compliance. • Challenging regulatory targets with consequential financial penalties and/or operational constraints. • Increased frequency of extreme weather events. • Reduced propensity to travel. • The introduction of punitive taxes on air travel.	The Group recognises the need to play its part as a responsible corporate citizen in addressing the challenges of climate change. The Group has thus identified sustainability as a key priority, and the organisation continues to implement a programme to address key sustainability and environmental issues. There is increased focus on sustainability at project and operational level for all construction projects and all projects incorporate sustainability objectives in line with daa sustainability policy. There is continued focus on compliance with objectives of the Government's Climate Action Plan. In addition, the Group participates in national discussions on climate action to ensure that the challenges for airports are well understood, and that there is an understanding of the need for alignment of airport regulatory policy with national and EU policy in relation to such issues as climate change mitigation and energy efficiency.		Increased
Policy & Regulatory	**Legislative and Governance requirements** The Group is subject to a wide range of legislative and governance requirements in Ireland, including but not limited to those set out in company law. The Group's operations are also subject to an increasingly stringent range of environmental and climate change, security, health and safety, laws regulations and standards in each of the jurisdictions in which the Group operates and/or has interests. This year has also seen the introduction of new regulations, guidelines and protocols in response to COVID-19. Any breach of these requirements could result in serious financial loss, operational impacts or reputational damage to the Group.	The Group has a dynamic response to all COVID-19 related guidance, maintaining alignment with international and national health protocols and guidelines. The Group is committed to operating in accordance with legislative and regulatory requirements and works to achieve this through appropriate governance supported by effective management structures and systems. The Group regularly reviews regulatory requirements across its business, updates its management systems, and undertakes comprehensive compliance activities as appropriate.		No change

Risk area	Risk description	Mitigation	Strategic pillar	Risk trend during 2020
Strategic	**Regulated Income** The Commission for Aviation Regulation (CAR) sets the maximum level of airport charges to be levied by Dublin Airport. Due to the devastating impact of COVID-19 on the aviation industry, CAR determined that there were substantial grounds to conduct an interim review of its 2019 final determination. This interim review was published in December 2020. It is expected that in 2021 CAR will undertake an interim review for 2022 Price Cap and a comprehensive regulatory review to determine the charges from 2023 onwards. There is a risk that the outcome of this review will deliver a revised level of charges which may not adequately remunerate the Group for the cost of operating the airport and for required capital expenditure. This could impact the ability of the Group to develop the airport and grow its business sustainably.	Detailed submissions have been made to CAR to support daa's position, which have included comprehensive information on the impact of the pandemic and strategies for returning to growth. Extensive consultation has taken place to raise awareness of planned developments amongst stakeholders to ensure investment supports airline growth plans and adequate provision is made for building sustainable infrastructure. daa will through appeal mechanisms and judicial review processes, if necessary, seek to amend any unfavourable regulatory determination outcomes.		Increased
	Planning The development of Dublin and Cork airports is subject to the Group obtaining, maintaining and complying with all necessary licences, consents and other permissions, such as planning permission. Delays or negative outcomes in key planning decisions could constrain the delivery of capacity, operational efficiency and impact operations. The implementation of the Aircraft Noise Regulation Act 2019 may lead to longer timelines for securing planning and/or the introduction of unfavourable planning conditions. The implementation of two onerous conditions attached to the grant of planning for North Runway would see the introduction of runway movement restrictions at Dublin Airport, including a limit of 65 aircraft movements between the hours of 11pm and 7am. These operating restrictions may curtail runway activity at certain times to levels which are below current levels. This would have serious operational implications and financial impacts. If the 2007 Terminal 2 planning condition limiting throughput to 32 million passengers per annum at Dublin Airport remains unchanged, it may result in operating constraints, additional costs and/or the inability to meet expected future demand.	The Group's Capital Investment Programme (CIP) is undertaken to deliver growth in line with the State's National Aviation Policy (NAP) and airport masterplan. daa consults with key stakeholders and prepares high quality planning applications to support such capital programmes. As new process requirements arise, the Group engages with regulatory authorities to ensure submission of robust and 'fit for purpose' planning applications. The Group submitted a planning application in December 2020 to amend conditions attached to the North Runway planning permission. The Group intends, as part of a future planning application to increase the capacity of the airport to have the 32 million passenger cap per annum amended.		Increased

Key to strategic pillars:

- Restore our finances
- Return our businesses to growth
- Re-inspire our people
- Refocus on our development plans
- Renew and strengthen our relationships

Risk area	Risk description	Mitigation	Strategic pillar	Risk trend during 2020
Strategic (cont.)	**International Operations** COVID-19 is having a significant impact on the Group's international business. There is a risk that some of these businesses fail to recover from the impact and/or are unable to grow in the medium term. Failure to renegotiate commercial contracts to reflect current trading conditions could also have a material impact on the Group's financial position. As the Group operates in a global marketplace, there are risks arising from uncertain or potentially fast-changing economic, social and political environments, changes in laws or regulations, premature contract termination or breach of agreements and/or failure of the underlying businesses. ARI and daa International face increasing levels of competition in the sectors and markets in which they operate. Failure of counterparties or partners to fulfil or meet their obligations could have a material impact on the Group.	Arising from the impact of COVID-19, the Group is in the process of renegotiating its commercial contracts and commitments in overseas locations. The Group proactively manages cash, and continuously monitors its liquidity position. A significant restructuring plan is underway which includes a range of cost mitigating actions, as well as implementing new ways of working across the international organisation. The Group proactively manages its relationships with partners and has put structures and processes in place including shareholder agreements and commercial counterparty arrangements to safeguard its interests. The Group seeks to put in place appropriate commercial and legal arrangements and has processes in place to evaluate and monitor performance of contracts in order to minimise the risk of calls by counterparties being made on any bonds, letters of credit or guarantees.		Increased
	Capital Investment Due to the impact of COVID-19, the timelines for the delivery of capital projects has changed. Delivery of capital projects and the timing of delivery will depend on the nature and speed of recovery of the Group's business. Risks to the delivery of capital projects may also arise due to cost, funding, project scope, planning permission, scheduling or operational factors, leading to delays in project completion, additional costs and/or consequential capacity shortfalls.	The Capital Investment Programme is under continuous review and is resized/rescoped in light of evolving traffic forecasts and/or funding requirements. Priority focus continues to be given to delivery of critical projects. The Group has processes and procedures in place for Capital Investment Programme management, project management and contract and supplier management.		Increased
	People Following the outbreak of COVID-19 and to mitigate the impact of the revenue losses, a significant restructuring plan was embarked on, which is designed to improve the efficiency and effectiveness of the Group. This restructuring plan includes a range of cost mitigating actions, as well as implementing new ways of working across the organisation. There is a risk that failure to complete this significant restructuring could have a material impact on the finances of the Group going forward and could result in industrial relations issues. In addition, there is a risk that the mitigation measures being taken by the Group could negatively affect staff morale and the ability of the Group to attract and retain suitably qualified personnel.	The Group has engaged collaboratively with both employees and unions, and a restructuring plan has been agreed across most areas of the business. There continues to be ongoing communications with employees on implementation of the new ways of working and cost mitigating actions. Internal dispute resolution mechanisms are in place and when necessary, employee relations mechanisms provided by the State are utilised. daa seeks to be an employer of choice, underpinned by a solid employee value proposition, providing rewarding careers and continuously investing in staff training and development to build a high performing organisation.		Increased

Risk area	Risk description	Mitigation	Strategic pillar	Risk trend during 2020
Operational	**Hold Baggage Screening (HBS)** daa is in the process of implementing Standard 3 Hold Baggage Screening equipment at its airports. There are temporary additional operational measures being put in place pending full implementation of the new technologies. This is a complex project with relatively short timelines for implementation and a significant reliance on third parties, all of which may result in throughput delays or other impacts on the operation. In addition, the project will not be fully complete in all areas before the regulatory deadline for implementation of September 2021, and approval for continued use of Standard 2 screening equipment, for a limited part of the operation in Terminal 1 Dublin Airport, will be sought from the appropriate authority.	There is a comprehensive project management plan and oversight group to ensure proper implementation and to mitigate risks. An application for the continued use of Standard 2 equipment will be made to the appropriate authority.		Decreased
	Safety Security & Business Resilience As an airport operator, and particularly with large capital projects taking place, daa is subject to operational risk of accidents, incidents or business interruption at its airports, which could result in harm to people or damage to infrastructure, property and the environment. The Group's operations are subject to other unforeseen risk events such as weather events, fire, flooding, wind, interruptions to power supplies, mechanical, cyber-security breaches and IT-related systems failure, technical failures and terrorism. Serious disruption to operations and commercial activities can also arise due to third party industrial action. Long-term disruptions could result in a significant financial and/or reputational impact on the Group.	The Group has a strong safety culture and supporting processes and procedures which emphasise the importance of safety. daa manages safety risks through a structured ISO 45001 certified safety management system (SMS) which was reviewed by the Competent Authority (IAA – Safety Regulation Division) as part of the certification of Dublin and Cork airports under EASA safety regulations. Staff training as well as a strong emphasis on monitoring compliance continue to form an integral part of the Group's mitigation measures. The Group seeks to manage both the event likelihood and severity of service discontinuity by having well developed business continuity plans and resilience in its key systems and processes. The Group also has insurance cover in place to mitigate against the costs of damage to assets and personal injuries.		No change
Financial & Treasury	**Funding for Group** The Group's ability to deliver its planned capital expenditure programme and any unplanned capital or operating expenditure that may be required is dependent on, amongst other things, it being able to source and maintain appropriate funding. Any failure to develop an appropriate funding strategy and/or failure to raise and maintain the required financing on appropriate terms may result in the Group not achieving its objectives and could significantly impair the Group's ability to conduct its business efficiently. Any unplanned deterioration in the Group's business profile could affect its credit rating and in turn the availability and cost of funding the growing capacity, the borrowing capacity of, and the financing terms and flexibility available to the Group. Government and Regulatory policy, as well as financial and business performance and prospects, impact the Group's credit rating. The Group is also exposed to certain other financial and treasury-related risks, including liquidity risks, credit risk, interest rate risk and foreign currency exposures.	Board approved policies are in place to address key treasury risks. Maintaining an appropriate credit rating is a key objective for the Group and allows for appropriate capital allocation across the Group. A prudent approach is adopted to the management of liquidity, including pre-funding significant investment requirements.		Increased

Our ESG strategy

daa is committed to being a responsible and sustainable organisation and has supported the delivery of a range of ESG initiatives and activities at home and abroad for many years.

Some initiatives include:

- **investing millions of euro in support of local communities;**
- **achieving record reductions in waste and energy usage; and**
- **creating employment and providing best-in-class training opportunities for our employees at every level.**

daa is fully aware of the evolving need and expectation for organisations to increase their focus on ESG and set out long-term goals, which will contribute to the common good of people, communities, the economy and the environment.

Clearly and effectively communicating the actions we are undertaking to safeguard the environment in which we operate and improve the societies and economies which we directly influence, is critical to building a strong and trusting relationship with our stakeholders. In order to showcase our meaningful efforts in this area, we are developing a new Group ESG Strategy, which will be launched in 2021.

This initial two-year ESG Strategy will (1) seek to bring together the existing work of key focus areas from across the business, (2) build upon previous targets and (3) expand our focus to reach new heights for the Group.

Our ESG Strategy will comprise a number of priority pillars, each aligned to key United Nations Sustainable Development Goals. The organisation's strong governance framework will underpin the strategy and further support its direction and delivery.

It will be transparent, with actionable commitments under each pillar that will be prioritised by the business. We will report on our progress against these commitments at key intervals throughout the year.

We are excited to undertake this next step on our ESG journey, where we will continue our efforts to do our part for society in a fair, objective and transparent manner.

The following information reports on key examples of existing ESG activities undertaken across key areas of the business in 2020.

"Dublin Airport became the first airport in Ireland to achieve Airport Carbon Accreditation (ACA) Level 3+ Carbon Neutrality in 2020."

Environmental Sustainability

Towards our sustainable future

The impacts of climate change are being felt around the world today and the need to take action to protect our environment is incumbent on all businesses. At daa, we are fully committed to a leadership position, nationally and internationally.

The impact of COVID-19 on air travel has been severe. The recovery of air travel and connectivity to markets are critical to the ongoing development of the Irish economy. Like many other airports and businesses worldwide, our expansion plans have been delayed and the financial impact on the business will take many years to repair. We know that beyond COVID-19 it is vital that our development plans incorporate appropriate consideration of climate action targets and protection of the environment. Thus, as we look to emerge from the global pandemic and face the challenges of rebuilding our society and economy, we have reaffirmed our commitment to environmental sustainability as a critical enabler, and we are committed to raising our sustainability ambition further by taking this opportunity to refine and improve the measures to be implemented. We are stepping up our ambitions as we prepare for responsible growth beyond COVID-19.

We are making environmental sustainability an intrinsic part of our DNA, delivering innovative initiatives to drive step-changes in our business models, ensuring that sustainability considerations are at the core of actions we take and decisions we make.

The building blocks of sustainable activities are found in the UN SDGs adopted in 2015, and our sustainability vision and actions relate to these. We are supportive of all the goals, with our strategy particularly aligned with six of the SDGs.

7 Ensure access to affordable, reliable, sustainable and modern energy for all

8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

12 Ensure sustainable consumption and production patterns

13 Take urgent action to combat climate change and its impacts

15 Sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

The evolving regulatory landscape at global, European, national and local levels provides a dynamic framework, within which daa operates, and emerging direction and guidance identify key targets which are incorporated in our plans. Hence, the implementation of our environmental sustainability strategy addresses priorities emanating from the Paris Agreement (2015) and reflected in European, national and local plans such as the European Green Deal (2019), The Climate Action Plan (2019), Fingal County Council's Local Area Plan (2020) and Climate Change Adaptation Plan (2020).

"In 2020, Dublin Airport's net water consumption was just over half that in 2019."

Towards net zero carbon

In Ireland

Against a background of achieving 35.3% reduction in CO_2 emissions in the period 2012 to 2019, daa has set a target of achieving a further 30% reduction against the 2019 baseline by 2030. This target will be monitored and reviewed as necessary in line with expectations emanating from the 2019 Climate Action Plan and Programme for Government. The 2030 target is reflective of our journey towards net zero carbon emissions from our activities at Dublin and Cork airports by 2050.

In this journey towards net zero carbon, Dublin Airport participates in the Airport Council International (ACI) carbon accreditation programme. Dublin Airport became the first airport in Ireland to achieve Airport Carbon Accreditation (ACA) Level 3+ Carbon Neutrality. ACA is an institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions. It provides airports with a common framework for active carbon management with measurable goalposts.

As part of daa's Sustainability Strategy, we made the commitment in 2017 to move from ACA Level 2 (reduction), to ACA Level 3+ Carbon Neutral by 2020. This involved Dublin Airport taking more active steps to reduce direct emissions and also involved engagement with other airport operators to encourage them to do likewise. Dublin Airport has established a forum to engage with campus operators and create common goals.

In order to reach carbon neutrality by 2020, we partnered with Natural Capital Partners and Irish NGO Vita to purchase carbon credits, which in turn contribute to providing funds to restore community water points and enable easy access to clean water for rural families in Ethiopia and Eritrea.

Dublin Airport is now one of 52 carbon neutral airports in Europe under the ACA scheme. daa is currently developing Cork Airport's ACA Level 3+ programme with plans to achieve ACA Level 3+ in 2022.

The year under review was also significant in our decarbonisation journey as we developed sustainability standards for design and construction of new infrastructure at our airports. These standards specify key environmental metrics that will be achieved from all new builds and major retrofits. Together with a 2030 carbon roadmap, also developed in 2020, we are changing how we design new infrastructure and evaluate investments to align with our decarbonisation goals and targets.

While there was a slowdown in the replacement of our light vehicle fleet in 2020, due to the impact of COVID-19, 22% of the Company's light commercial fleet has been converted to low emission vehicles and we remain committed to achieving 100% by 2025. In 2020, Cork Airport in conjunction with the Department of Transport installed five electric car charging units, three for public use.

Our international operations

Our international retail operations are focused on doing business in ways that are better for people and our planet. This entails working on initiatives to responsibly source products and packaging across the supply chain, working with retail brands, concessions, logistics and other service partners right across the breath of global operations. The international teams share success stories and learn from the experiences in different business units.

The team in ARI's retail operation in Muscat has worked on improving its logistics chain to transport products, reducing the number of deliveries on a weekly basis to ultimately support the Group's agenda of minimising carbon impact. To date, efforts have reduced delivery frequency by 75%.

In Delhi, the team focused on the use of environmentally conscious materials in a new shop. They specified the use of repairable, non-toxic, non-allergic, renewable materials for walls and other surfaces.

Towards energy efficiencies

In Ireland

In 2020, primary energy usage decreased by 21.3% relative to 2019. When passenger numbers declined, a programme was put in place to coordinate and manage the energy consumption in sections of both terminals at Dublin Airport that had significantly reduced footfall. Non-essential equipment was either shut down or had the time schedules and set points altered. This resulted in savings in energy usage for baggage, lighting, heating and cooling systems. Additionally, boiler upgrades were completed, electric vehicle chargers installed, and the campus street lighting project began onsite in 2020. All road and staff car park lights were upgraded to LED with new control systems installed. Similar initiatives have been implemented in Cork Airport. In 2020, Cork Airport undertook an energy lighting efficiency project and replaced 230 high pressure sodium lamps with energy efficient LED fittings.

During the year, work started on investigating the potential for geothermal energy onsite at Dublin Airport and planning for the future solar photovoltaic (PV) farm which will be a critical enabler of future energy and carbon emission reductions.

Dublin and Cork airports both outperformed their public sector 33% energy efficiency target for the period 2016-2020, achieving an estimated 55% reduction in Dublin Airport and 52% in Cork Airport against a 2006-2008 baseline.

The additional energy improvements were delivered through the continued implementation of energy efficiency projects such as lighting upgrades, and thermal and business management upgrades. Such projects were complemented by the provision of training on energy management as well as regular communication to staff on energy-related issues.

We are committed to driving even more energy efficiency with a target of a further 50% reduction by 2030. This will be achieved by implementing programmes that deliver absolute reductions in energy usage through improved power and utilisation, as well as a forward-looking approach with onsite renewables at its core.

All electricity purchased at both airports is certified guarantee of origin green energy. Our goal is that by 2030, 10% of electricity needs at Dublin Airport will be from onsite renewable sources.

Our international operations

Energy efficiency initiatives are also implemented in retail stores operated by ARI internationally. For example, ARI operations in Cyprus underwent a significant refit and upgrade; sustainability was at the forefront in terms of the selection of materials and use of technology. The upgraded shops are fitted with low energy LED lighting and are fully metered. Delhi has also achieved 100% conversion to LED lighting. This programme of upgrades will continue across the Group.

"Dublin and Cork airports both outperformed their public sector 33% energy efficiency target for the period 2016-2020, achieving an estimated 55% reduction in Dublin and 52% in Cork against a 2006-2008 baseline."

Towards increased recycling

Ireland

daa is committed to dealing with waste, of all categories, in a sustainable way, ensuring zero waste to landfill and the absolute reduction of waste by 30% while increasing recycling by 60% by 2030.

In Dublin, while in absolute terms the total volume of waste decreased by 3,606 tonnes in 2020, reflective of a significant drop in passenger volumes and activity during the year, the metrics regarding the percentage of waste recycled were not achieved.

Our target was to achieve 50% recycling of waste at Dublin Airport by the end of 2020, with Cork Airport targeting 30%. Recycling rates in Dublin in 2020 were 29.8%, down from 42.4% in 2019 and below our 50% target for the year. However, Cork saw its recycling rate increase in 2020 to 26% compared to 24% in 2019. This increase was due to increased awareness on campus and the installation of new bins around the campus.

There was a pronounced increase in the use of single use plastics and other non-recyclable materials through the mandatory utilisation of face masks and other personal protective equipment (PPE), much of which is single use. The increased focus on sanitisation and cleaning of surfaces also contributed to the generation of lower levels of recyclable waste materials. Accordingly, both the volume and the nature of waste is anomalous and not in line with expectations for the year. As part of daa's Sustainability Strategy, daa operates a zero waste to landfill policy, therefore, no waste from Cork or Dublin airports was directed to landfill.

An overarching Waste Management Plan is being developed for Dublin Airport with a view to identifying specific areas across the business where greater progress can be made in reducing the total volume of waste and increasing the level of recycling. This will be further progressed in 2021. By 2030, Dublin Airport is targeting a 10% improvement on the level of recycling relative to a 2019 baseline. Cork Airport will develop analogous targets.

Our international operations

Internationally, there are many examples of initiatives to reduce waste and limit single use plastics which are widely used in the travel and duty free retail operations. Cyprus introduced Life-Time Bags and, together with other initiatives, reduced the use of plastic bags by 52%. It now plans to remove all single use plastic by the beginning of 2022. There are similar examples in ARI's retail businesses in Auckland, Muscat and Delhi, each with a local dimension. Revenue generated from charges for the use of plastic bags in Auckland is donated to a local charity linked to a biodiversity project of preserving kiwis. The focus in Muscat is on reducing the level of waste being sent to landfill. In Delhi, there is also a focus on waste minimisation through reduced use of plastic and more focus on digital communication channels to reduce paper waste.

Towards enhanced noise management

As part of its noise strategy, daa committed to the regular publication of aviation noise data and noise complaints information in 2020 and to work with the Aircraft Noise Competent Authority (ANCA) as required to develop a noise regulatory framework for Dublin Airport.

Dublin Airport published reports on aircraft-related noise at the airport on a quarterly basis and presented the results to local communities. During 2020, daa highlighted to airlines that environmental noise charges would be introduced over the coming years at Dublin Airport to encourage the use of quieter aircraft and thereby further reduce the impact of noise on local communities.

During 2021, Dublin Airport intends to implement enhanced noise monitoring systems at the airport and to increase the accessibility of relevant data for local communities through online platforms. In addition, the airport will work to implement enhanced noise mitigation measures and will also work to address any issues raised by ANCA in relation to noise management.

Towards air quality management

daa is committed to a voluntary programme of monitoring and publishing air quality on campus and within local communities and is committed to maintaining compliance with national air quality limit values. As part of daa's focus on transparency of information, daa's air quality monitoring station at Dublin Airport can be viewed on the Environmental Protection Agency website (https://www.epa.ie/air/quality/).

daa undertakes regular voluntary ambient air quality monitoring programmes. At Dublin Airport, the equipment measures a range of parameters onsite and at 10 locations in the surrounding areas, with Cork Airport also monitoring at four locations within the site. Results show that there is generally good air quality in both airports.

The continuous air monitoring system at Dublin Airport reported an annual mean value under the 40 µg m^3 limit set by the Ambient Air Quality Standards Regulations.

The restriction of movement in Ireland due to COVID-19, had an impact on air quality nationally, with large-scale reduction in vehicular traffic. There was a reduction in NO_2 and PM_{10} emissions at most monitoring points at Dublin Airport during 2020. The overall reductions in emissions are largely linked to the reduction in vehicle traffic in the environs of the airport.

daa will continue to maintain compliance with national air quality limit values and will also continue to publish its air quality monitoring results.

Towards biodiversity

daa recognises the importance of investing in a rich, varied and healthy ecosystem for our communities.

In 2020, daa introduced several new wildflower areas around both Dublin and Cork airports. Dublin Airport's Gardening Team planted around 1,000 square metres of wildflower meadow at the Terminal 2 embankment, roundabouts, woodland and other areas around the campus.

Meanwhile, Cork Airport's Asset Care Team created a wildflower meadow around the Christy Ring statue and surrounding green area.

Several native species of wildflowers such as poppy, sunflower, candytuft, corn cockle, white clover, red persian clover, yarrow, common daisy, horned violet, snow-in-summer, virginia stock, cape marigold, california poppy, sweet alyssum and common thyme were planted as part of our new biodiversity initiatives.

"Dublin Airport's gardening team planted around 1,000 square metres of wildflower meadow at the Terminal 2 embankment, roundabouts, woodland and other areas around the campus."

Towards less water usage

daa had targeted a 10% reduction in water consumption per passenger by 2020 compared to the 2016 baseline of 13.1 litres per passenger.

Good progress through enhanced leak detection and implementation of more water-efficient technology and controls in early 2020 led to some further reductions in the water consumption per passenger level achieved in 2019. However, this was overtaken by events, as the COVID-19 outbreak impacted both on total water consumption and consumption rates per passenger.

In 2020, Dublin Airport's net water consumption was just over half that in 2019. However, due to a decrease in passenger numbers, the consumption expressed as litre/passenger increased to 26.3 litre/passenger from 15.3 litre/passenger in 2019.

daa is targeting a further reduction per passenger of 15% by 2030 relative to a baseline of 2019. This will be achieved through the introduction of more efficient plant and equipment and improved control and management systems.

"In 2020, Dublin Airport's net water consumption was just over half that in 2019."

Case Study **Carbon Neutral Dublin Airport**

In 2020, Dublin Airport become the first airport in Ireland to formally achieve carbon neutral status as part of the Airport Carbon Accreditation programme, a globally recognised environmental scheme for airports. The designation follows an extensive programme of activities to reduce and offset its carbon emissions in recent years.

The Airport reduced its carbon footprint by 12% between 2018 and 2019 and has reduced its overall carbon emissions by 25% between 2013 and 2019, despite a 63% increase in passenger numbers during the same period. By 2019, Dublin Airport had reduced its energy consumption levels by 48% compared to the average consumption levels in 2006-2008. The accreditation was based on data from 2019.

Dublin Airport has introduced a wide range of energy management measures that allow it to monitor and improve its overall energy use across the campus. The use of building management systems, the installation of efficient LED lighting, a pilot solar farm project and a range of other measures have all helped the airport to significantly reduce its overall energy consumption.

In 2020, Dublin Airport committed to achieving net zero carbon status by 2050 along with almost 200 other European airports in a landmark move for the airport industry. The deadline of 2050 was aligned with the decarbonisation strategy set out by the European Commission and adopted by the Council of the European Union.

Dublin Airport's future plans include moving all its light vehicle fleet to low emission vehicles by 2025 and building a second solar farm on campus, with the potential to generate up to 7.5 megawatts of power.

To achieve its Level 3+ carbon neutrality status, Dublin Airport had to work to reduce CO_2 emissions from the sources under its control as much as possible and to compensate for the remaining residual emissions through investment in internationally recognised high-quality carbon offsets.

Before investing in offsets, carbon neutral airports at Level 3+ of the Airport Carbon Accreditation scheme have to provide evidence of undertaking all the actions required by the programme, such as mapping their emissions, reducing them and engaging other stakeholders on the airport campus to do the same.

Dublin Airport also worked with the global climate finance and carbon neutrality specialist Natural Capital Partners to purchase carbon credits from a water infrastructure project run by Irish NGO Vita in East Africa. The credits provide essential funds to restore community water points and enable easy access to clean water for rural families in Ethiopia and Eritrea.

By drilling new boreholes or repairing existing ones, communities no longer need to boil their water to purify it and this reduces pressure on local forests – the main source of firewood – and reduces greenhouse gas emissions.

People

Our people are at the heart of our business and ensuring a connected, informed and engaged workforce has always been a priority.

The arrival of COVID-19 meant that our business changed virtually overnight. With enforced travel restrictions, once bustling terminals were now almost completely devoid of passengers. The place of work for a large portion of our people also changed as supporting our business remotely and working from home became a requirement.

We knew our people were concerned about the impact of this virus – from both a health and a business perspective – so we developed a communications plan to ensure that we would keep our people updated.

Our plan was driven by a number of simple principles:

1. The safety and security of our people is a priority and it is our responsibility to keep them informed.
2. We share all new information as soon as it becomes available.
3. We are open and honest and if we don't have answers we say so and revert when we do.
4. We cannot over communicate at this time.

One of the first steps of the plan was to ensure that all employees had an active Company email account. It was critical that we were able to contact our team – whether they were working on the frontline or supporting our business remotely. Email adoption moved from 70% to 94% in a six-week period from March to April.

Other key elements of the plan included:

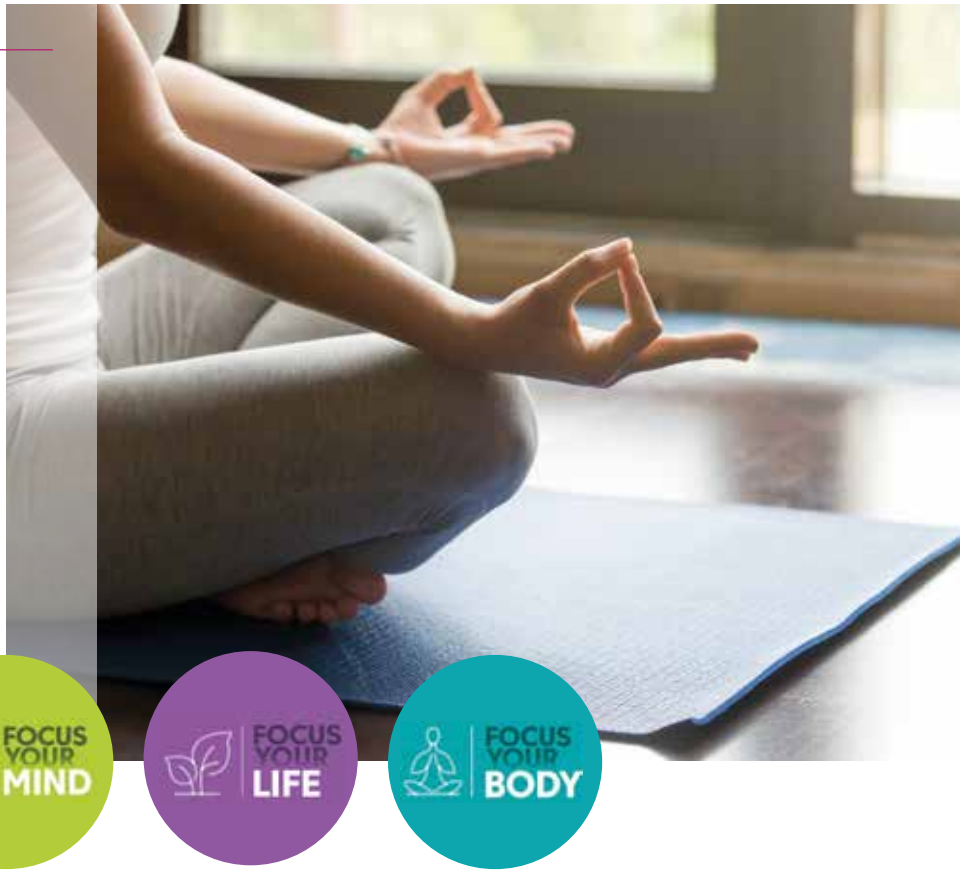
1. Updates shared every day (including weekends) from March to October by email with business news, safety protocols to reflect ongoing and evolving Government regulations and changes to Company policies and procedures. These updates moved to five per week from November onwards.
2. Weekly CEO videos to explain key business developments.
3. Daily calls with our Leadership Team (105 members) to keep them informed and to ensure an understanding of the changes in our business.
4. Weekly calls with our People Leaders (530 members) to share updates. This group were also a valuable source of feedback for employee sentiment and concerns.
5. Virtual town hall events to share our plans to rebuild our Group, which included a live Questions Answered session with our Executive Team to respond to questions directly.

The demand and desire for information as we manage our business through this crisis has not diminished and we are maintaining the communications rhythm and cadence. We are also listening to our teams and adjust our approach and the type of information we share based on this.

International Women's Day

With employees from 51 countries encompassing ages from 18 to 65 and over, daa is proud to have such a diverse and strong workforce. In 2020, despite the difficult year, daa acknowledged and celebrated its diverse workforce through International Women's Day (IWD). IWD was marked throughout daa in Dublin, Cork, Limerick, Riyadh and other international locations. The theme for 2020 was 'Each for Equal'. Awards were made to both male and female staff nominated for creating opportunities for women to progress within the organisation and for being role models in enabling female advancement and achievement. The awards were presented in early March 2020 at a lunchtime event where both internal and external speakers discussed diversity and gender balance within the wider business sector.

Focus on You



Further to the Focus on You programme that was established in 2018 to deliver wellbeing programmes throughout the Company, wellbeing initiatives were delivered in a virtual format this year with a specific focus on mental health to highlight supports and resources available to employees during a tremendously difficult year for our people.

Key initiatives of Focus on You are:

- Online yoga classes,
- 444 Charity Challenge,
- Mailshots issued fortnightly between March and December 2020,
- Spotlight on Mental Health Month during October,
- Flu vaccination programme rolled out that included clinics and a voucher scheme,
- Online Mental Health First Aid course delivered.

Throughout the year wellbeing orientated communications were issued on a regular basis, with links to resources shared via Focus on You mailshots. These Focus on You communications complemented the more business focused daily internal communications that were being issued Company-wide.

Focus your mind

There was a specific emphasis on mental health during this year with the mailshots often providing links to mental health resources. Mental Health Month in October was promoted widely throughout the Company with webinars on different topics. A two-day online Mental Health First Aid course was also delivered.

Focus your life

Staff can avail of supports such as the Employee Assistance Programme and the dedicated daa COVID-19 helpline. At the daa dedicated Focus on You platform, colleagues can access a wide range of webinars and podcasts on a wide range of wellbeing and mental health topics.

Staff central spaces at Dublin Airport, such as The Bridge and The Gallery remained open all year where staff could enjoy a hot meal or a cup of coffee while at work.

Staff were encouraged to share their own wellbeing tips on a dedicated Health and Wellbeing page on the Company's internal social media site Yammer.

Focus your body

Online yoga classes were held in April and May, so that staff could take part safely from their own home. Healthy eating tips and recipes were shared throughout the year via Focus on You mailshots, webinars and podcasts.

For National Wellbeing Day it was decided to Focus on Others. To mark this, a charity challenge was set up over the May Bank Holiday weekend in aid of our chosen charities. Dublin Airport staff also contributed to the purchase of PPE for Beaumont Hospital. Colleagues were encouraged to share images of themselves and their families taking part in the challenge on our internal social media Yammer site. This challenge was called the 444 challenge and involved four kilometres of exercise such as walking, cycling or running, four days over the May Bank Holiday weekend with four charities in Dublin and one in Cork benefitting. Staff got outdoors, took part in the challenges in their locality, posted photos on Yammer and raised money for the charities. Many staff members also took part in the DAC 5k virtual challenge which involved running five kilometres locally and submitting results online.

In October and November, a flu vaccination programme was rolled out. This included two onsite clinics as well as vouchers for vaccinations at local pharmacies to facilitate those working remotely from home. There was 100% uptake on this programme. Prior to this programme, a winter wellness webinar was organised which provided details on the national guidelines on the flu vaccination as well as some self-care strategies on protecting and boosting immunity in the lead into flu season.

Staff Screening Programme

In 2020, we introduced a range of new measures across our business to safeguard our passengers and our people in response to the COVID-19 pandemic. One of the key initiatives was the development and implementation of a COVID-19 Staff Screening Programme. This programme was developed to limit the potential spread of COVID-19 within the workplace through early detection of the virus and is a critical part of protecting our teams.

Test appointments made available to our people in 2020

1,400

We explored screening programmes other organisations have introduced and worked with CHI, our occupational health advisor, to develop our programme. The programme included:

- Antibody Testing – which was made available for staff in critical areas.
- General COVID-19 Testing – which was made available to all staff working at our airports.

RocDoc was appointed as our onsite testing partner and worked with us to develop a patient portal specifically for our staff. Staff members use this portal to store their contact details, track the status of their test and to receive their test results.

Our screening programme began in Cork Airport on November 9 and on November 19 in Dublin. A total of 1,400 test appointments were made available to our people in November and December, as 1,022 COVID-19 tests and 130 antibody tests were completed by the end of the year.

Career support services

Part of our right-sizing programme is to provide effective career support services to staff who are displaced as a result. The purpose of this is two-fold; firstly, we provide staff with the tools, skills, motivation and confidence they need to secure a new role (externally or internally), and secondly, we show care and consideration for staff affected by restructuring and right-sizing, while ensuring they are supported and treated with respect in seeking a new role.

In addition to providing these services to displaced staff who wish to remain with daa, we also provided information to staff opting for voluntary severance in the first instance about state-supported upskilling and training options, to equip and support them in securing employment outside daa.

By providing the above offerings to our staff, we acknowledged the significant change they were experiencing and we reinforced our commitment to a positive employee experience and their future success, notwithstanding the challenging circumstances.

Diversity and inclusion

At daa, we value diversity and inclusion. Together, we aim to create an equitable workplace where each person can truly belong and do their best work. One of our focus areas in 2019/2020 was building a sense of community within Dublin Airport. We worked with a driving coalition of employees and leaders across the organisation to collectively and individually understand what we see as community. We focused on ways of creating an environment where all employees feel included and represented.

As part of our efforts, we carried out focus groups with all levels of employees. We developed greater understanding that our organisation is extremely diverse in terms of societal and educational backgrounds. We are, in fact, a community of people who were born in more than 50 different countries and come from diverse backgrounds, sexualities, experiences, ethnicities and capabilities.

We also rolled-out the following Community Awareness talks:

- LGBTQIA+ History & Awareness
- Diversity & Inclusion Awareness
- Literacy Awareness
- Mental Health Awareness
- Work-life Balance

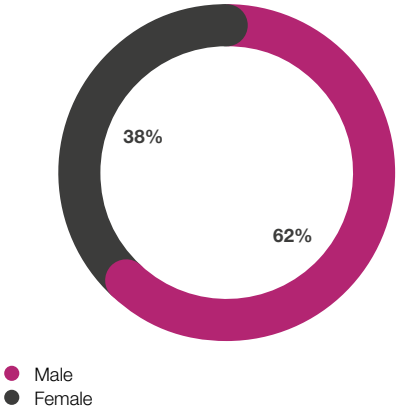
Our Executive Team have all undergone Unconscious Bias training and a similar module has been included in our Management Fundamentals Suite of training resources for managers.

Our annual talent management process includes monitoring the level of female representation across levels of the organisation. Each year, we ensure that we keep a focus on progression of females at all levels of the organisation.

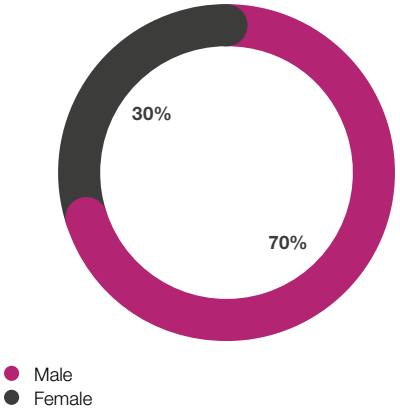
Diversity is a key focus for the Group as evidenced in a number of areas:

- Catherine Gubbins will become Chief Financial Officer in May 2021.
- Three of the recent appointments to the Executive Team are women.
- Diversity on the Board has increased from 8% (1 female) to 25% (3 females) in the past year.
- A number of female leaders selected to participate in Dublin City University (DCU) Women in Leadership programme.
- Continued participation in the Irish Management Institute (IMI) 30% Club each year, which matches high potential females with more senior mentors.
- Formally recognising and celebrating the achievements and contribution of women at daa on International Women's Day for the fourth year running.

Senior Leadership Team by gender



Executive Team by gender



Case Study **Red Sea**

Late 2020 saw daa International, the Group's international advisory, management and investment arm, sign a contract to operate the new airport at the Red Sea Project in Saudi Arabia.

The Red Sea Project is a major development being built over 28,000 square kilometres on Saudi Arabia's west coast to create a new luxury tourism destination. The first phase of the project, including the new international airport, is due to be completed in 2022.

The Red Sea Development Company, which is the developer behind the new tourism destination, selected daa International as the operator of the new airport, which will be the main gateway for the development.

daa International has a successful track record in Saudi Arabia, having operated Terminal 5 at King Khalid International Airport in Riyadh, since it opened in 2016.

daa International will provide airfield and terminal operations, aviation services, facilities management and will oversee commercial activities, as well as corporate and financial services.

It will manage the operations of the airport during three separate stages. Stage one will involve ensuring that all airport designs benefit the customer. Stage two covers planning a full and seamless operational model for the airport when it opens to the public. The final stage will be to manage and operate this plan, maintaining the highest standards in customer experience and sustainability, while prioritising safety and security.

The Red Sea Airport is set to serve one million passengers annually by the project's completion in 2030, with a peak capacity of 900 passengers per hour. Visitor numbers will be limited to one million, based on the environmental carrying capacity of the new Red Sea development. The airport will be powered by 100% renewable energy.

The airport is being designed by international architecture firm Foster + Partners, which has taken its inspiration from the local landscape. The terminal building has been inspired by the forms of the desert, the green oasis and the sea, and aims to provide a tranquil and memorable experience for passengers from the moment they arrive.

On completion in 2030, the Red Sea Project will comprise 50 hotels, offering up to 8,000 hotel rooms and around 1,300 residential properties across 22 islands and six inland sites. The destination will also include a luxury marina, entertainment and leisure facilities. The first phase of the project, scheduled for completion in 2022, will include the new airport, up to 3,000 hotel rooms, recreational facilities and residential properties.

Community

daa has been a strong supporter and has a long-standing track record of working and engaging with our local communities over many decades.

Dublin Airport's €10 million Community Fund, which was launched in 2017, has now invested more than €1 million in local communities that are based near the airport. It supports projects that make a positive contribution from Santry, which is south of the airport, to Rolestown in the north and from Portmarnock to the east of the airport to Tyrrelstown in the west.

More than €250,000 was allocated to 64 successful applicant groups in 2020 which included sports clubs, schools, community projects and services. The Fund also supports up to 10 students per year to attend Dublin City University (DCU) via its Access Programme.

DCU's Access Programme, which is the largest such programme in the State, supports about 1,200 Access Scholars, to study at either undergraduate or postgraduate level. The programme specifically targets groups such as students residing in North Dublin in communities with the lowest progression to third level education, students with no history of third level education in the family, and students experiencing the double disadvantage of disability and socio-economic disadvantage.

daa has operated a Charity of the Year scheme since 2007 and, since then, more than €3 million has been raised for 27 Irish charities. Funds are generated through a combination of staff fundraising activities, donations from members of the public via collection boxes at Dublin Airport, and a large supporting donation from the Company.

The charities are selected directly by employees and the 2020 staff charity partners were Feed Our Homeless, The Mater Foundation and St. Francis Hospice. The COVID-19 pandemic meant that our employees were unable to organise the normal fundraising events during the year. In tandem with this, the very significant fall in passenger numbers, coupled with a move away from cash towards card and virtual payments, had a detrimental impact on our ability to collect funds at the airport on behalf of our charity partners.

We therefore decided that the three 2020 charity partners would rollover into 2021 in the hope that a potential return to a more normal way of life would enable an increase in the generation of much-needed funds for the charities in question.

During the year, we donated 30 old laptops to the Tech2Students programme, which is operated by the charity Camara Ireland in association with Trinity College Dublin. This initiative helps address the digital divide in education in Ireland, by making IT equipment available to the schools and students that need it most in our community. The laptops were refurbished and then donated to schools in communities that are at risk of disadvantage and social exclusion.

Feed our Homeless
STREETS TO HOME

Money raised for Irish charities

>€3 million

Invested in local communities

>€1 million

Students supported through DCU Access Programme

<10

Up to 10 per year

the Mater Foundation

Advancing care for every patient, every day

saint francis hospice

Board of Directors

Basil Geoghegan
Chairman

Career experience

Basil is a Partner of PJT Partners, a US based publicly listed advisory investment bank, where he leads its business in the UK and Ireland. Prior to PJT Partners, he was a Managing Director at Goldman Sachs, Deutsche Bank and Citigroup in London and New York. He has broad M&A, corporate finance and strategy advisory experience, in the US, UK, Ireland and internationally. He also has an extensive record in complex M&A, public takeovers and anti-raid situations, including healthcare, financial services, TMT and transport.

Basil is a Non-Executive Director of AIB Group plc and is patron of The Ireland Fund of Great Britain.

Basil is a Scholar of, and holds an LLB from Trinity College, Dublin and an LLM from European University Institute and qualified as a solicitor with Slaughter and May.

Appointed Chairman in June 2018, he has been a member of the daa Board Nomination and Remuneration Committee and the Board Strategic Infrastructure Committee since his appointment to the Board. In March 2020, Basil was appointed to the Board Finance Committee.

Dalton Philips
Chief Executive Officer

Career experience

Dalton's roles, prior to joining daa, included Chief Executive of Wm Morrison plc, Chief Operating Officer of Canadian retailer Loblaw Companies and Chief Executive of Brown Thomas Group. Among other roles, he was also a Senior Advisor to The Boston Consulting Group, a global management consultancy firm.

He is a board member of ACI Europe and IBEC.

Dalton has a BA from University College Dublin and an MBA from Harvard University. Dalton became Chief Executive and ex officio board member of daa in October 2017. He is a member of the daa Board Strategic Infrastructure Committee and the Board Finance Committee.

Karen Morton
Director

Career experience

Karen Morton was appointed to the Board in January 2020 and in March 2020 was appointed to the Board Strategic Infrastructure Committee.

Karen Morton has 20+ years Marketing leadership experience. She currently works as a Strategic Marketing Consultant, a Marketing Lecturer, an Entrepreneur and holds a number of Non-Executive Director positions. Karen has extensive commercial, strategy and marketing expertise in Ireland, UK, US and internationally both in multi-nationals and start-ups across a wide variety of sectors.

Karen was previously CMO (Chief Marketing Officer) with Dell Financial Services and held leadership roles in Monster.com, Eircom and British Airways. She is a Non-Executive Director of the Irish Chamber Orchestra and of Water Safety Ireland. Karen holds a Bachelor of Business Degree from the University of Limerick and a Postgraduate Diploma in Marketing.

Patricia King
Director

Career experience

Patricia is General Secretary of the Irish Congress of Trade Unions (ICTU) – the umbrella organisation for trade unions in Ireland and was previously Vice President of SIPTU. Patricia has extensive experience in the field of industrial relations at both sectoral and national level in Ireland. She has served as a board member of the RTÉ Authority, the National Roads Authority and Pobal.

Patricia is a board member of the Apprenticeship Council and served on the Low Pay Commission and Court Services Board.

Originally appointed to the Board in July 2012, reappointed in July 2015 and again in July 2018.

Paul Mehlhorn
Director

Career experience

Paul joined the Company in 2003 and is a Passenger Screening Supervisor at Dublin Airport and has experience in airport security operations. He is a member of the SIPTU trade union and the Irish Congress of Trade Unions Worker Directors Group. Paul holds a Certificate in first line management and a Diploma in Health and Safety.

Paul was appointed to the Board in January 2018 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Since February 2019, Paul has been a member of the daa Board Health, Safety, Security & Environment Committee.

Peter Cross
Director

Career experience

Peter is managing director of Trasna Corporate Finance, an advisory firm specialising in telecoms and infrastructure. He is a Non-Executive Director of the VHI, of Cubic Telecom – a high-growth technology company backed by Qualcomm, Audi and the Irish strategic Investment Fund – and of a number of wind energy assets managed by Arjun Infrastructure Partners. Peter was previously director and audit committee chair at Ervia, one of Ireland's largest utility groups, and audit committee chair at the HSE. Prior to establishing Trasna, Peter worked as CFO at Eircom and CFO at BT Openreach, as Group Director of Corporate Finance at BT plc and as a trustee of BT's defined benefit pension scheme. He worked in corporate finance at Barings and Morgan Stanley, and he qualified as a chartered accountant with Arthur Andersen in Dublin.

Peter was appointed to the Board in March 2021.

Joseph O'Sullivan
Director

Career experience

Joseph joined the Company in 2010 and currently holds the position of Security Officer at Terminal 2 in Dublin Airport. He has experience in airport operations. He is a member of the SIPTU trade union.

Joseph was appointed to the Board in February 2020 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. In June 2020, Joseph was appointed to the Board Health, Safety, Security & Environment Committee.

Denis Smyth
Director

Career experience

Denis joined the Company in 1979 and currently holds the position of Airport Duty Manager. He has experience in airport operations. He is a member of the SIPTU trade union and the Irish Congress of Trade Unions Worker Directors Group.

Denis holds diplomas in Airport Operations Management and Security Management.

Denis was originally appointed to the Board in January 2014 and reappointed in January 2018 under the Worker Participation (State Enterprises) Acts, 1977 to 2001.

He was appointed to the daa Board Health, Safety, Security & Environment Committee in March 2014 and the Board Finance Committee in March 2016.

Risteard Sheridan
Director

Career experience

Risteard is Company Secretary and Chief Compliance Officer for AerCap, a global leader in aircraft leasing and aviation finance, and the largest owner of commercial aircraft in the world. He has extensive experience of advising and reporting to the boards, audit committees and senior management of multinationals and commercial semi-states on governance, financial reporting, control and process matters. This experience was largely gained while working with the professional services firms KPMG and EY. Risteard is a graduate of UCD and a Fellow of Chartered Accountants Ireland (CAI).

He also chairs the CAI Risk Management and Internal Audit Committee. Risteard was appointed to the Board in September 2018. In February 2020, Risteard was appointed Chairman of the daa Board Audit and Risk Committee, having been originally appointed to the committee in November 2018.

In September 2020, Risteard was appointed Senior Independent Director.

Ray Gammell
Director

Career experience

Ray is Senior Strategic Advisor to the Group CEO of Etihad Aviation Group. Ray joined Etihad in 2009 as Chief People and Performance Officer, developing and leading the company's commercially focused people strategy, which was a key foundation for the growth of the Group. Ray also served as Interim Group Chief Executive Officer of Etihad Aviation Group in 2017, before taking on the role of Chief People and Transformation Officer.

As Senior Advisor to the Group CEO, Ray leads the equity partner strategy, essentially managing the Group's investment strategy across multiple global airlines, in addition to other strategic responsibilities. A global executive, Ray has over 30 years of experience, gained internationally with Intel Corporation in the US and Ireland, the Royal Bank of Scotland, and as an officer in the Irish Armed Forces, holding executive and board level positions across multiple industries and regions.

Ray holds a Master's degree in Business Studies from University College Dublin and a Bachelor of Arts degree from University College Galway. He is a Chartered Fellow of the Chartered Institute of Personnel Development.

Ray was appointed to the Board in January 2020. In March 2020, he was appointed to the daa Board Nomination and Remuneration Committee and the Board Health, Safety, Security & Environment Committee.

Eric Nolan
Director

Career experience

Eric joined the Company in 2003 and works in the Airport Police and Fire Service at Cork Airport. He has experience in airport operations. He is a member of the SIPTU trade union and the Irish Congress of Trade Unions Worker Directors Group. Eric served on the Board of Cork Airport Authority from April 2010 to December 2011. Eric holds an Airports Council International Diploma in Airport Operations.

Eric was originally appointed to the Board in January 2014 and reappointed in January 2018 under the Worker Participation (State Enterprises) Acts, 1977 to 2001.

Marie Joyce
Director

Career experience

Marie is Chief Financial Officer and Board Director of NTR plc, having spent over 17 years with the group in various subsidiary CFO roles as well as central management positions. NTR is a sustainable infrastructure investor and institutional fund manager which acquires, develops, constructs and operates utility scale infrastructure investments across international markets.

Prior to NTR, Marie was Senior Director of Strategic Planning for Élan Corporation plc and was previously an Audit & Corporate Finance Manager at Arthur Andersen. She currently serves on the Programme Board of the MSc in International Accounting and Analytics Degree of NUI Galway. She also serves on the Sustainability Expert Working Group of Chartered Accountants Ireland. She was formerly Chair of the Board of Make-A-Wish Ireland.

Marie holds a Bachelor of Commerce degree from University College Galway and a Masters in Accounting from the UCD Michael Smurfit Graduate Business School. She is a fellow of Chartered Accountants Ireland.

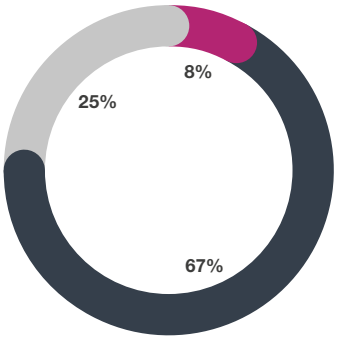
Marie joined the Board in January 2020. In February 2020, she was appointed to the Board Audit and Risk Committee and in March 2020 was appointed Chair of the Finance Committee.

Board composition breakdown by gender

75%
Male

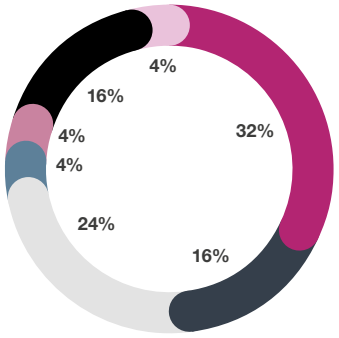
25%
Female

Breakdown by tenure



- less than 1 year
- 1 to 5 years
- Over 5 years

Breakdown by expertise



- Aviation
- Finance
- HRIR
- Legal
- Digital
- Business, Marketing and Economics
- Retail

Executive Management Team

Nicholas Cole
Chief Executive Officer, daa International

Career experience

Nicholas joined daa as General Manager, Terminal 5, King Khalid International Airport, Riyadh, Saudi Arabia in 2017. Prior to joining the Company, he held a number of roles in the aviation sector in both the UK and Middle East. These included leading Terminal 5 at Heathrow Airport, delivering Heathrow's 2012 London Olympics Programme and heading Terminal Design and Operations for Muscat and Salalah airports in Oman. He has also acted as an International Olympic Committee Advisor on both the 2016 Rio and 2018 PyeongChang Games. He was appointed Chief Executive Officer of daa International in 2019 and has responsibility for leading the overseas advisory services, management contracts and concessions of the business. He is a graduate of the Royal Military Academy Sandhurst and has a degree in Business Studies from Solent University.

Ray Hernan
Chief Executive Officer, ARI

Career experience

Ray joined daa in August 2018 as Chief Executive, ARI. His previous roles included Chief Executive, Bus Éireann, Chief Executive of Irish retailer Arnotts and Director of Finance with Selfridges in the UK. He was also Chief Financial Officer at Irish luxury goods retailer Brown Thomas Group and spent 10 years as Director of Finance at Ryanair. Ray is a Fellow of Chartered Accountants Ireland and has a B.Comm degree from University College Dublin.

Louise Bannon
Head of Marketing, Dublin Airport

Career experience

Louise joined daa as Head of Marketing, Dublin Airport in 2006, having previously held senior management roles in two of Ireland's key utilities; eir and Electric Ireland. She has overall responsibility for consumer and B2B/ Partner marketing programmes as well as an extensive customer research and planning function. Louise has 20 years' experience in marketing and product management roles, focused on driving customer-led strategy development and implementation in complex customer service environments. A former president of the Association of Advertisers in Ireland, she remains on the governing council. Louise holds a BSc in Marketing from Trinity College Dublin and Dublin Institute of Technology and an MBS from Dublin City University.

Brian Drain
Chief People Officer

Career experience

Brian joined the Finance department of Dublin Airport in 1989 and following roles in the commercial, retail, airport operations and IT functions of the business, including secondments in Australia, North America and continental Europe, he was appointed daa Chief People Officer in 2018. Prior to this, he was General Manager, Operations for Dublin Airport. He has responsibility for driving employee engagement and developing a people strategy that enables the business to meet its objectives. He is a graduate of Dublin City University, is a qualified Management Accountant, and has an MSc in Business Management from Trinity College Dublin.

Maurice Hennessy
Chief Information & Security Operations Officer

Career experience

Maurice joined daa as Group Head of Financial & Business Planning in 2007. Prior to this, he worked for US multinational organisations including as Vice President/ Corporate Controller with Global Crossing and in a variety of management roles with Analog Devices. He was appointed Chief Information Officer in 2014 and to his Security role in 2017. Before this, he was Director Commercial for daa. He has responsibility for developing and implementing the Group IT strategy along with all security planning and operations functions for Dublin Airport. He also has responsibility for delivery of the North Runway project at Dublin Airport. He qualified with PwC and is a Fellow of Chartered Accountants Ireland.

Marion O'Brien
Chief Strategy & Governance Officer

Career experience

Marion was appointed Chief Strategy & Governance Officer in 2018 and is also Group Company Secretary and a director of a number of daa subsidiary companies. Before this, she was Director of Corporate Services and Group Company Secretary and prior to that, she held a series of senior finance roles in daa including Group Head of Corporate Finance and Head of Finance Dublin Airport. Before joining daa she worked in finance roles in the agri-food and educational sectors. In her current role she is responsible for overseeing daa's Legal, Governance and Strategy functions. She is a Fellow of Chartered Certified Accountants Ireland and holds a BA from the University of Limerick and an MBS from Dublin City University.

Dalton Philips
Chief Executive

Career experience

Dalton joined daa as Group Chief Executive in 2017. Prior to joining the Company, his roles included Chief Executive from 2010 to 2015 of Wm Morrison plc, the UK's fourth largest supermarket chain, Chief Operating Officer of the Canadian retailer Loblaw Companies and Chief Executive of luxury goods retailer Brown Thomas Group (Ireland). His career began with Jardine Matheson, with roles in New Zealand, Australia and Spain. He then spent seven years with Walmart in Brazil and Germany. He was also a Senior Advisor to The Boston Consulting Group, the global management consultancy firm. He is fluent in Portuguese and Spanish and holds a private pilot's licence. He is a board member of Airports Council International Europe and IBEC. He has a BA from University College Dublin and an MBA from Harvard University.


Nicholas Cole


Ray Hernan


Louise Bannon


Brian Drain


Maurice Hennessy


Marion O'Brien


Dalton Philips

Niall MacCarthy
Managing Director, Cork Airport

Career experience

Niall joined daa as Group Financial Systems Manager in 2000. Prior to joining the Company, he was Group Financial Systems Manager for Dunnes Stores. He was appointed Managing Director, Cork Airport in 2012 where he has led the turnaround in the business. Before this he was Head of Passenger Services at Dublin Airport and General Manager Business Intelligence and Systems for daa. He is Vice Chair of the Airports Council International Europe Regional Airports Committee representing 400 of Europe's regional airports. Niall is a Fellow of Chartered Accountants Ireland and originally qualified in practice in Dublin.

Ray Gray
Group Chief Financial Officer

Career experience

Ray joined daa as Chief Financial Officer in 1999 from Pricewaterhouse Coopers (PwC) where he was a partner and country lead for a number of sectors. During 18 years with PwC he also spent periods on secondment to the Department of Finance and The Thomson Corporation (now Thomson Reuters) in London. He has responsibility for the Finance, Procurement and Shared Services functions at daa in addition to international airport investments. He is a member of the Supervisory Board of Düsseldorf Airport and Hermes Airports (Cyprus), and a director of a number of other daa Group subsidiaries. He is a Fellow of Chartered Accountants Ireland and a member of the Advisory Board of the National Shared Services Office.

Paul O'Kane
Chief Communications Officer

Career experience

Paul joined daa as Communications Manager for the Airport Development Programme in 2006. He was appointed Chief Communications Officer in 2010. Prior to joining the Company, he spent 15 years as a newspaper reporter and editor, including roles with The Sunday Tribune as Business Editor, and Deputy Business Editor and The Irish Times as a Business Reporter. He is responsible for all external and internal communications at daa. Paul has a BA in Modern History & Politics from Queen's University Belfast and a MA in Journalism from Dublin City University. He is a former Chairman of the Airports Council International Europe Digital Communications Forum.

Miriam Ryan
Group Head of Strategy

Career experience

Miriam joined the Public Relations department of daa in 1989. Following roles in the Marketing, Industry Affairs and Economic Regulation functions of the business, she was appointed daa's Group Head of Strategy in 2010, with responsibility for leading and managing the strategic planning process in the business and influencing the development of aviation policy issues at national and EU level. In 2015, she also assumed the responsibility of Stakeholder Lead of the North Runway project at Dublin Airport. She was appointed an Executive Director of daa in 2019. Miriam holds a BA in Communications Studies from Dublin City University, is a graduate of both the Irish Marketing Institute and the Irish Management Institute, and is former Chair of the Airports Council International Europe Economics Committee.

Vincent Harrison
Managing Director, Dublin Airport

Career experience

Vincent joined daa in the Finance function in 2005. Prior to joining the Company, he held senior financial and management positions with Rubbermaid in Europe and the US and Esat/BT in Ireland. He was appointed Managing Director, Dublin Airport in 2014. Before this he was Director Strategy, Regulation & B2B. Vincent holds an MBA from the University of Pittsburgh and a B. Comm degree from University College Cork. He is a Fellow of Chartered Accountants Ireland and qualified as a Chartered Accountant with Arthur Andersen.

Catherine Gubbins
Director of Finance

Career experience

Catherine was appointed Director of Finance in March 2019, having initially joined the daa Group as Group Financial Controller in December 2014. Prior to this, Catherine worked at PwC for 17 years and is a Fellow of Chartered Accountants Ireland. Catherine is responsible for financial reporting and FP&A across the Group, as well as Treasury, Taxation and the operation of the Shared Service Centre. Catherine also has primary responsibility for management of key external financial stakeholder relationships including with lenders, banking partners and our rating agency.

John Brennan
Director of Operations

Career experience

John joined daa in 1998 following roles as a Chemist and Management Accountant in the analytical chemistry, agri-science and manufacturing industries. John's career in daa has included IT, Maintenance, Property and Car Parks positions. John was appointed Dublin Airport's GM Commercial in 2012 where he led significant expansion of the B2B, B2C and property portfolios. He has recently taken on the position of Director of Operations. John holds a BA in Chemistry from Trinity College Dublin.


Niall MacCarthy


Ray Gray


Paul O'Kane


Miriam Ryan


Vincent Harrison


Catherine Gubbins


John Brennan

Our governance structure

daa is a commercial state company. The Group's principal activities are set out in the Report of the Directors on page 75.

Shareholder

Board of Directors

Board sub-committees

Audit & Risk Committee

The Audit and Risk Committee's principal responsibilities are to assist the Board in its oversight duties relating to internal control and risk management, financial reporting, external audit and internal audit. The remit of the Audit and Risk Committee extends across the Group including daa Finance plc, Aer Rianta International cpt and daa International Limited.

See page 73

Health, Safety, Security & Environment Committee

The Health, Safety, Security & Environment Committee's principal responsibility is to monitor the integrity of the Company health, safety, security and environmental systems at its airports.

See page 72

Nomination & Remuneration Committee

The Nomination & Remuneration Committee's principal responsibilities are to select, appoint and determine the remuneration and other terms and conditions of employment of the CEO, determine the remuneration policy in relation to senior management including performance related pay and review the ongoing appropriateness and relevance of and any major structural changes to remuneration policies, pension arrangements and severance schemes.

See page 72

Finance Committee

The Finance Committee's principal responsibilities are to consider and advise the Board on the Group's funding strategy and structure, debt and liquidity positions and the Group's five-year financial forecasts and financial plans, to oversee major financing and to make recommendations to the Board on treasury policies, borrowing limits, financial risk levels, targeted credit rating and dividend policy.

See page 72

Strategic Infrastructure Committee

The Strategic Infrastructure Committee's responsibility is to advise the Board on the medium and long-term infrastructural needs and the capital investment programmes for Dublin and Cork airports.

See page 72

Executive Team

See page 64

CEO

See page 10

Governance report

This Governance report sets out daa's governance structures and highlights the main areas of focus for the Board during 2020. The Code of Practice for the Governance of State Bodies and the Annex to the Code of Practice, on Gender Balance, Diversity and Inclusion issued in August 2016 and September 2020 respectively, (the 'Code of Practice'), by the Company's Principal Shareholder, the Minister for Public Expenditure and Reform, sets out the principles of corporate governance which the boards of State Bodies are required to observe. daa complies with the Code of Practice in all material respects. The Company also has a comprehensive capital appraisal investment process which seeks to apply good practice and where appropriate the relevant aspects of the Public Spending Code in the appraisal and management of investment proposals.

In addition, in corporate governance matters, the Company has regard to recognised frameworks such as the UK Corporate Governance Code (the 'Corporate Governance Code') and the Irish Corporate Governance Annex in order to meet its commitments to maintaining high standards of corporate governance and business conduct.

Board structure and appointments to Board

The Board governance structure is set out on the previous page.

The Board structure is prescribed by statute and set out in the Air Navigation and Transport (Amendment) Act 1998 (the '1998 Act'), as amended by the State Airports Acts, 2004 and 2014. Board vacancies are filled in accordance with Guidelines on Appointments to State Boards. The legislation provides that:

- The number of Directors shall be no more than 13;
- Each Director (including the Chairperson) shall be appointed (or removed from office) by the Minister for Transport (the 'Shareholder') with the consent of the Minister for Public Expenditure and Reform (the 'Principal Shareholder') for a period not exceeding five years and shall be eligible for reappointment;
- Four of the Directors of the Company (the 'Elected Directors') shall be appointed by the Shareholder following a staff election process as provided for under the Worker Participation (State Enterprises) Acts, 1977 to 2001 (the 'Worker Participation Acts'); such Directors are appointed for a period of four years and are eligible for re-election;
- The Chief Executive (the 'CEO') shall be an ex officio Director of the Company;
- Decisions regarding the appointment and re-appointments of Directors and the filling of Board vacancies (other than, in each case the CEO and Elected Directors) are made by the Shareholder in accordance with established arrangements for appointments to State boards;
- The roles of the Chairperson and CEO are separate.

Role of the Board

The Shareholder's objectives and priorities have been communicated to the Board through, inter alia, the formulation of the National Aviation Policy. Through regular contact with relevant Government departments, the Board and management maintain ongoing reporting and dialogue with the Shareholder on strategic issues and matters of importance to the Shareholder. The Board has established procedures to ensure that Board members have an understanding of the views of the Shareholder. This is achieved through briefings to Directors from the Chairperson who, with the CEO, maintains regular dialogue with the Shareholder and Department officials.

The Board is responsible for creating the organisation's culture and directing the Group's activities. The Board's role is to provide leadership and direction for the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board has put in place a corporate governance structure which provides for appropriate oversight at Board level and delegation to management.

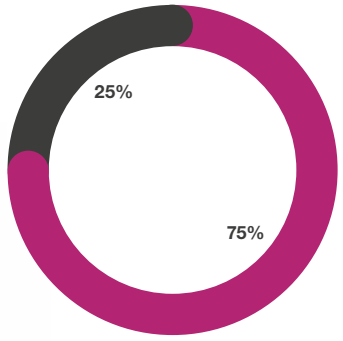
The Board satisfies itself that controls are adequate to secure compliance with statutory and governance obligations.

The Board has a formal schedule of matters reserved for its decision. These include:

- The approval of the daa Group strategy, annual budget and Financial Statements;
- Evaluating performance versus strategy and budget;
- Appointment of the CEO;
- Policy on determination of senior management remuneration;
- Risk management; and
- Major capital expenditure and investment decisions.

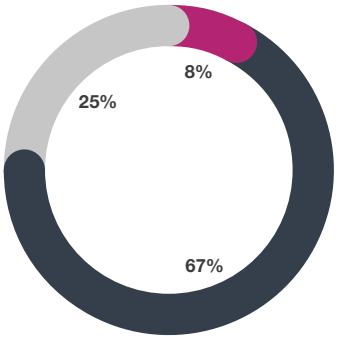
The charts below show the Board composition as at 13 April 2021.

Current gender balance



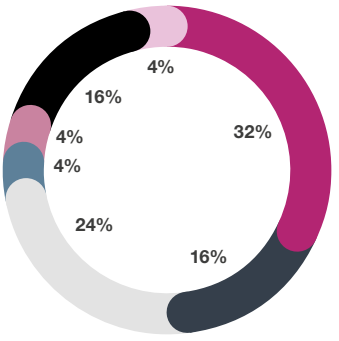
- Male
- Female

Tenure



- less than 1 year
- 1 to 5 years
- Over 5 years

Expertise



- Aviation
- Finance
- HRIR
- Legal
- Digital
- Business, Marketing and Economics
- Retail

Roles and responsibilities

Chairperson – **Basil Geoghegan**

- leads the Board and is responsible for organising the business of the Board, ensuring its effectiveness in all aspects of its role;
- is responsible for displaying high standards of integrity and probity and is responsible for setting expectations regarding culture, values and behaviours and the tone of discussions at Board level;
- facilitates the effective contribution of Directors and ensures that Directors receive accurate, timely and clear information; and
- manages effective communication with the Shareholder.

CEO – **Dalton Philips**

- is responsible for the management of the business and implementation of the Group's strategy and policy; and
- leads the Executive Team.

Senior Independent Director[1] – **Risteard Sheridan**

- provides a sounding board for the Chairperson;
- serves as an intermediary for the other Board members where necessary; and
- facilitates an annual meeting of the Board members to generally appraise the Chairperson's performance.

Company Secretary – **Marion O'Brien**

- ensures the Board receives information in a timely manner to enable full and proper consideration of issues;
- is responsible for the formal induction of new members;
- is responsible for advising and reporting on governance matters; and
- ensures that Board procedures are followed.

1. Gerry Walsh was senior independent Director until his term of office expired on 1 January 2020. Risteard Sheridan was appointed as senior independent Director on 25 September 2020.

Board performance and effectiveness

The Board acts on a fully informed and ethical basis, in good faith and in the best interest of the Company having due regard to its legal responsibilities and the objectives set by the Shareholder. All Board members are afforded the opportunity to fully contribute to Board deliberations, and to provide constructive challenge, while excessive influence on Board decision-making by one or more individual members is guarded against.

The Board is provided with regular information, which includes key performance information across all aspects of the Group's business. Regular reports and papers are circulated to the Directors in a timely manner in preparation for Board and committee meetings. These papers are supplemented by information specifically requested by the Directors from time to time. Management and financial information is provided to all Directors enabling them to scrutinise the Group's and management's performance against agreed objectives.

The Directors have a blend of skills and experience in the areas of aviation, finance, legal, corporate compliance, business, marketing, digital, retail and industrial relations. These skills bring the necessary competence to the Board to address the major challenges for the Group. Directors draw on their experience and knowledge in the development of strategy and use their diverse range of skills to constructively challenge matters of strategic importance to the Group. The experience and knowledge of Directors is also taken into consideration in determining the requirements and membership of the Board committees.

The Board is satisfied that its size and structure as prescribed in legislation, is appropriate and achieves a balance of representation on the Board.

At the beginning of 2020, following the retirement of Gerry Walsh on 1 January 2020, there were three vacancies on the Board. The Shareholder appointed Ray Gammell, Marie Joyce and Karen Morton to the Board with effect from 23 January 2020, following a recruitment and selection process. Barry Nevin resigned from the Board on 24 January 2020 and in accordance with the Worker Participation Acts the Shareholder appointed Joseph O'Sullivan to the Board with effect from 24 February 2020 to replace Barry Nevin. The terms of office of Colm McCarthy and Niall Greene expired on 23 April 2020 and 1 July 2020 respectively. The Shareholder appointed Peter Cross to the Board with effect from 4 March 2021 following a recruitment and selection process. daa is engaging with the Shareholder in relation to filling a current vacancy and other vacancies due to arise later this year.

Board evaluation

The Board seeks to continually improve its effectiveness and conducts an evaluation of its performance on a regular basis. A self-evaluation was completed in respect of 2020. The areas in which performance is assessed included strategy, risk management and internal control, boardroom practice, performance of committees and gender, diversity and skills mix within the Board.

There were no material issues arising regarding Board performance in 2020. The Board worked collectively to deal with the challenges arising from the impact of the COVID-19 pandemic. The Board welcomes the filling of vacancies and expects to engage with the Shareholder in respect of updating the Shareholder Expectation Letter to reflect inter alia the new post COVID-19 environment in which the business operates.

Independence of Directors

The Directors and Company Secretary had no beneficial interest in the shares or loan stock of the Company or in those of its subsidiaries at any time during the year or the preceding financial year. The Board considers that all Directors are independent in character and judgement.

Contracts of employment: Having regard to the independence criteria as set out in the Corporate Governance Code, the Board considers that the CEO and the four Elected Directors all of whom have contracts of employment with the Company, cannot for that reason be considered as independent.

Other interests: On occasion, members of the Board may also hold directorships or executive positions or have interests in third party companies including trade union organisations or airlines, some of which (or their affiliates) may, in the normal course of business, undertake transactions on an arm's length basis with the Group. Disclosure is provided, as required, in Note 30 (Related Party Disclosures) to the Financial Statements, of relevant related party transactions where a Director holds a material interest in the relevant entity. In accordance with company law, details of directorships held by members of the Board are filed in the Companies Registration Office.

Ray Gammell, a member of the Board is an executive of Etihad Airways, a customer of daa. Mr Gammell's position was disclosed to and considered by the Shareholder prior to his appointment.

Basil Geoghegan, Chairman of the Board, is a partner of PJT Partners, a US based publicly listed advisory investment bank and has been directly involved in advising certain daa corporate customers.

Board procedures: The Board has specific procedures to deal with potential conflicts of interest that may arise. Directors are required, in accordance with the provisions of section 34 of the 1998 Act and the Code of Practice, to disclose any relevant interest and absent themselves from Board discussions where they have a direct or indirect interest.

The terms and conditions of appointment of Directors are available for inspection on request.

Access to professional advice

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. The Company's professional advisers are available to the Board as required. Individual Directors may take independent professional advice, in line with Company procedures, at the Company's expense.

Induction, training and development of Directors

On appointment, Directors are provided with detailed briefing documents, governance, financial and operational information and an opportunity to be briefed by executives on the different aspects of the business of the Group. Directors have access to training programmes and the ongoing development needs of Directors are kept under review.

Directors' remuneration

Fees for Directors are determined by the Shareholder, with the consent of the Principal Shareholder. In light of the COVID-19 crisis and its impact on the Group's business, the Directors voluntarily took a reduction in fees in 2020.

The remuneration of the CEO is determined in accordance with the arrangements issued by the Department of Transport, for determining the remuneration of CEOs of commercial State Bodies under its aegis and is set by the Nomination & Remuneration Committee in conjunction with the Shareholder and with the approval of the Principal Shareholder.

In line with the Code of Practice only one fee is payable to a Director in respect of service on the main Board and boards of subsidiary or associated bodies where applicable. No Directors' fee is payable to the CEO for service on the Board. Executives of the Company who may serve on the boards of subsidiary or associated companies do not receive any additional remuneration in respect of their directorships. Elected Directors, who receive a fee for their services as a Director, are separately remunerated for services provided to the Company under their normal contracts of employment. Details of Directors' fees and emoluments, including those of the CEO, are set out in Note 8 to the financial statements in accordance with the requirements of the Companies Acts 2014, and the Code of Practice.

Board committees

The Board has an effective committee structure to assist in the discharge of its responsibilities. The Board committees comprise Audit and Risk Committee, Finance Committee, Health, Safety, Security & Environment Committee, Nomination & Remuneration Committee and Strategic Infrastructure Committee. The specific responsibilities delegated to those Board committees are set out in their Terms of Reference. Following each meeting the committees report to the Board on the issues within their remit. The attendance of members at committee meetings is set out in the table *'Attendance at Board and committee meetings during the year ended 31 December 2020'* in the section heading 'Meetings' below. Terms of reference for the committees are available from the Company Secretary on request.

Meetings

Meetings of the Board are held throughout the year. During the year under review, there was a requirement for the Board to meet more frequently than usual to deal with the emerging issues arising from the COVID-19 crisis. The Board met 15 times during 2020. In addition, there were a number of additional committee meetings.

Details of committees' key responsibilities and work including current Board membership, are set out on page 72.

Attendance at Board and committee meetings during the year ended 31 December 2020

Director	Board	Audit & Risk	Health, Safety, Security & Environment	Nomination & Remuneration	Strategic Infrastructure	Finance
Basil Geoghegan	14			6	1	2
Ray Gammell	14		3	6		
Niall Greene	1 / 7		2			
Patricia King	14					
Marie Joyce	14	6				2
Colm McCarthy	3	1				
Paul Mehlhorn	1 / 14		4			
Karen Morton	14				1	
Eric Nolan	14					
Dalton Philips	14				1	2
Joseph O'Sullivan	14		2			
Risteard Sheridan	14	6				
Denis Smyth	14		4			2

The pink figures represent the number of meetings attended by a Director during the year. The grey figures represent the number of Board and relevant committee meetings not attended by a Director.

Barry Nevin resigned as a Director on 24 January 2020 and in accordance with the Worker Participation Acts the Shareholder appointed Joseph O'Sullivan to the Board with effect from 24 February 2020 to replace Barry Nevin.

On 23 January 2020, the Shareholder appointed Ray Gammell, Marie Joyce and Karen Morton to the Board. The terms of office of Gerry Walsh, Colm McCarthy and Niall Greene expired on 1 January 2020, 23 April 2020 and 1 July 2020 respectively. On 4 March 2021, the Shareholder appointed Peter Cross to the Board.

Code of Practice

daa complied in all material respects with the Code of Practice with certain derogations agreed with its parent Department as provided for in the Code. The Code of Practice sets out a number of compliance requirements including the publication of the Board's Statement on the System of Internal Control, which accordingly is set out below.

Statement on the system of internal control

Scope of responsibility

The Board is responsible for establishing and maintaining the system of internal control throughout the Group. The system of internal control comprises those ongoing processes for identifying, evaluating and managing the significant risks faced by the Group and the key structures and procedures designed to provide an effective system of internal control.

Purpose of the System of internal control

The system of internal control is designed to manage rather than eliminate risk of failure and can therefore only provide reasonable and not absolute assurance that the Group will not suffer material misstatement or loss. The Directors are satisfied that the Group's systems of internal control operated as planned for the year under review and up to the date of approval of the financial statements.

Risk management

The Board has responsibility for determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives, is committed to the proactive management of risk and has a risk management system in place designed to anticipate and address, to the extent possible, material changes to the Group's business and risk environment.

The Board defines risk appetite for the Group, and seeks to ensure that through processes and structures, risk management is embedded across the organisation in normal business activities and decision making. The Board receives a risk report at each meeting, which focuses on principal risks and risk mitigation activities.

The Audit and Risk Committee has defined terms of reference and membership which incorporates recent and relevant financial experience and meets at least four times per year.

The Internal Audit function is adequately resourced and conducts a programme of work agreed with the Audit and Risk Committee.

Risk and control framework

The risk management system identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. Details of the risk management process are outlined in the Risk report on pages 39 to 45.

A number of key structures and procedures designed to provide an effective system of internal control have been established. The key structures and procedures which are used to maintain and monitor an effective internal control system and which are supported by detailed controls and processes are as follows:

Strategic Planning	Periodic preparation and adoption of a strategic plan to set future direction together with rolling five-year business and financial plans.
Board Oversight	A Board approved Corporate Governance Policy and Framework which includes a schedule of items reserved to the Board for approval.
	A Board sub-committee structure.
	Representation at Board level in the Group's principal associates and joint ventures by senior Group executives; Investments in associated and joint venture companies are considered as part of the Group's ongoing management risk review process.
	Separate boards which monitor the governance and performance of each subsidiary company.
Management Structures	A clearly defined organisation structure with appropriate segregation of duties and delegation of responsibility; authority within which the Group's activities is planned, executed, controlled and monitored to achieve the strategic objectives which the Board has adopted for the Group.
	Through a process of continuous improvement of the safety and environmental management systems, key issues and concerns are raised and communicated appropriately, and are actively monitored, reported and managed throughout the organisation to executive and Board level.
	An Internal Audit department which reviews key systems and controls with full access to systems, controls, documentation and the Audit and Risk Committee.
Risk Management	An Executive Risk Committee to monitor risk governance and to assist the Board in discharging its responsibilities in ensuring that risks are properly identified, reported and assessed; that risks are appropriately mitigated and controlled; and that strategy is informed by, and aligned with, the Group's risk appetite.
Monitoring and Control	A comprehensive system of management and financial reporting across all functions including finance, legal and other corporate services, health, safety and security, asset maintenance and development, commercial and operations.
	Clearly defined limits and procedures for financial expenditure.
	Executive management overseeing capital, revenue, cost and employment matters.
	Annual scorecards, budgets and financial plans for the Group and business units.
	Regular monitoring of Group financial and operating performance against budgets and scorecards; regular reporting to Board on business performance.

Monitoring and Control	The Company has specific arrangements for procurement in place including a formal procurement function and the promulgation of policies and procedures to staff to ensure compliance with the applicable EU and Irish legal requirements (in particular, the Utilities Directive 2014/25/EU and the Concessions Directive 2014/23/EU and the associated secondary legislation under Irish law).

Review of effectiveness of risk management and control procedures

daa has procedures to monitor the effectiveness of its risk management and control procedures. daa's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within daa responsible for the development and maintenance of the internal control framework.

The Board conducted an annual review of the effectiveness of the internal controls for 2020. No significant weaknesses in key internal control procedures were identified in relation to 2020 that have had a material impact on the Group's financial performance or condition that require disclosure in the Financial Statements.

Gender balance, diversity and inclusion

The Annex to the Code of Practice, on Gender Balance, Diversity and Inclusion was issued in September 2020, by the Company's Principal Shareholder, the Minister for Public Expenditure and Reform. The Annex sets out the requirement to provide an account of the approach being adopted in relation to the promotion of diversity and inclusion, including with regard to gender balance, in the specific context of the organisation, and on the progress and achievements in this regard.

The gender balance on the Board is included on page 67 of this report. When engaging and advising the Shareholder of the skills and experience sought in relation to new Board appointments, regard is had to the benefits of having a balanced Board in terms of gender and diversity of skills is considered a key requirement. An account of the Company's approach to diversity and inclusion is included in the People section on page 55.

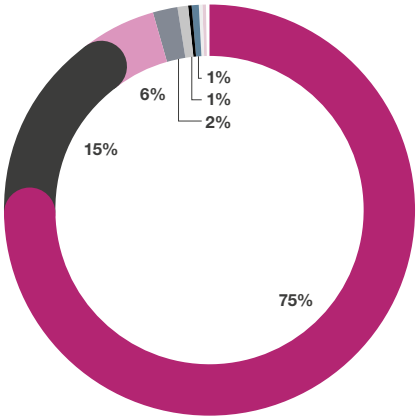
Code of Practice reporting requirements

Reporting requirements

The Code of Practice also sets out reporting requirements in relation to specific types of expenditure for the year ended 31 December 2020. Travel and subsistence costs charged to the profit and loss account for the year amounted to €0.1 million (National) and €0.5 million (International). Hospitality and staff wellbeing costs charged to the profit and loss account amounted to €1.5 million. Consultancy costs charged to the profit and loss account amounted to €3.1 million. The main consultancy costs incurred in 2020 relate to regulatory €0.3 million, security roster development €0.2 million, review, development and implementation of new streamlined organisational structures €2.1 million, with the remaining other consultancy of €0.5 million relating to consultancy on capacity, energy, communications and strategy.

Legal and settlement payments relating to insurance in the year are set out in Note 21 of the Financial Statements. Other legal and settlement payments for concluded and settled legal cases amounted to €nil in the year. Amounts relating to pension costs charged to the profit and loss account were €13.1 million as set out in Note 3 to the Financial Statements. Termination payments paid in the year amounted to €39.2 million (of which €0.8 million was accrued in the 2019 accounts) and €23.7 million relates to termination and early retirement benefits under the voluntary severance scheme.

Employee remuneration



Total remuneration	No. of employees*
Up to €50,000	3,520
€50,000 to €75,000	707
€75,000 to €100,000	276
€100,000 to €125,000	86
€125,000 to €150,000	43
€150,000 to €175,000	19
€175,000 to €200,000	26
€200,000 to €225,000	9
€225,000 to €250,000	7
>€250,000	13

* Employee numbers include all full and part-time employees who worked for the Group for any portion of the year. Employee numbers expressed on a full-time equivalent basis and total payroll and related costs are disclosed in Note 3 to the Financial Statements.

Employee benefits comprise all regular earnings, salary, overtime, shift-related, performance-based earnings and other benefits such as medical insurance (remuneration) but exclude employer pension contributions. Overtime paid during the year amounted to €1.2 million and allowances paid during the year amounted to €4.2 million for the year ended 31 December 2020, which are included in employee benefits as displayed above. Details of employee benefits for the Group's activities across its domestic and international businesses are displayed in the chart above. Key management compensation comprising salaries, fees and other short-term benefits of €4.0 million, post-employment benefits of €0.4 million and termination benefits of €nil were recognised. Performance related pay, gain share and profit share payments in respect of 2019 were paid during 2020. As set out in the CEO review these payments were suspended for 2020.

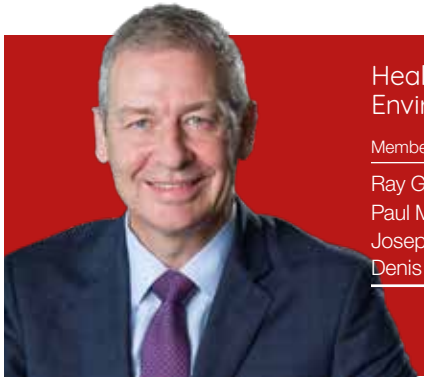
Committee overview

The Board has an effective committee structure to assist in the discharge of its responsibilities.

Finance Committee

Members	Appointed to Committee
Marie Joyce, Chair	March 2020
Basil Geoghegan	March 2020
Dalton Philips	October 2017
Denis Smyth	March 2016

Marie Joyce was appointed Chair and Basil Geoghegan was appointed as a member of the committee on 20 March 2020. Colm McCarthy was a member of the committee and retired from the Board and the committee when his term of office expired on 23 April 2020. The Finance committee met twice during the year and the work of the committee was primarily to review and consider major financings including a Eurobond issue which was finalised in October 2020.



Health, Safety, Security & Environment Committee

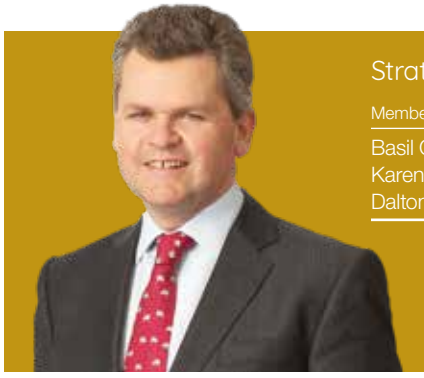
Members	Appointed to Committee
Ray Gammell, Chair	March 2020
Paul Mehlhorn	April 2019
Joseph O'Sullivan	June 2020
Denis Smyth	March 2014

Barry Nevin and Niall Greene resigned from the Board and the committee on 24 January 2020 and on 1 July 2020 respectively. Ray Gammell was appointed to the committee on 20 March 2020 and was appointed Chair of the committee on 1 July 2020. Joseph O'Sullivan was appointed to the committee on 19 June 2020. In fulfilling its role, the committee reviews the organisational structures in place to give effect to the daa's Health, Safety, Security and Environment compliance systems It reviews and monitors performance metrics, receives incident reports and monitors the processes in place for training and communication of policies and procedures.

Nomination & Remuneration Committee

Members	Appointed to Committee
Basil Geoghegan, Chair	June 2018
Ray Gammell	March 2020

Gerry Walsh was a member of the committee in 2019 and retired from the Board and the committee when his term of office expired on 1 January 2020. Ray Gammell was appointed to the committee on 20 March 2020. In 2020, the work of the committee included, a review of skills and expertise required to fill the Board vacancies, oversight of remuneration arrangements including performance related pay and pension arrangements and a review of the Company's voluntary severance scheme prior to its launch during the year.



Strategic Infrastructure Committee

Members	Appointed to Committee
Basil Geoghegan, Chair	June 2018
Karen Morton	March 2020
Dalton Philips	October 2017

Gerry Walsh was a member of the committee and retired from the Board and the committee when his term of office expired on 1 January 2020. Niall Greene also resigned from the committee when his term of office expired on 1 July 2020. Karen Morton was appointed to the committee on 20 March 2020. The committee met once during 2020, primarily to consider capital investment plans and related issues at Dublin and Cork airports.

Audit & Risk Committee

Members	Appointed to Committee
Risteard Sheridan, Chair	November 2018
Marie Joyce	February 2020

Gerry Walsh was Chair of the committee until he retired from the Board and the committee when his term of office expired on 1 January 2020. Colm McCarthy was a member of the committee and retired from the Board and the committee when his term of office expired on 23 April 2020. On 28 February 2020, Marie Joyce was appointed as a member of the committee and Risteard Sheridan was appointed Chair of the committee.

The Audit and Risk Committee met six times in 2020. During the course of the year, the committee held meetings without management present and also met privately with both the external and internal auditors. The Group Head of Internal Audit has a direct line of communication with the Chairman of the Audit and Risk Committee. The Group Head of Internal Audit's executive reporting line is to the CEO and he is appointed, and may only be dismissed, by the committee.

Regular attendees at committee meetings, at the invitation of the committee, include the CEO, Group Chief Financial Officer, Group Director of Finance, Company Secretary, Group Head of Internal Audit and representatives from the firm of external auditors.

Report of Audit and Risk Committee activities

Area of responsibility	Activity of the committee
Internal control and risk management	• Received briefings on COVID-19 impact on going concern, operational risks, finance and reporting and internal controls; • Considered COVID-19 finance and people related issues including restructuring and reduced working hours; • Reviewed the effectiveness of the Group's system of internal control and satisfied itself that it operated as planned for the year under review; • Considered identified instances of potential weaknesses and relevant improvements to internal controls; • Monitored controls, including financial, operational and compliance controls and risk management processes; • Monitored the Group's ongoing process for identifying and evaluating the significant risks affecting the Group and the policies and procedures by which these risks are managed; • Reviewed internal risk and top risk summaries, risk appetite statements, business continuity priorities and activities; • Reviewed new EU tax reporting requirements; • Received reports on the implementation of a rostering and time and attendance system; • Received reports on controls and processes in place for Capital Projects; • Reviewed the commercial concession control environment; • Reviewed and approved increases in counterparty deposit credit limits.
Financial reporting	• Reviewed the draft annual Financial Statements and regulatory accounts before recommending their approval to the Board; • Considered the appropriateness of the significant accounting policies, estimates and judgements applied in preparing these financial statements, together with presentational and disclosure issues; • Reviewed the financial obligations of the Group in relation to international business; • Received briefing on tax matters and developments; • Considered the appropriateness of adopting the going concern basis of preparing the Financial Statements.
Protected disclosures and fraud	• Received reports from the Group Head of Internal Audit on confidential reporting and/or protected disclosures; • Received assurances that procedures are in place to ensure compliance with the Company's Anti-Bribery, Corruption & Fraud policy.
External audit	• Carried out an assessment of the auditor's independence and objectivity; • Monitored the external auditor's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, and assessed the qualifications, expertise, resources and the effectiveness of the audit process; • Received updates on the progress of the statutory audit tender process.
Internal audit	• Reviewed the plans and work undertaken during the year by the Group's Internal Audit department, including reports relating to the operation of internal controls, reports relating to overseas subsidiary and associated undertakings, security, procurement, financial and operations, capital investment and IT, and the consequential actions agreed with management; • Reviewed the findings of internal audits and considered management's progress in addressing the relevant issues, including the nature, extent and speed of response; • Reviewed the Internal Audit Charter update and reviewed and agreed a risk-based internal audit annual plan, including the resources required, and considered the alignment of internal audit focus with the areas of greatest risk facing the Group.

Financial reporting

The Audit and Risk Committee receives year-end Financial Statements from management, reviews any significant financial reporting judgements and considers the integrity of the Financial Statements of the Group and any formal stock exchange announcements relating to the Group's financial performance.

The committee considers whether, in its opinion, the annual report and Financial Statements are fair, balanced and understandable and provide the information necessary for an assessment of daa's financial position, financial performance and strategy. This review is supported by the processes, procedures and reporting in place, consideration of the key issues and events during the year and reports and information from internal and external auditors. Following its review, the Audit and Risk Committee is satisfied the annual report and Financial Statements meet the requirements as outlined above.

External audit

The committee takes appropriate steps to ensure that an objective and professional relationship continues to be maintained with the external auditor.

In assessing auditor independence and objectivity, the committee reviews:

a) the nature and extent of the services provided, and fees earned, for external audit and non-audit work carried out by the external auditor; and
b) compliance with the Group's policy governing the provision of non-audit services to the Group whereby clear rules and limits are in place, permitting non-audit services which do not present a conflict of interest.

The Group last tendered for external audit services in 2017, following which, Deloitte Ireland LLP was reappointed. The Group will re-tender for external audit services in 2021.

Fees paid to the Group's auditor for audit services, audit related services and other non-audit services are set out in Note 8 of the Financial Statements. There were no instances where the external auditor was engaged to provide services which were adjudged to give rise to a conflict of interest.

Anti-fraud policies

Having considered the reports provided by the Group Head of Internal Audit regarding the confidential reporting system and compliance with the Company's Anti-Bribery, Corruption & Fraud policy, the committee is satisfied that appropriate procedures are in place for follow-up of any relevant matters.

Report of the Directors

The Directors have pleasure in submitting their annual report together with the audited Financial Statements for the year ended 31 December 2020 in accordance with the requirements of Section 325 of the Companies Act 2014.

Principal activities

The Group's principal activities are airport development, operation and management, international airport retailing and international airport investment. The Group owns and operates the two largest airports in the Republic of Ireland, has airport retail activities in Ireland and a range of international locations. Outside of Ireland, the Group currently has investments in three European airports, and operates Terminal 5 at King Khalid International Airport in Riyadh, Saudi Arabia on a contract basis.

Review of the business and future developments

Commentaries on performance for the year ended 31 December 2020, including information on recent events and likely future developments are contained in the Chief Executive's review. The financial position, principal risks and uncertainties facing the business and key performance indicators are contained in the Chief Financial Officer's review and the Risk report.

Implications of COVID-19

The outbreak and continuing spread of COVID-19 present a number of different risks to the Group's principal activities. Following the rapid development of COVID-19, the world economy entered a period of an unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life. Further details of the historical and ongoing impact of COVID-19 on the Group are set out in Note 35.

Results and dividends for the year

The financial results of the Group for the year show a loss for the financial year amounting to €187.4 million compared with a profit of €150.2 million for 2019 in both cases after taxation and before exceptional items.

Details of the results for the year are set out in the Group profit and loss account and related notes.

The Board does not propose the payment of a dividend (2019: €nil).

There are no significant post balance sheet events which require adjustment to the Financial Statements or inclusion of a note thereto.

Going concern

The Directors considered the adverse impact of the current COVID-19 pandemic on the business for the next 12 months and the longer term. Whilst the situation and outlook for the aviation industry and on passenger demand for air travel and travel retail, continues to evolve, with enhanced screening and quarantine measures in place in many of the Group's locations and the implementation of a vaccination programme, the Directors expect the Group to continue to be operational, however, there is uncertainty surrounding the timing of when full passenger operations will return.

The Directors, having reviewed the Group's projections, with particular reference to its operating cash flow, capital commitments, liquidity and funding position, and in light of the ongoing impact of the COVID-19 crisis continue to have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate systems, appropriate controls and resources to the financial function. The books of account of the Company are maintained at the Company's premises at Dublin and Cork airports and at its Shared Services Centre in Limerick.

Information to the auditors

Each Board member confirms that, so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware and that they have taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Research and development

During the year the Group engaged in certain research and development related activities, primarily in relation to development in the information technology area.

Health and safety

The wellbeing of the Group's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Acts 2005 and 2010 impose certain requirements on employers and all relevant companies within the Group take the necessary action to ensure compliance with the Acts.

Subsidiary, associated and joint venture undertakings

The information required by Section 314 of the Companies Act 2014 in relation to subsidiary, associated and joint venture undertakings is set out in Note 14.

Prompt Payments Act

Internal financial controls are in place to ensure compliance, in all material respects, with the provisions of the Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002 and 2012. Standard terms of credit taken, unless otherwise specified in specific contractual arrangements, are 30 days. As in previous years, substantially all payments were made within the appropriate credit period as required.

Political donations

The Group did not make any political donations during the year.

Lobbying Act

In accordance with the Regulation of the Lobbying Act, 2015, the Group is registered on the register and has made returns in compliance with the Act.

Events after the end of the reporting period

There has been no significant post balance sheet events which require adjustment to the Financial Statements or the inclusion of a note thereto.

Directors' Compliance Statement

As required by section 225(2) of the Companies Act 2014 the Directors: (a) acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in that legislation); (b) confirm that a compliance policy statement has been drawn up and that appropriate arrangements or structures are in place that are, in the opinion of the Directors, designed to secure material compliance with the relevant obligations; and (c) confirm that a review has been conducted during the 2020 financial year of the arrangements and/or structures that have been put in place as referred to in (b) above and are compliant.

Auditors

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office as external auditor in accordance with Section 383 (2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:

Basil Geoghegan
Chairperson
13 April 2021

Dalton Philips
Director

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the Directors to prepare Financial Statements for each financial year. Under the law, the Directors have elected to prepare the Financial Statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('relevant financial reporting framework'). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and parent Company as at the financial year-end date and of the profit or loss of the Group and parent Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies for the parent Company and the Group Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' report comply with the Companies Act 2014 and enable the Financial Statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent auditor's report to the members of daa plc

Report on the audit of the financial statements

Opinion on the financial statements of daa plc (the 'company')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at financial year and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:

- the group profit and loss account;
- the group statement of comprehensive income;
- the group balance sheet;
- the group statement of cash flows;
- the group statement of changes in equity and
- the related notes 1 to 37, including a summary of significant accounting policies as set out in note 36.

The parent company financial statements:

- the parent company balance sheet;
- the parent company statement of changes in equity;
- the related notes 1 to 37, including a summary of significant accounting policies as set out in note 36.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

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

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively , may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report for the financial year ended 31 December 2020, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the (consolidated) financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the 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 the auditor identifies during the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emer O'Shaughnessy
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2
13 April 2021

Group profit and loss account

for the financial year ended 31 December 2020

	Note	2020 Pre-exceptional €000	2020 Exceptional and fair value movements €000	2020 Total €000	2019 Pre-exceptional €000	2019 Exceptional and fair value movements €000	2019 Total €000
Turnover – continuing operations	2	**290,643**	**–**	**290,643**	934,696	–	934,696
Operating costs							
Cost of goods for resale		**(63,479)**	**–**	**(63,479)**	(186,708)	–	(186,708)
Payroll and related costs	3	**(183,933)**	**–**	**(183,933)**	(238,592)	–	(238,592)
Exceptional item – restructure costs	6	**–**	**(99,852)**	**(99,852)**	–	–	–
Materials and services		**(109,960)**	**–**	**(109,960)**	(207,615)	–	(207,615)
		(357,372)	**(99,852)**	**(457,224)**	(632,915)	–	(632,915)
Other income	4	**33,803**	**–**	**33,803**	–	–	–
Earnings before interest, tax, depreciation and amortisation		**(32,926)**	**(99,852)**	**(132,778)**	301,781	–	301,781
Depreciation and amortisation		**(125,839)**	**–**	**(125,839)**	(127,024)	–	(127,024)
Fair value movement on investment property	6	**–**	**(11,106)**	**(11,106)**	–	29,881	29,881
Group operating (loss)/profit – continuing operations		**(158,765)**	**(110,958)**	**(269,723)**	174,757	29,881	204,638
Share of operating (loss)/profit							
Joint venture undertakings		**(563)**	**–**	**(563)**	2,733	–	2,733
Associated undertakings	5	**(33,307)**	**–**	**(33,307)**	14,133	–	14,133
Group (loss)/profit before interest and taxation		**(192,635)**	**(110,958)**	**(303,593)**	191,623	29,881	221,504
Finance income	7	**830**	**–**	**830**	2,148	–	2,148
Interest receivable and similar income	7	**697**	**–**	**697**	1,058	–	1,058
Interest payable and similar charges	7	**(19,768)**	**–**	**(19,768)**	(19,360)	–	(19,360)
Group (loss)/profit on ordinary activities before taxation	8	**(210,876)**	**(110,958)**	**(321,834)**	175,469	29,881	205,350
Taxation on (loss)/profit on ordinary activities	9	**20,480**	**14,545**	**35,025**	(23,057)	(4,078)	(27,135)
(Loss)/profit after taxation		**(190,396)**	**(96,413)**	**(286,809)**	152,412	25,803	178,215
Attributable to:							
Non-controlling interest		**(3,045)**	**–**	**(3,045)**	2,245	–	2,245
Equity shareholders of the Group		**(187,351)**	**(96,413)**	**(283,764)**	150,167	25,803	175,970
(Loss)/profit for the financial year for the Group		**(187,351)**	**(96,413)**	**(283,764)**	150,167	25,803	175,970

Group statement of comprehensive income

for the financial year ended 31 December 2020

	Note	2020 €000	2019 €000
Group (loss)/profit for the financial year		**(283,764)**	175,970
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings	23	**(3,800)**	1,693
Associated undertakings	23	**(2,183)**	233
Remeasurement of net defined benefit liability	24	**(214)**	(1,113)
Deferred tax charge thereon		**48**	109
Other comprehensive income for the financial year			
Equity shareholders of the Group		**(289,913)**	176,892
Non-controlling interest (loss)/profit for the financial year		**(3,045)**	2,245
Exchange differences on translation of overseas non-controlling interests		**(1,310)**	391
Other comprehensive income for the financial year			
Non-controlling interest		**(4,355)**	2,636
Total other comprehensive income for the financial year attributable to:			
Non-controlling interest		**(4,355)**	2,636
Equity shareholders of the Group		**(289,913)**	176,892

Group balance sheet
as at 31 December 2020

	Note	2020 €000	2019 €000
Fixed assets			
Tangible assets	11	**1,960,326**	1,791,783
Intangible assets	12	**57,178**	57,296
Investment property	13	**188,924**	205,135
		2,206,428	2,054,214
Investments			
Investments in joint venture undertakings		**127**	735
Investments in associated undertakings		**69,099**	105,014
Other financial assets "to associate"		**22,369**	23,710
Long-term loan to associated undertakings		**14,989**	–
Total investments	14	**106,584**	129,459
Total fixed assets		**2,313,012**	2,183,673
Current assets			
Stocks	15	**32,071**	51,903
Debtors	16	**54,126**	73,751
Cash and cash equivalents	26	**785,314**	329,925
		871,511	455,579
Creditors: amounts falling due within one year	17	**(243,587)**	(265,990)
Net current assets		**627,924**	189,589
Total assets less current liabilities		**2,940,936**	2,373,262
Creditors: amounts falling due after more than one year	18	**(1,561,302)**	(723,085)
Capital grants	20	**(6,819)**	(7,361)
Provisions for liabilities	21	**(129,806)**	(107,967)
Net assets		**1,243,009**	1,534,849
Capital and reserves			
Called up share capital – presented as equity	23	**186,337**	186,337
Profit and loss account		**1,044,230**	1,328,160
Other reserves	23	**(3,578)**	2,405
Shareholders' funds		**1,226,989**	1,516,902
Non-controlling interest	31	**16,020**	17,947
		1,243,009	1,534,849

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 April 2021.

They were signed on its behalf by:

Basil Geoghegan
Chairman

Dalton Philips
Director

Company balance sheet
as at 31 December 2020

	Note	2020 €000	2019 €000
Fixed assets			
Tangible assets	11	**1,924,448**	1,758,439
Intangible assets	12	**14,730**	10,521
Investment property	13	**181,834**	198,000
		2,121,012	1,966,960
Investments			
Investments in subsidiaries, associated undertakings and other financial assets	14	**10,033**	9,359
Total fixed assets		**2,131,045**	1,976,319
Current assets			
Stocks	15	**11,382**	20,092
Debtors	16	**78,589**	83,929
Cash and cash equivalents		**740,940**	227,882
		830,911	331,903
Creditors: amounts falling due within one year	17	**(1,324,650)**	(823,433)
Net current liabilities		**(493,739)**	(491,530)
Total assets less current liabilities		**1,637,306**	1,484,789
Creditors: amounts falling due after more than one year	18	**(506,022)**	(161,690)
Capital grants	20	**(6,819)**	(7,361)
Provisions for liabilities	21	**(124,237)**	(100,489)
Net assets		**1,000,228**	1,215,249
Capital and reserves			
Called up share capital – presented as equity	23	**186,337**	186,337
Profit and loss account		**813,891**	1,028,912
Shareholders' funds		**1,000,228**	1,215,249

The Company reported a loss for the financial year ended 31 December 2020 of €215.0 million (2019: profit of €257.5 million).

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 April 2021.

They were signed on its behalf by:

Basil Geoghegan
Chairman

Dalton Philips
Director

Group statement of cash flows
for the financial year ended 31 December 2020

	Note	2020 €000	2019 €000
Net cash flows from operating activities before restructuring programme	25	**(7,546)**	275,773
Payments in respect of restructuring programme	21	**(39,705)**	(708)
Net cash flows from operating activities after restructuring programme		**(47,251)**	275,065
Cash flows from investing activities			
Dividends received	14	**1,618**	17,859
Acquisition of subsidiary undertaking		**(4,650)**	–
Cash acquired through acquisition of subsidiary undertaking		**7,342**	–
Loans to associate undertakings		**(18,134)**	–
Investment in associate undertakings		**(1,196)**	–
Proceeds from sale of tangible fixed assets		**27**	249
Additions to investment property		**(6,939)**	(23,914)
Additions to tangible fixed assets		**(256,853)**	(190,073)
Additions to intangible assets		**(6,302)**	(8,025)
Interest and "similar income received"		**7**	478
Income from other financial assets		**385**	1,943
Purchase of shareholding in joint venture undertaking		**–**	(446)
Repayment of financial asset		**–**	365
Purchase of shareholding in associate undertaking		**–**	(2,250)
Net cash flows from investing activities		**(284,695)**	(203,814)
Cash flows from financing activities			
Dividends paid to shareholder		**–**	(40,000)
Dividends paid to non-controlling interest	31	**(504)**	(3,073)
Repayment of bank loans		**(46,378)**	(45,047)
New bank loans		**357,561**	2,522
Interest and similar charges paid		**(18,910)**	(17,316)
Proceeds from the issue of new loan notes		**497,102**	–
Net cash flows from financing activities		**788,871**	(102,914)
Net increase/(decrease) in cash and cash equivalents		**456,925**	(31,663)
Cash and cash equivalents at beginning of financial year		**329,925**	361,145
Effect of foreign exchange rate changes		**(1,536)**	443
Net increase/(decrease) in cash and cash equivalents		**456,925**	(31,663)
Cash and cash equivalents at end of financial year		**785,314**	329,925

A cash flow statement has not been disclosed for the Company as it is taking an exemption from disclosing Company cash flows under FRS 102, as the Group Consolidated Financial Statements prepares and discloses a cash flow statement.

Group statement of changes in equity
for the financial year ended 31 December 2020

	Called-up share capital €000	Translation reserve €000	Other capital reserve €000	Profit and loss account €000	Total €000	Non-controlling interest €000	Total €000
At 1 January 2020	**186,337**	**2,159**	**246**	**1,328,160**	**1,516,902**	**17,947**	**1,534,849**
Loss for the financial year	**–**	**–**	**–**	**(283,764)**	**(283,764)**	**(3,045)**	**(286,809)**
Remeasurement of net defined benefit liability	**–**	**–**	**–**	**(214)**	**(214)**	**–**	**(214)**
Tax relating to items of other comprehensive income	**–**	**–**	**–**	**48**	**48**	**–**	**48**
Exchange differences on translation of overseas investments	**–**	**(5,983)**	**–**	**–**	**(5,983)**	**(1,310)**	**(7,293)**
Total comprehensive income	**–**	**(5,983)**	**–**	**(283,930)**	**(289,913)**	**(4,355)**	**(294,268)**
Acquisition	**–**	**–**	**–**	**–**	**–**	**2,932**	**2,932**
Non-controlling interest dividend proposed and paid	**–**	**–**	**–**	**–**	**–**	**(504)**	**(504)**
Balance at 31 December 2020	**186,337**	**(3,824)**	**246**	**1,044,230**	**1,226,989**	**16,020**	**1,243,009**
At 1 January 2019	186,337	233	246	1,193,194	1,380,010	18,384	1,398,394
Profit for the financial year	–	–	–	175,970	175,970	2,245	178,215
Remeasurement of net defined benefit liability	–	–	–	(1,113)	(1,113)	–	(1,113)
Tax relating to items of other comprehensive income	–	–	–	109	109	–	109
Exchange differences on translation of overseas investments	–	1,926	–	–	1,926	391	2,317
Total comprehensive income	–	1,926	–	174,966	176,892	2,636	179,528
Non-controlling interest dividend proposed and paid	–	–	–	–	–	(3,073)	(3,073)
Transactions with owners recognised directly in equity							
Dividends	–	–	–	(40,000)	(40,000)	–	(40,000)
Balance at 31 December 2019	186,337	2,159	246	1,328,160	1,516,902	17,947	1,534,849

Company statement of changes in equity
for the financial year ended 31 December 2020

	Called-up share capital €000	Profit and loss account €000	Total €000
At 1 January 2020	**186,337**	**1,028,912**	**1,215,249**
Loss for the financial year	**–**	**(214,959)**	**(214,959)**
Remeasurement of net defined benefit liability	**–**	**(71)**	**(71)**
Tax relating to items of other comprehensive income	**–**	**9**	**9**
Total comprehensive income	**–**	**(215,021)**	**(215,021)**
Balance at 31 December 2020	**186,337**	**813,891**	**1,000,228**
At 1 January 2019	186,337	812,586	998,923
Profit for the financial year	–	257,488	257,488
Remeasurement of net defined benefit liability	–	(1,328)	(1,328)
Tax relating to items of other comprehensive income	–	166	166
Total comprehensive income	–	256,326	256,326
Dividends paid	–	(40,000)	(40,000)
Balance at 31 December 2019	186,337	1,028,912	1,215,249

Notes on and forming part of the Financial Statements
for the financial year ended 31 December 2020

1. General information and basis of preparation

daa plc is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is Head Office, Dublin Airport, Co. Dublin. The nature of the Group's operations and its principal activities are set out in the report of the Directors.

The Financial Statements are prepared in accordance with generally accepted accounting principles in Ireland under the historical cost convention, modified to include certain items at fair value, and comply with Financial Reporting Standard 102 (FRS 102) of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland and Irish statute comprising the Companies Act 2014.

The reporting currency of the Group is considered to be Euro as that is the currency of the primary economic environment in which the Group operates.

The Financial Statements have been prepared in accordance with the accounting policies, as set out in Note 36, and have been applied consistently with the prior year. Refer to Note 37 for the Critical accounting judgements and key sources of estimation uncertainty.

2. Turnover

An analysis of the Group's turnover by class of business is as follows:

	2020 €000	2019 €000
Ireland		
Aeronautical revenue	**88,902**	315,772
Direct retailing and retail/catering concessions	**47,099**	179,389
Other commercial activities	**75,078**	173,284
Total Ireland	**211,079**	668,445
International retail and other activities	**79,564**	266,251
Total turnover	**290,643**	934,696
By geographical area		
Australasia	**19,542**	83,749
Europe	**234,052**	761,542
Middle East	**22,836**	33,475
North America	**14,213**	55,930
	290,643	934,696

An analysis of the Group's turnover by category is as follows:

	2020 €000	2019 €000
Sale of goods	**103,678**	377,471
Rendering of services	**186,965**	557,225
Total turnover	**290,643**	934,696

3. Payroll and related costs

	2020 €000	2019 €000
Staff costs comprise:		
Wages and salaries	**172,260**	220,104
Social insurance costs	**9,569**	21,264
Retirement benefit costs (Note 24)	**13,100**	11,659
Other payroll and related costs	**2,473**	2,525
	197,402	255,552
Staff costs capitalised into fixed assets (Note 11)	**(13,469)**	(16,960)
Payroll and related costs	**183,933**	238,592
Governments' wage subsidy schemes (Note 4)	**(33,803)**	–
Net payroll and related costs	**150,130**	238,592

	2020	2019
Average monthly employee numbers (full time equivalents) were as follows:		
Airports	**2,592**	3,176
International activities	**613**	963
	3,205	4,139

4. Other income

	2020 €000	2019 €000
Governments' wage subsidy schemes	**33,803**	–

The Group recognised €33.8 million in respect of non-repayable Governments' support relating to wage subsidy schemes introduced in Ireland and internationally in response to the COVID-19 pandemic, which the Group was entitled to avail of.

5. Share of operating (loss)/profit of associated undertakings

€33.3 million loss (2019: €14.1 million profit) relates to the Group's share of profits/losses after interest and taxation for the year in its associated undertakings (see Note 14) as defined in Note 36. Management fees and other direct income from these undertakings are included in turnover of the Group. The Group's share of any profits or losses from transactions between the Group and its associated undertakings are eliminated where they are included in the carrying amount of the assets in the associated undertaking.

6. Exceptional items and fair value movements

Restructure costs

In response to the significant challenges in the business environment arising from the COVID-19 pandemic a significant restructuring programme was developed during the year to facilitate a reduction in the Group's workforce. This restructuring programme comprised of a number of options including a voluntary severance scheme, career break options, and other changes to ongoing work practices and conditions. The options were made available to employees from July 2020 and a significant number of our colleagues had left the business by the year-end. Costs associated with the restructuring amounted to €99.9 million and this has been classified as an exceptional item in the profit and loss account (see Note 21 for further detail). The impact on taxation was a tax credit of €12.2 million.

Fair value movement on investment property

The Group has engaged independent valuation specialists to determine the fair value of its properties deemed to be investment properties at 31 December 2020 (see Note 13). These valuations resulted in the Group recognising a fair value decrease of €11.1 million (2019: increase of €29.9 million). The movement in fair value includes the reversal of a prior year fair value (€11.7 million) attributable to a portion of a Dublin Airport Central (DAC) building which was redesignated as owner occupied during the year and hence reclassified to tangible fixed assets. This has been offset by a €13.0 million fair value gain primarily due to Two DAC building reaching practical completion and there was an aggregate fair value decrease of €12.3 million relating to the remaining investment properties. The impact on taxation was the recognition of a net deferred tax credit of €2.4 million (2019: charge of €4.1 million).

7. Finance income/expense

	2020 €000	2019 €000
Other financial income		
Income from unlisted investment	**385**	1,943
Derivative financial instruments revaluation	**1,914**	(813)
Financial assets revaluation	**(1,469)**	1,018
Total other financial income	**830**	2,148

	2020 €000	2019 €000
Interest receivable and similar income		
Income from listed and unlisted investments	**244**	469
Income on retirement benefits (Note 24)	**453**	589
Total interest receivable and similar income	**697**	1,058

	2020 €000	2019 €000
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	**12,006**	11,504
Interest on loan notes	**7,444**	6,216
Amortisation of issue costs/other funding costs	**722**	540
Other interest payable	**3,098**	2,025
Interest expense on retirement benefits (Note 24)	**521**	676
Total interest payable	**23,791**	20,961
Interest payable capitalised	**(4,023)**	(1,601)
Total interest payable and similar charges	**19,768**	19,360

8. (Loss)/profit on ordinary activities before taxation

Group profit or loss on ordinary activities before taxation is stated after charging/(crediting) the following:

	2020 €000	2019 €000
Auditors' remuneration		
Auditor – Irish firm		
audit of the Group Financial Statements	**282**	240
other assurance services	**66**	4
tax advisory services	**73**	53
	421	297
Auditor – international firms		
other assurance services	**168**	142
tax advisory services	**29**	59
other non-audit services	**11**	26
	208	227
	629	524

8. (Loss)/profit on ordinary activities before taxation continued

Included in the above are audit fees incurred of €58,000 for the statutory audit of the Company (2019: €43,000), €66,000 for other assurance services (2019: €4,000) and €11,000 for tax advisory services (2019: €19,000).

	2020 €000	2019 €000
Operating lease rentals		
equipment	**618**	683
buildings	**1,697**	1,934
Governments' wage subsidy schemes (Note 4)	**(33,803)**	–
Depreciation (Note 11)	**118,225**	120,268
Amortisation of intangible assets and goodwill (Note 12)	**6,990**	5,903
Loss on retirements and disposals of tangible and intangible assets	**3,458**	176
Impairment of goodwill (Note 12)	**605**	518
Amortisation of capital grants (Note 20)	**(542)**	(655)
Foreign exchange	**(345)**	(21)

Directors' remuneration

Remuneration of Directors, including disclosures in accordance with the Code of Practice for the Governance of State Bodies (the 'Code of Practice') and the Companies Act 2014, is set out below:

	2020 €000	2019 €000
Directors' fees – for		
Services as Directors	**144**	158
Other amounts – in connection to their employment	**593**	629
Pension contributions – defined contribution scheme	**134**	132
	871	919

Other amounts include remuneration of the Chief Executive and of Directors elected pursuant to the Worker Participation (State Enterprises) Acts 1977 to 2001 arising from their normal contracts of employment, in each case for the portion of the year for which they were Directors.

Pension contributions includes aggregate pension contributions paid, treated as paid or payable during the financial year in respect of qualifying services of Directors of €133,805 (2019: €132,389). Pension contributions have been made in respect of six Directors (2019: five Directors), each of whom have contracts of employment with the Group.

Directors' fees are determined by the Minister for Transport, with the consent of the Minister for Public Expenditure and Reform and are currently payable at the annual rate of €31,500 for the Chairman and €15,750 for individual Directors. All Directors waived 20% of their Directors' fees from May 2020 until 31 December 2020. In accordance with the Code of Practice, details of fees payable to individual Directors during 2020 and 2019 were as follows:

	2020 €	2019 €
Basil Geoghegan	**27,208**	31,500
Denis Smyth	**13,604**	15,750
Eric Nolan	**13,604**	15,750
Paul Mehlhorn	**13,604**	15,750
Risteard Sheridan	**13,604**	15,750
Karen Morton (appointed on 23 January 2020)	**12,652**	–
Marie Joyce (appointed on 23 January 2020)	**12,652**	–
Ray Gammell (appointed on 23 January 2020)	**12,652**	–
Joseph O'Sullivan (appointed on 24 February 2020)	**11,267**	–
Niall Greene (term expired 1 July 2020)	**7,918**	15,750
Colm McCarthy (term expired 23 April 2020)	**4,933**	15,750
Barry Nevin (resigned 24 January 2020)	**1,038**	15,750
Gerry Walsh (term expired 1 January 2020)	**–**	15,750
Patricia King*	**–**	–
Dalton Philips	**–**	–

* Patricia King opted to waive her Director's fee.

Expenses paid to members of the Board during the year in respect of services as Director, disclosed in accordance with the Code of Practice, were €1,843 (2019: €8,377). These amounts primarily related to travel, subsistence and reimbursed expenses.

Dalton Philips was appointed to the office of Chief Executive on 2 October 2017. Pursuant to his contract, the salary of Mr Philips is €250,000 per annum. Total remuneration in respect of Mr Philips for 2020 amounted to €366,270 (2019: €398,641) which included basic salary of €216,724 (2019: €250,000) and pension contributions and other taxable benefits of €149,546 (2019: €148,641). Mr Philips did not receive a Director's fee.

9. Tax on (loss)/profit on ordinary activities

The tax (credit)/charge comprises:

	2020 €000	2019 €000
Current tax on (loss)/profit on ordinary activities:		
Corporation tax – Ireland	**483**	25,676
Foreign tax credit	**(475)**	(5,717)
Overseas corporation tax	**525**	5,689
Adjustment in respect of prior financial years:		
Irish corporation tax	**(21,119)**	(253)
Total current tax (credit)/charge	**(20,586)**	25,395
Deferred tax:		
Origination/reversal of timing differences		
Attributable to Group	**(13,925)**	1,820
Adjustment in respect of prior financial years	**(488)**	(208)
Timing differences relating to retirement benefit obligations	**(26)**	128
Total deferred tax (credit)/charge	**(14,439)**	1,740
Total tax on (loss)/profit on ordinary activities	**(35,025)**	27,135
Total current and deferred tax charge relating to items of other comprehensive income	**(48)**	(109)

The Group's Irish operations are subject to differing rates of corporation taxation, according to the nature of activities. During 2020 and 2019, these rates varied from 12.5% to 25% while the standard rate of corporation taxation was 12.5%.

9. Tax on (loss)/profit on ordinary activities continued

Based on (loss)/profit for the year, the current tax credit for the period is lower (2019: higher) than that based on the standard rate of tax in the Republic of Ireland. The differences are set out in the tax reconciliation below:

	2020 €000	2019 €000
(Loss)/profit on ordinary activities before taxation	**(321,834)**	205,350
(Loss)/profit on ordinary activities at standard Irish corporation tax rate of 12.5% (2019: 12.5%)	**(40,229)**	25,670
Effects of:		
Permanent differences	**3,091**	1,825
Income taxed at higher rates	**1,519**	4,716
Revaluations taxed at higher rates	**(264)**	344
Prior year adjustments	**21,607**	(461)
Current year losses carried back to prior years	**22,754**	–
Foreign tax on branch activities	**186**	759
Foreign tax credit	**(475)**	(5,718)
Total tax (credit)/charge for the financial year	**(35,025)**	27,135

Corporation tax is provided on taxable profits at current rates.

10. Company (loss)/profit for the financial year

A separate Company profit and loss account is not presented, as provided for under the Companies Act 2014, Section 304(2). The loss for the financial year after exceptionals and taxation of €215 million (2019: €257.5 million profit after exceptionals and taxation) has been dealt with in the Financial Statements of the Company.

The Company has also availed of the exemption from filing its individual profit and loss with the Registrar of Companies as permitted by Section 357 of the Companies Act 2014.

11. Tangible fixed assets

Group	Terminal complexes & piers €000	Lands & airfields €000	Plant & equipment €000	Other property €000	Assets in the course of construction €000	Total €000
Cost						
At 1 January 2020	**1,017,028**	**518,027**	**909,308**	**388,244**	**269,832**	**3,102,439**
Additions	**1,508**	**733**	**15,850**	**265**	**259,789**	**278,145**
Transfer from completed assets	**13,209**	**47,087**	**8,137**	**997**	**(69,430)**	**–**
Transfer from intangible assets	**–**	**–**	**678**	**(82)**	**–**	**596**
Transfer from investment property	**–**	**–**	**–**	**12,044**	**–**	**12,044**
Transfer to intangible assets	**–**	**–**	**–**	**–**	**(144)**	**(144)**
Disposals/write-offs	**(450)**	**–**	**(17,142)**	**(221)**	**–**	**(17,813)**
Translation reserve	**–**	**–**	**(942)**	**–**	**–**	**(942)**
At 31 December 2020	**1,031,295**	**565,847**	**915,889**	**401,247**	**460,047**	**3,374,325**
Depreciation						
At 1 January 2020	**354,636**	**202,996**	**581,740**	**171,284**	**–**	**1,310,656**
Charge for the financial year	**31,925**	**19,938**	**53,307**	**13,055**	**–**	**118,225**
Disposals/write-offs	**(179)**	**–**	**(13,973)**	**(195)**	**–**	**(14,347)**
Translation reserve	**–**	**–**	**(535)**	**–**	**–**	**(535)**
At 31 December 2020	**386,382**	**222,934**	**620,539**	**184,144**	**–**	**1,413,999**
Net book value						
At 31 December 2020	**644,913**	**342,913**	**295,350**	**217,103**	**460,047**	**1,960,326**
At 31 December 2019	662,392	315,031	327,568	216,960	269,832	1,791,783

11. Tangible fixed assets continued

Company	Terminal complexes & piers €000	Lands & airfields €000	Plant & equipment €000	Other property €000	Assets in the course of construction €000	Total €000
Cost						
At 1 January 2020	1,017,028	495,603	861,388	387,674	269,484	3,031,177
Additions	1,508	733	5,539	265	259,789	267,834
Transfer to completed assets	13,209	47,087	7,934	997	(69,227)	–
Transfer from investment property	–	–	–	12,044	–	12,044
Transfer from intangible assets	–	–	678	(82)	–	596
Disposals/write-offs	(450)	–	(7,721)	(221)	–	(8,392)
At 31 December 2020	1,031,295	543,423	867,818	400,677	460,046	3,303,259
Depreciation						
At 1 January 2020	354,636	199,589	547,854	170,659	–	1,272,738
Charge for the financial year	31,925	19,938	49,182	13,055	–	114,100
Disposals/write-offs	(179)	–	(7,653)	(195)	–	(8,027)
At 31 December 2020	386,382	219,527	589,383	183,519	–	1,378,811
Net book value						
At 31 December 2020	644,913	323,896	278,435	217,158	460.046	1,924,448
At 31 December 2019	662,392	296,014	313,534	217,015	269,484	1,758,439

The accounting policies used by the Group for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out in Note 36.

Lands and airfields include airport land at a cost of €29.0 million (2019: €29.0 million). Fixed asset additions include internal architectural, engineering and agency payroll costs of €13.5 million (2019: €16.9 million).

Cost of fixed assets includes cumulative interest capitalised of €75.0 million (2019: €71.0 million).

Interest of €4.0 million was capitalised in 2020 at a rate of 1.4% per annum (2019: €1.6 million at a rate of 1.4% per annum).

12 Intangible assets

Group	Software €000	Software under construction €000	Goodwill €000	Concession rights €000	Total €000
Cost					
At 1 January 2020	14,736	10,496	24,551	67,121	116,904
Additions	644	5,658	1,678	–	7,980
Translation movement	(99)	–	–	(1,053)	(1,152)
Disposals/write-offs	(632)	–	–	–	(632)
Impairment	–	–	(605)	–	(605)
Transfer from tangible fixed assets	144	–	–	–	144
Transfer to tangible fixed assets	(596)	–	–	–	(596)
Transfer to completed assets	6,248	(6,248)	–	–	–
At 31 December 2020	20,445	9,906	25,624	66,068	122,043
Amortisation					
At 1 January 2020	12,159	–	15,360	32,089	59,608
Charge for the financial year	1,712	–	1,796	3,482	6,990
Translation movement	(86)	–	–	(1,034)	(1,120)
Disposals/write-offs	(613)	–	–	–	(613)
At 31 December 2020	13,172	–	17,156	34,537	64,865
Net book value					
At 31 December 2020	7,273	9,906	8,468	31,531	57,178
At 31 December 2019	2,581	10,494	9,191	35,032	57,296

12. Intangible assets continued

Company	Software €000	Software under construction €000	Total €000
Cost			
At 1 January 2020	**8,765**	**10,496**	**19,261**
Transfer to completed assets	**6,248**	**(6,248)**	**–**
Transfer to tangible fixed assets	**(596)**	**–**	**(596)**
Additions	**–**	**5,658**	**5,658**
Disposals/write-offs	**(11)**	**–**	**(11)**
At 31 December 2020	**14,406**	**9,906**	**24,312**
Amortisation			
At 1 January 2020	**8,740**	**–**	**8,740**
Charge for the financial year	**853**	**–**	**853**
Disposals/write-offs	**(11)**	**–**	**(11)**
At 31 December 2020	**9,582**	**–**	**9,582**
Net book value			
At 31 December 2020	**4,824**	**9,906**	**14,730**
At 31 December 2019	25	10,496	10,521

The goodwill balance at 31 December 2020 comprises:

(i) Goodwill of €18.4 million relates to the 2008 acquisition of Aer Rianta International (Middle East) WLL (ARIME). The goodwill is being amortised from 2013 over 10 years which is the average life of the concession agreements currently held by ARIME and the balance at 31 December 2020 is €3.9 million.

(ii) Goodwill of €6.1 million in respect of the deferred tax liability recognised on the capitalised concession rights arising from the acquisition of the residual 50% of CTC-ARI in 2014 net of the deferred tax asset recognised on the fair value adjustment of a loan receivable amount. This goodwill is being amortised from 2014 over 17 years which is the contracted life of the concession agreement currently held by CTC-ARI.

(iii) Goodwill of €1.7 million arises pursuant to the part acquisition of Ahlan Modern Travelers Services Limited Company (AMTSC). The goodwill is being amortised from 2020 over six years which is the remaining term of the concession agreements currently held by AMTSC. Goodwill arising on this part acquisition (see Note 32) was assessed for impairment at acquisition and financial year-end, which has given rise to an impairment charge of €0.6 million in 2020.

The accounting policies used by the Group for intangible fixed assets, including amortisation and cost capitalisation, are set out in Note 36.

13. Investment property

Group	Investment property €000	Property under construction €000	Total €000
Valuation			
At 1 January 2020	**180,404**	**24,731**	**205,135**
Additions	**–**	**6,939**	**6,939**
Revaluations (Note 6)	**(11,106)**	**–**	**(11,106)**
Transfer to completed investment property	**29,737**	**(29,737)**	**–**
Transfer to tangible fixed assets (Note 11)[1]	**(12,044)**	**–**	**(12,044)**
At 31 December 2020	**186,991**	**1,933**	**188,924**
At 31 December 2019	180,404	24,731	205,135

Company	Investment property €000	Property under construction €000	Total €000
Valuation			
At 1 January 2020	**173,269**	**24,731**	**198,000**
Additions	**–**	**6,939**	**6,939**
Revaluations	**(11,061)**	**–**	**(11,061)**
Transfer to completed investment property	**29,737**	**(29,737)**	**–**
Transfer to tangible fixed assets (Note 11)[1]	**(12,044)**	**–**	**(12,044)**
At 31 December 2020	**179,901**	**1,933**	**181,834**
At 31 December 2019	173,269	24,731	198,000

1. Transfer to tangible fixed assets relates to a portion of one investment property becoming owner occupied during the year. This portion of the property, is transferred to tangible fixed assets and carried at cost, in line with our policy.
2. The Group advanced an investment in a non-operational associated undertaking, Travel Retail Sales and Services LLC (TRSS) during 2020.
3. Listed investments are held by Aer Rianta International (Middle East) ('ARIME'), a subsidiary undertaking, are carried at fair value and changes in fair value are recognised in the profit and loss. The investments are held in shares quoted on the Bahrain Stock Exchange.
4. Other investments comprise loan stock that ARIME holds and a loan receivable amount that is due to CTC-ARI Airports Limited from a third party.
5. At 31 December, other financial assets are surplus carbon and energy credits. Carbon credits are valued at €1.98 million (2019: €1.5 million) at 31 December, the fair value gain of €0.5 million (2019: €0.0 million) was recognised in the profit and loss account. At 31 December 2020, energy credits were valued at €0.2 million (2019: loss of €0.76 million), leading to a fair value gain of €0.96 million (2019: loss of €0.47 million).
6. The Group has provided loan facilities of €25.7 million to two associate undertakings, of which €17.7 million was utilised in 2020. Of the loans advanced, €2.8 million is repayable within one year, €14.9 million is repayable greater than one year.

Investment property comprises land and buildings owned by the Group and is measured at fair value at each reporting date with changes in fair value recognised in the profit and loss account. The fair value of the investment properties is based on a valuation by independent valuers who hold a recognised and professional qualification and have recent experience in the location and class of the investment properties being valued.

Valuations are carried out having regard to comparable market evidence relevant to each specific property or class of properties. In assessing fair value for all of the investment properties, current and potential future income has been capitalised using yields derived from market evidence. The external valuers, in discussion with the Group's management, have determined the appropriate judgements used in the valuations based on the size of the properties, rental values, repair and condition.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

14. Fixed assets – Investments

Group	At 1 January 2020 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2020 €000
Joint venture undertakings[1]				
Joint venture undertakings	**10,957**	**–**	**(608)**	**10,349**
Dividends received (gross)	**(10,222)**	**–**	**–**	**(10,222)**
	735	**–**	**(608)**	**127**
Associated undertakings				
Equity interest at cost[2]	**64,853**	**1,196**	**–**	**66,049**
Share of post-acquisition profits/(losses)	**333,106**	**–**	**(33,307)**	**299,799**
Dividends received (gross)	**(298,450)**	**–**	**(1,618)**	**(300,068)**
Translation reserve	**5,505**	**–**	**(2,186)**	**3,319**
	105,014	**1,196**	**(37,111)**	**69,099**
Other financial assets				
Listed investments[3]	**9,747**	**–**	**(2,127)**	**7,620**
Other unlisted investments[4]	**12,466**	**111**	**–**	**12,577**
Other financial assets[5]	**1,497**	**675**	**–**	**2,172**
	23,710	**786**	**(2,127)**	**22,369**
Long-term debtors				
Loans to associate undertakings[6]	**–**	**14,989**	**–**	**14,989**
Total financial assets	**129,459**	**16,971**	**(39,846)**	**106,584**

14. Fixed assets – investments continued

In respect of prior financial year:

Group	At 1 January 2019 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2019 €000
Joint venture undertakings[1]				
Joint venture undertakings	8,327	2,733	(103)	10,957
Dividends received (gross)	(7,266)	–	(2,956)	(10,222)
	1,061	2,733	(3,059)	735
Associated undertakings				
Equity interest at cost[2]	62,603	2,250	–	64,853
Share of post-acquisition profits	318,973	14,133	–	333,106
Dividends received (gross)	(282,728)	–	(15,722)	(298,450)
Translation reserve	5,270	235	–	5,505
	104,118	16,618	(15,722)	105,014
Other financial assets				
Listed investments[3]	9,295	455	(3)	9,747
Other unlisted investments[4]	12,087	762	(383)	12,466
Other financial assets[5]	1,463	34	–	1,497
	22,845	1,251	(386)	23,710
Total financial assets	128,024	20,602	(19,167)	129,459

Company	**At 1 January 2020 €000**	**Additions/ other increases €000**	**Disposals/ other movements €000**	**At 31 December 2020 €000**
Ordinary shares in subsidiary undertakings at cost	**7,862**	**–**	**–**	**7,862**
Capital contributions to Subsidiary undertakings	**–**	**2,804**	**(2,804)**	**–**
Other financial assets[5]	**1,497**	**–**	**674**	**2,171**
	9,359	**2,804**	**(2,130)**	**10,033**

In respect of prior financial year:

Company	At 1 January 2019 €000	Additions/ other increases €000	Disposals/ other movements €000	At 31 December 2019 €000
Ordinary shares in subsidiary undertakings at cost	7,862	–	–	7,862
Capital contributions to subsidiary undertakings	–	6,135	(6,135)	–
Other financial assets[5]	1,463	34	–	1,497
	9,325	6,169	(6,135)	9,359

1. The joint venture undertaking relates to Cyprus Airports (F&B) Limited. The movement in joint venture undertakings reflects the 2020 share of losses of €0.6 million (2019: €2.7 million) and dividends received of €nil million (2019: €3.0 million).
2. The Group advanced an investment in a non-operational associated undertaking, Travel Retail Sales and Services LLC (TRSS) during 2020.
3. Listed investments are held by Aer Rianta International (Middle East) ('ARIME'), a subsidiary undertaking, are carried at fair value and changes in fair value are recognised in the profit and loss. The investments are held in shares quoted on the Bahrain Stock Exchange.
4. Other investments comprise loan stock that ARIME holds and a loan receivable amount that is due to CTC-ARI Airports Limited from a third party.
5. At 31 December, other financial assets are surplus carbon and energy credits. Carbon credits are valued at €2.0 million (2019: €1.5 million), the fair value gain of €0.5 million (2019: €0.0 million) was recognised in the profit and loss account. At 31 December 2020, energy credits were valued at €0.2 million (2019: loss of €0.8 million), leading to a fair value gain of €1.0 million (2019: loss of €0.5 million). Of the total fair value gain on carbon and energy credits, €0.7 million reflects the reclass of energy credits from financial liabilities to financial assets in the year.
6. During the year the Group has provided loan facilities to an aggregated €25.7 million to two separate associated undertakings amounting to €5.7 million and €20 million respectively, of which €17.7 million was utilised in 2020. One facility, for €5.7 million, is interest free and is fully drawn at 31 December 2020, €2.8 million is repayable within one year, €2.9 million is repayable within one to two years. The second facility, for €20 million, is subordinated, carries an interest coupon of 3.38% and must be repaid by 31 March 2027. It arises pursuant to arrangements agreed by all shareholders in Flughafen Düsseldorf GmbH to provide a long-term sub-ordinated shareholder loan of €100 million, as part of a wider set of refinancing measures for the airport. €12 million of the Group's €20 million facility commitment was drawn down in 2020 and is repayable after five years with the balance being drawn down in 2021.

In the opinion of the Directors, the net realisable values of the financial assets are not less than the carrying values. The basis on which financial assets are stated is set out in Note 36.

The key assumptions in the value-in-use calculations include growth rates of revenue and expenses (including minimum annual guarantees), discount rates and likelihood of lease renewal. Due to the ongoing COVID-19 global pandemic, there is an increased level of uncertainty in all of the above assumptions such that a reasonably possible change in these assumptions could lead to a material change in the carrying value of assets.

The principal operating subsidiary, associate and joint venture undertakings of the Group, all of which are included in the Group Financial Statements, together with the Group's beneficial holding of ordinary shares, net of minority interest, at 31 December 2020, are as set out below:

Undertaking	Registered office	Principal activity	%
Subsidiary undertakings			
ARI Auckland Limited	Auckland, New Zealand	Duty free shopping and related activities	100.0
Aer Rianta International cpt	Dublin, Ireland	International management services and airport investor	100.0
Aer Rianta International (Middle East) WLL	Manama, Bahrain	Duty free shopping and related activities	71.3
Aer Rianta International (North America) Inc.	Montreal, Canada	Duty free shopping and related activities	100.0
Montenegro Duty Free Limited	Podgorica, Montenegro	Duty free shopping and related activities	70.0
Ahlan Modern Travelers Services Limited Company[1]	Riyadh, Saudi Arabia	Duty free shopping and related activities	49.9
ASC Airport Services Consolidated Limited	Dublin, Ireland	Provision of services to daa plc	100.0
daa Airport Services Limited	Dublin, Ireland	Secondment of employees to daa plc	100.0
daa Finance plc	Dublin, Ireland	Financing company	100.0
daa Operations Limited	Dublin, Ireland	Property development	100.0
daa International Limited	Dublin, Ireland	Consultancy services	100.0
CTC-ARI Airports Limited	Nicosia, Cyprus	Duty free shopping and related activities	85.6
Gatland Property Limited	Dublin, Ireland	Property development	100.0
Halamar Developments Limited	Dublin, Ireland	Property dealing and development	100.0
SkyZone Limited	Dublin, Ireland	Property investment	100.0
Joint Venture undertaking			
Cyprus Airports (F&B) Limited[2]	Nicosia, Cyprus	Duty free food and beverage related activities	35.6
Associated undertakings			
Caribbean ARI Inc.[3]	Bridgetown, Barbados	Duty free shopping and related activities	50.0
Oman Sales & Services LLC	Muscat, Oman	Duty free shopping and related activities	35.6
Phoenicia Aer Rianta Management SAL	Beirut, Lebanon	Duty free shopping and related activities	35.6
Delhi Duty Free Services Private Limited	Delhi, India	Duty free shopping and related activities	33.1
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	Airport operator	20.0
Phoenicia Aer Rianta Co. SAL[4]	Beirut, Lebanon	Duty free shopping and related activities	8.7

1. 1 On 26 July 2020, the Group acquired 49.9% shareholding in Ahlan Modern Travelers Services Company Limited (AMTSC). This company operates a retail outlet at Terminal 5 at King Khalid International Airport in Riyadh, Saudi Arabia. AMTSC is deemed to be a subsidiary undertaking, due to control being exercised as 70% held indirectly through Aer Rianta International (Middle East) WLL.
2. Cyprus Airports (F&B) Limited is treated as a joint venture as defined under FRS 102 Section 15 ('Investments in Joint Ventures') on the grounds that the Group exercises joint control over Cyprus Airports (F&B) Limited rather than significant influence or dominant control.
3. In the opinion of the Directors, Caribbean ARI Inc. should be treated as an associated undertaking as defined under FRS 102 Section 14 ('Investments in Associates') on the grounds that the Group does not exercise significant influence or dominant control.
4. On 15 May 2018, the Group reduced its interest in Phoenicia Aer Rianta Co. SAL from 11.5% to 8.7%.

All financial statements of subsidiary and associated undertakings are coterminous with the year-end of the Group, other than in respect of Delhi Duty Free Services Private Limited whose Financial Statements are prepared to a 31 March year-end. Management accounts of this entity have been prepared to 31 December 2020 for the purpose of including results of this company in the Group Financial Statements.

15. Stocks

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Goods for resale	**27,519**	46,973	**6,830**	15,162
Maintenance	**4,552**	4,930	**4,552**	4,930
	32,071	51,903	**11,382**	20,092

The replacement value of stock was not materially different from the carrying amount.

16. Debtors: amounts falling due within one year

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Trade debtors	**25,038**	44,851	**15,318**	34,451
Prepayments and accrued income	**9,507**	16,687	**10,962**	10,775
Due from subsidiary undertakings	**–**	–	**36,057**	31,923
Due from associated undertakings	**4,605**	3,513	**–**	–
Corporation tax	**7,695**	909	**6,062**	851
Other debtors	**7,281**	7,791	**10,190**	5,929
	54,126	73,751	**76,670**	83,929

Debtors of €15.9 million (2019: €0.7 million) in the Group and debtors of €0.9 million (2019: €0.7 million) in the Company, fall due after more than one year. €15.0 million of this relates to loan facilities to two associate undertakings as outlined in Note 14.

Other debtors of the Group include €1.9 million of borrowing costs capitalised at a rate of 0.1% (2019: €0.5 million at a rate of 1.2%).

Other debtors of the Company include €6.3 million borrowing costs (2019: €2.2 million), split between €1.5 million at a capitalisation rate of 0.05% (2019: €1.7 million at a capitalisation rate of 0.05%), €2.9 million at a capitalisation rate of 0.05% (2019: €NIL) and €1.9 million at a capitalisation rate of 0.1% (2019: €0.5 million at a capitalisation rate of 1.2%).

17. Creditors: amounts falling due within one year

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Bank overdraft	**–**	–	**527,444**	–
Bank loans (Note 19)	**36,716**	46,378	**20,261**	19,484
Trade creditors	**14,695**	18,622	**9,087**	10,969
Due to subsidiary undertakings	**–**	–	**592,134**	619,253
Other creditors	**43,460**	29,009	**42,571**	27,991
Accruals	**66,846**	104,188	**49,364**	78,110
Deferred income	**7,079**	8,605	**7,079**	8,438
Capital accruals	**74,791**	59,188	**74,791**	59,188
	243,587	265,990	**1,322,731**	823,433

Taxation and social welfare included in other creditors:

PAYE	**21,963**	4,416	**20,864**	4,558
PRSI	**7,953**	3,042	**7,953**	3,042
VAT	**601**	4,450	**819**	5,696
Other taxes	**1,547**	1,932	**1,530**	814

Creditors for tax and social welfare are payable in the timeframe set down in the relevant legislation. In 2020, the Irish Revenue provided the ability for companies severely impacted by the COVID-19 pandemic to warehouse certain VAT and PAYE/PRSI liabilities on an interest free basis. daa availed of this scheme during 2020.

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Bank loans (Note 19)	**635,763**	314,918	**481,547**	151,808
Loan notes (Note 19)	**895,579**	398,285	**–**	–
Accruals	**23,230**	3,603	**21,302**	3,603
Deferred income	**6,730**	6,279	**3,173**	6,279
	1,561,302	723,085	**506,022**	161,690

Deferred income of €2.3 million (2019: €2.5 million), Group and Company, falls due after more than five years.

19. Financial liabilities

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Repayable by instalments:				
Repayable within one year	**36,716**	46,378	**547,705**	19,484
Repayable within one to two years	**36,518**	35,870	**20,037**	20,261
Repayable within two to five years	**110,925**	102,752	**61,329**	55,924
Repayable after more than five years	**488,320**	176,296	**400,181**	75,623
	672,479	361,296	**1,029,252**	171,292
Repayable other than by instalments:				
Repayable after more than five years	**895,579**	398,285	**–**	–
	1,568,058	759,581	**1,029,252**	171,292
Split as follows:				
Bank loans including overdrafts	**672,479**	361,296	**1,029,252**	171,292
Loan notes	**895,579**	398,285	**–**	–
	1,568,058	759,581	**1,029,252**	171,292
Included in creditors falling due within one year (Note 17)	**36,716**	46,378	**547,705**	19,484
Included in creditors falling due after more than one year (Note 18)	**1,531,342**	713,203	**481,547**	151,808

The loan notes comprise of €400 million (2019: €400 million) of loan notes repayable in 2028 and €500 million (2019: €NIL) repayable in 2032. Loan notes also include borrowing costs capitalised of €4.4 million at a capitalisation rate of 0.05% (2019: €1.7 million at a rate of 0.05%). These loan notes are both listed on the main securities market of Euronext Dublin and are guaranteed by the Company.

At 31 December 2020, daa Finance plc also had bank loans of €160.6 million (2019: €187.5 million) which are guaranteed by the Company. Interest rates and risk profile of financial liabilities are further analysed in Note 27.

The Company's bank loans at 31 December 2020 of €1,029.3 million (2019: €171.3 million) are unsecured and are repayable by instalments. €527 million relates to a cash pooling arrangement with the Group and are shown separately for the purpose of the single Company Balance Sheet.

Borrowing facilities

The Group has a €450 million undrawn committed revolving credit facility as at 31 December 2020 in respect of which all conditions precedent have been met. This facility expires in more than five years on 26 March 2026.

20. Capital grants

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
At 1 January	**7,361**	8,016	**7,361**	8,016
Amortised to profit and loss account	**(542)**	(655)	**(542)**	(655)
At 31 December	**6,819**	7,361	**6,819**	7,361

Grants received relate to the development and expansion of certain airport facilities including multi-storey car parks, apron facilities and software development.

21. Provisions for liabilities

	Insurance and other[1] €000	**Deferred tax (Note 22) €000**	**Restructuring programme[2] €000**	**Pension liability (Note 24) €000**	**Pension restructuring[3] €000**	**Total €000**
Group						
At 1 January 2020	**17,852**	**78,843**	**4,157**	**4,331**	**2,784**	**107,967**
Charge/(credit) for the financial year	**2,680**	**(14,704)**	**99,852**	**92**	**–**	**87,920**
Utilised during the financial year	**(2,582)**	**–**	**(39,705)**	**–**	**(48)**	**(42,335)**
Termination and retirement benefits transferred to creditors	**–**	**–**	**(23,746)**	**–**	**–**	**(23,746)**
At 31 December 2020	**17,950**	**64,139**	**40,558**	**4,423**	**2,736**	**129,806**

In respect of prior financial year:

	Insurance and other[1] €000	Deferred tax (Note 22) €000	Restructuring programme[2] €000	Pension liability (Note 24) €000	Pension restructuring[3] €000	Total €000
Group						
At 1 January 2019	17,360	77,361	4,865	4,460	2,910	106,956
Charge/(credit) for the financial year	3,218	–	–	(129)	–	3,089
Utilised during the financial year	(2,726)	1,482	(708)	–	(126)	(2,078)
At 31 December 2019	17,852	78,843	4,157	4,331	2,784	107,967

	Insurance and other[1] €000	**Deferred tax (Note 22) €000**	**Restructuring programme[2] €000**	**Pension liability (Note 24) €000**	**Pension restructuring[3] €000**	**Total €000**
Company						
At 1 January 2020	**17,852**	**71,613**	**4,157**	**4,083**	**2,784**	**100,489**
Charge/(credit) for the financial year	**2,680**	**(12,124)**	**97,005**	**(66)**	**–**	**87,495**
Utilised during the financial year	**(2,582)**	**–**	**(38,877)**	**–**	**(48)**	**(41,507)**
Termination and retirement benefits transferred to creditors	**–**	**–**	**(22,240)**	**–**	**–**	**(22,240)**
At 31 December 2020	**17,950**	**59,489**	**40,045**	**4,017**	**2,736**	**124,237**

In respect of prior financial year:

	Insurance and other[1] €000	Deferred tax (Note 22) €000	Restructuring programme[2] €000	Pension liability (Note 24) €000	Pension restructuring[3] €000	Total €000
Company						
At 1 January 2019	17,360	70,568	4,865	3,779	2,910	99,482
Charge/(credit) for the financial year	3,218	1,045	–	304	–	4,567
Utilised during the financial year	(2,726)	–	(708)	–	(126)	(3,560)
At 31 December 2019	17,852	71,613	4,157	4,083	2,784	100,489

1. A provision for reported and potential claims under its self-insurance programme and for other liabilities including legal claims.
2. During the year, the Group developed a restructuring programme following consultation with staff and staff representatives. Amounts utilised in the year relates to payments under the Group's restructuring programme. At 31 December 2020, €37.3 million (Company: €36.8 million) relates to the voluntary severance scheme and associated expenses. At the year-end, €23.7 million which relates to termination and early retirement benefits to employees under the voluntary severance scheme were transferred to other creditors within one year €2.9 million (Company: €2.8 million) and €20.8 million (Company: €19.4 million) to creditors greater than one year. These payments will be made between the years 2021 and 2035. At 31 December 2020, €3.3 million of the restructuring programme provision balance (2019: €4.2 million) relates to a historical restructuring scheme for Group and Company.
3. The remaining pension provision relates to the restructuring of the IAS Scheme which was frozen on 31 December 2014 (see Note 24).

In accordance with FRS 102, Section 21 'Provisions and Contingencies' the Group and Company carry provisions where there is uncertainty of timing or amount, where there is a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. It is expected that such liabilities will be settled within one to ten years.

22. Deferred tax liability

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Deferred tax				
Deferred tax is provided as follows:				
Timing differences on capital allowances	**49,099**	53,863	**49,069**	53,860
Amounts temporarily not deductible for corporation tax	**2,034**	2,147	**(49)**	(139)
Tax losses available	**(6,798)**	–	**(5,028)**	–
Deferred tax assets arising in relation to retirement benefit obligations	**(612)**	(294)	**(502)**	(511)
Deferred tax on revaluations	**16,749**	19,167	**15,999**	18,403
Deferred tax in relation to goodwill	**3,667**	3,960	**–**	–
At 31 December	**64,139**	78,843	**59,489**	71,613

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

23. Called up share capital and other reserves

	Group and Company	
	2020 €000	2019 €000
Authorised:		
317,500,000 ordinary shares of €1 each	**317,500**	317,500
Allotted, called up and fully paid:		
186,336,813 ordinary shares of €1 each	**186,337**	186,337

23. Called up share capital and other reserves continued

All the ordinary shares are beneficially held by the Minister for Public Expenditure and Reform of the Irish Government.

Other reserves	**Translation reserves €000**	**Other capital reserves €000**	**Total €000**
Group			
At 1 January 2020	**2,159**	**246**	**2,405**
Exchange differences arising on translation of overseas investments	**(5,983)**	**–**	**(5,983)**
At 31 December 2020	**(3,824)**	**246**	**(3,578)**

In respect of prior financial year:

Other reserves	Translation reserves €000	Other capital reserves €000	Total €000
At 1 January 2019	233	246	479
Exchange differences arising on translation of overseas investments	1,926	–	1,926
At 31 December 2019	2,159	246	2,405

24. Retirement benefits

The Group participates in a number of pension schemes, including both defined contribution and defined benefit schemes for its staff. Pension scheme assets are held in separate, Revenue-approved, trustee administered funds. The Group has accounted for retirement benefits under defined schemes in accordance with FRS 102, Section 28 'Employee Benefits'.

daa plc participates in a number of pension schemes in respect of its staff, the principal arrangements are as set out below.

a) daa Defined Contribution Retirement Savings Scheme (the 'daa DC Scheme')

The daa DC Scheme is a contributory defined contribution pension plan operated by the Group for its eligible, Irish-based, employees. Contributions are paid by the members and the employer at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. The daa DC Scheme has been effective since 1 January 2015 and is now the main arrangement for eligible employees at the Group's Irish airports for providing pension benefits in respect of reckonable service.

Prior to 1 January 2015, pension benefits, for the majority of eligible parent Company employees, accrued in the Irish Airlines (General Employee) Superannuation Scheme (the 'IAS Scheme') and, in some cases, also in the Aer Rianta Supplemental Superannuation Scheme ('the AR Supplemental Scheme'). Following the restructuring of these schemes, accrued benefits were reduced (IAS Scheme) and frozen (both schemes) on 31 December 2014. Further details of these schemes are set out below.

b) The IAS Scheme

The IAS Scheme is a multi-employer scheme in which benefits were formerly accrued by eligible employees of the Company and of other member employers. Fixed contributions were made by the employers and employees in accordance with the scheme's trust deed and rules and the scheme is accounted for as a defined contribution scheme. Aer Lingus Limited, Shannon Airport Authority DAC and SR Technics (which has ceased trading) are the other employer members of the IAS Scheme. Following a restructuring of the IAS Scheme, benefits in this scheme were reduced and frozen for service up to 31 December 2014. The employers ceased to have any further liability to the scheme (save in relation to the ongoing expenses).

c) Aer Rianta Supplemental Superannuation Scheme ('the AR Supplemental Scheme')

This scheme is for certain categories of Company employees which provide certain retirement pension benefits supplementary to those payable under the IAS Scheme. This scheme is accounted for as a defined benefit scheme. As at 31 December 2014, accrued benefits were frozen, save for annual revaluation, and pension benefits in respect of service from that date are provided through the daa DC Scheme. The Group ceased to have any further liability in respect of ongoing regular contributions but retains an obligation to fund any actuarial deficits and ongoing expenses.

Aer Rianta International cpt (ARI) operates a defined contribution pension scheme in respect of eligible Irish-based employees. Aer Rianta International (North America) Inc., a subsidiary of ARI, operates a defined benefit pension scheme ('the ARINA Scheme').

Employee benefits disclosures

The pension cost to the Group charged against operating profit for the financial year amounted to €13.1 million (2019: €11.7 million), see Note 3. The pension cost to the Company chargeable against operating profit for the financial year amounts to €10.4 million (2019: €9.5 million).

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Defined benefit arrangements – service cost	**191**	244	**191**	164
Defined contribution schemes	**12,909**	11,415	**10,161**	9,304
	13,100	11,659	**10,352**	9,468

The combined pension liabilities of arrangements, accounted for as defined benefit schemes were as follows:

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Gross pension liability	**4,423**	4,331	**4,017**	4,083

The AR Supplemental Scheme is actuarially valued every three years by independent professionally qualified actuaries. The actuarial valuations are not available for public inspection. In accordance with FRS 102, at each reporting date the most recent valuation of the scheme is updated by the actuaries to reflect financial assumptions that are current at the balance sheet date.

At 31 December 2020, the net pension liability in the Group was €3.9 million (2019: €4.0 million) being assets of €26.5 million (2019: €25.3 million) and present value of accrued scheme liabilities of €30.9 million (2019: €29.6 million) net of a related deferred tax asset of €0.5 million (2019: €0.3 million).

At 31 December 2020, the net pension liability in the Company was €3.5 million (2019: €3.6 million) being assets of €22.2 million (2019: €20.8 million) and present value of accrued scheme liabilities of €26.2 million (2019: €24.9 million) net of a related deferred tax asset of €0.5 million (2019: €0.5 million).

The main financial assumptions, given on a combined basis, used by the actuaries of these arrangements to value the liabilities were:

	Group and Company	
	As at 31/12/2020 Projected unit	As at 31/12/2019 Projected unit
Valuation method		
Rate of increase in salaries	**1.3%-2.5%**	1.4%-2.5%
Rate of increase in pension payment	**0.0%-1.3%**	0.0%-1.4%
Discount rate	**1.3%-2.5%**	1.5%-3.1%
Inflation assumption	**1.3%-2.0%**	1.4%-2.0%
Life expectancy		
Male member age 61-65	**22.5-25.6**	22.5-25.5
Male member age 40-45	**24.3-27.2**	24.3-27.3
Female member age 61-65	**24.4-30.5**	24.4-30.4
Female member age 40-45	**26.2-31.8**	26.2 – 31.8

The discount rate of 1.25% (Ireland) and 2.5% (overseas) is based on AA Rated Corporate Bonds which are considered appropriate for the duration of the liabilities of the schemes.

24. Retirement benefits continued

The asset allocations at the year-end were as follows:

	Group		Company	
	2020 Percentage of plan assets	2019 Percentage of plan assets	**2020 Percentage of plan assets**	2019 Percentage of plan assets
Equities	**36.0%**	41.1%	**33.2%**	38.5%
Bonds	**56.6%**	55.1%	**57.9%**	56.8%
Cash	**0.2%**	–	**0.3%**	0.1%
Other	**7.2%**	3.8%	**8.6%**	4.6%
	100.0%	100.0%	**100.0%**	100.0%

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Amounts recognised in the balance sheet				
Present value of defined benefit obligations	**(30,931)**	(29,639)	**(26,167)**	(24,847)
Fair value of plan assets	**26,508**	25,308	**22,150**	20,764
Gross liability	**(4,423)**	(4,331)	**(4,017)**	(4,083)
Related deferred tax asset	**503**	294	**502**	511
Net liability	**(3,920)**	(4,037)	**(3,515)**	(3,572)
Change in benefit obligation				
Benefit obligation at beginning of financial year	**(29,639)**	(27,020)	**(24,847)**	(21,491)
Current service cost	**(191)**	(244)	**(191)**	(490)
Settlement gain	**–**	80	**–**	–
Interest cost	**(521)**	(676)	**(383)**	(164)
Plan members' contributions	**(2)**	(18)	**–**	–
Remeasurement loss	**(1,500)**	(3,430)	**(1,061)**	(3,142)
Benefits paid	**589**	2,017	**315**	440
Translation gain/(loss)	**333**	(348)	**–**	–
Benefit obligation (funded and unfunded) at end of financial year	**(30,931)**	(29,639)	**(26,167)**	(24,847)

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Change in plan assets				
Fair value of plan assets at beginning of financial year	**25,308**	22,560	**20,764**	17,712
Interest income	**453**	589	**323**	424
Remeasurement – actuarial gain	**1,286**	2,317	**990**	1,814
Employer contributions	**475**	1,534	**389**	1,254
Member contributions	**2**	18	**–**	–
Administrative expenses	**(116)**	–	**–**	–
Benefits paid from plan	**(589)**	(2,017)	**(316)**	(440)
Translation (loss)/gain	**(311)**	307	**–**	–
Fair value of plan assets at end of financial year	**26,508**	25,308	**22,150**	20,764
Amounts recorded in profit and loss				
Current service cost	**191**	244	**191**	164
Settlement gain	**–**	(80)	**–**	–
Admin expenses	**116**	–	**–**	–
Interest cost	**68**	87	**60**	66
Total defined benefit pension expenses	**375**	251	**251**	230

The return on plan assets was €1.3 million for the year (2019: €2.3 million).

Other employee benefits

During the year, the Group developed a restructuring programme following consultation with staff and staff representatives. At the balance sheet date a provision remained for restructuring of €40.6 million (2019: €4.2 million) (Note 21). This is an unfunded liability, within the meaning of FRS 102, at the balance sheet date.

Termination and early retirement benefits were transferred to creditors' amounts due within one year and creditors' amounts greater than one year at 31 December 2020.

25. Cash flow statement

Reconciliation of operating profit to cash generated by operations

	Note	2020 €000	2019 €000
Operating (loss)/profit		**(269,723)**	204,638
Adjustment for:			
Depreciation charge	11	**118,225**	120,268
Restructuring costs		**99,852**	–
Fair value loss/(gain) movement on investment properties	13	**11,106**	(29,881)
Taxation refund/(paid)		**12,140**	(26,134)
Amortisation/write-off of intangible assets and goodwill	12	**6,990**	5,903
Impairment of goodwill	8	**605**	518
Loss on disposal and retirements of tangible and intangible assets	8	**3,458**	176
Amortisation of capital grants	20	**(542)**	(655)
		(17,889)	274,833
Operating cash flow before movement in working capital			
Decrease/(increase) in stocks		**21,601**	(6,233)
Decrease/(increase) in debtors		**28,515**	(3,775)
(Decrease)/increase in creditors		**(39,416)**	12,135
Decrease in pension liability		**(407)**	(1,553)
Increase in insurance liability	21	**2,680**	3,218
Payments in respect of insurance and other provisions	21	**(2,630)**	(2,852)
Cash generated by operations		**(7,546)**	275,773

26. Analysis of net debt

	At 1 January 2020 €000	Cash flow €000	Non-cash movements €000	Foreign exchange movement €000	At 31 December 2020 €000
Cash	**104,853**	**(58,069)**	**–**	**(1,536)**	**45,248**
Cash equivalents	**225,072**	**514,994**	**–**	**–**	**740,066**
	329,925	**456,925**	**–**	**(1,536)**	**785,314**
Debt due within one year	**(46,378)**	**46,378**	**(36,716)**	**–**	**(36,716)**
Debt due after one year	**(713,203)**	**(854,663)**	**36,524**	**–**	**(1,531,342)**
	(759,581)	**(808,285)**	**(192)**	**(1,536)**	**(1,568,058)**
Total	**(429,656)**	**(351,360)**	**(192)**	**(1,536)**	**(782,744)**

26. Analysis of net debt continued

In respect of prior financial year:

	At 1 January 2019 €000	Cash flow €000	Non-cash movements €000	Foreign exchange movement €000	At 31 December 2019 €000
Cash	96,145	8,265	–	443	104,853
Cash equivalents	265,000	(39,928)	–	–	225,072
	361,145	(31,663)	–	443	329,925
Debt due within one year	(45,047)	45,047	(46,378)	–	(46,378)
Debt due after one year	(756,871)	(2,522)	46,190	–	(713,203)
	(801,918)	42,525	(188)	–	(759,581)
Total	(440,773)	10,862	(188)	443	(429,656)

27 Financial instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the 2020 Financial review. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with FRS 102 Section 11 'Basic Financial Instruments' are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in subsidiaries and associated undertakings.

(i) Interest rate risk profile of financial liabilities and assets

The interest rate profile of the Group's relevant financial liabilities and interest bearing relevant financial assets at 31 December 2020 was:

	2020			2019		
	Total €000	**Floating rate €000**	**Fixed rate €000**	Total €000	Floating rate €000	Fixed rate €000
Financial liabilities						
Euro	**1,568,058**	**10,083**	**1,557,975**	759,581	2,522	757,059
Financial assets						
Euro	**763,395**	**763,395**	**–**	309,191	309,191	–
Sterling	**1,293**	**1,293**	**–**	725	725	–
US dollar	**5,693**	**5,693**	**–**	8,178	8,178	–
Canadian dollar	**5,563**	**5,563**	**–**	7,038	7,038	–
New Zealand dollar	**2,316**	**2,316**	**–**	3,023	3,023	–
Saudi riyal	**7,012**	**7,012**	**–**	1,272	1,272	–
Swiss franc	**17**	**17**	**–**	299	299	–
Australian dollar	**25**	**25**	**–**	199	199	–
	785,314	**785,314**	**–**	329,925	329,925	–

The weighted average interest rate for fixed rate Euro currency financial liabilities was 1.7% (2019: 2.2%) and the weighted average period for which the rate was fixed was 11.8 years (2019: 8.9 years). There were no financial liabilities on which no interest was paid. The floating rate financial assets were comprised of term and call bank deposits of less than one year that bore interest based on market rates.

Currency exposures

The table below shows the Group's currency exposure, being those assets and liabilities (or non-structural exposures) that give rise to the net monetary gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and liabilities of the Group that are not denominated in the functional currency of the unit involved. These exposures were as follows:

	Net foreign currency monetary assets €000							
As at 31 December 2020	**Euro**	**Sterling**	**US dollar**	**Canadian dollar**	**Swiss franc**	**Australian dollar**	**Saudi riyal**	**Swedish kroner**
Functional currency of Group operations								
Euro	**–**	**923**	**89**	**37**	**17**	**13**	**4,879**	**2**
Canadian dollar	**16**	**–**	**240**	**–**	**–**	**–**	**–**	**–**
US dollar	**7,072**	**328**	**–**	**–**	**–**	**–**	**–**	**–**
New Zealand dollar	**1**	**43**	**10**	**–**	**–**	**11**	**–**	**–**
	7,089	**1,294**	**339**	**37**	**17**	**24**	**4,879**	**2**

As at 31 December 2019	Euro	Sterling	US dollar	Canadian dollar	Swiss franc	Australian dollar	Saudi riyal	Swedish kroner
Functional currency of Group operations								
Euro	–	475	479	633	5	13	4,443	2
Canadian dollar	18	–	109	–	–	–	–	–
Hong Kong dollar	9	–	2	–	–	–	–	–
US dollar	8,753	191	–	–	294	–	–	–
New Zealand dollar	10	59	90	–	–	187	–	–
	8,790	725	680	633	299	200	4,443	2

(ii) Carrying values of financial liabilities and assets

Set out below are the carrying values of the Group's relevant financial assets and liabilities:

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Financial Assets				
Measured at fair value through profit or loss				
Financial asset	**9,792**	11,244	**2,171**	1,497
Debt instruments measured at amortised cost				
Loan stock receivable	**12,577**	12,466	**–**	–
Measured at undiscounted amount receivable				
Trade debtors	**20,840**	44,851	**15,318**	34,451
Other debtors	**7,281**	7,791	**10,190**	5,929
Amounts due from subsidiary undertakings	**–**	–	**36,057**	31,923
Amounts due from associated undertakings	**4,605**	3,513	**–**	–
	55,095	79,865	**63,736**	73,800
Financial Liabilities				
Measured at fair value through profit or loss				
Financial liabilities	**13**	1,252	**13**	1,252
Measured at amortised cost				
Bank loans and overdrafts	**672,479**	361,296	**1,029,252**	171,292
Loan notes	**895,579**	398,285	**–**	–
Amounts due to subsidiary undertakings	**–**	–	**565,288**	592,183
Measured at undiscounted amount payable				
Trade creditors	**14,695**	18,622	**9,087**	10,969
Other creditors	**43,460**	29,009	**42,571**	27,991
Amounts due to subsidiary undertakings	**–**	–	**28,765**	27,070
	1,626,226	808,464	**1,674,976**	830,757

27. Financial instruments continued

The fair values of assets and liabilities, held at fair value through the profit and loss account, are determined using quoted market prices in place at each balance sheet date.

At the balance sheet date the fair values of the relevant financial assets and other creditors falling due after more than one year were not materially different from their carrying value.

(iii) Income, expense, gains and losses in respect of financial instruments

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group	
	2020 €000	2019 €000
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	**(22,547)**	(19,745)
Total interest income for financial assets at amortised cost	**385**	1,943
Fair value gains and (losses)		
On financial assets measured at fair value through profit or loss	**(33)**	1,052
On financial liabilities measured at fair value through profit or loss	**477**	(847)

28. Commitments and related matters

(i) Capital commitments

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Contracted	**108,042**	112,167	**108,042**	112,167
Authorised by the Directors but not contracted for	**192,805**	467,998	**192,805**	461,088
	300,847	580,165	**300,847**	573,255

(ii) International concession agreements

Certain international retail activities of the Group are subject to arrangements that include guaranteed minimum concession fees.

Guaranteed minimum concession fees payable over the life of concession agreements that are in place as at 31 December 2020 were made up as follows:

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Payable on concession agreements within:				
One year	**39,522**	65,669	**–**	–
Two to five years	**164,663**	204,663	**–**	–
Greater than five years	**132,015**	154,400	**–**	–
	336,200	424,732	**–**	–

At 31 December 2020, €23.5 million (2019: €25.1 million) of these commitments had been secured by performance bonds issued by banks and guaranteed by the Group.

In March 2021, the Group, as part of ongoing discussions to reduce or remove concession lease payments, across its estate, has reached agreement, to reduce further these payments for 2021. The reduction is valued at €7.8 million (Note 34).

(iii) Lessee operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Buildings				
One year	**1,389**	1,537	**151**	138
Two to five years	**2,765**	3,388	**551**	551
Greater than five years	**1,411**	1,819	**747**	1,022
	5,565	6,744	**1,449**	1,711
Land				
One year	**35**	35	**35**	35
Two to five years	**23**	37	**23**	37
	58	72	**58**	72
Plant and Equipment				
One year	**72**	53	**35**	–
Two to five years	**89**	87	**37**	–
	161	140	**72**	–

Group lease payments expensed at 31 December 2020 amounted to €2.3 million (2019: €2.6 million). Company lease payments expensed at 31 December 2020 amounted to €0.4 million (2019: €0.4 million).

(iv) Other commitments, guarantees and contingencies

In the normal course of business, the Group has entered into commitments for the future supply of gas and electricity at its Irish airports. At 31 December 2020, the purchase commitments amounted to €2.7 million (2019: €3.0 million).

In the ordinary course of business, certain subsidiary undertakings have provided back-to-back guarantees to (a) financial institutions in respect of guarantees issued on those subsidiary entities' behalf to customs, taxation and related authorities of €9.7 million (2019: €10.3 million), and (b) in another instance, to a co-shareholder in respect of its proportionate share of guarantees issued on that subsidiary's behalf as security in relation to their ongoing commercial obligations to an aggregate extent of €8.7 million (2019: Nil). Any outstanding amounts in relation to the underlying obligations were already included in the Group's balance sheet at 31 December 2020 and 2019.

In the normal course of business, certain subsidiary undertakings have provided guarantees, security or indemnities in respect of certain obligations and liabilities related to particular associated and joint venture undertakings to a partial or capped level. As at 31 December 2020, no liabilities or other obligations have arisen pursuant to these obligations.

As set out in Note 14 (f), at 31 December 2020, a subsidiary undertaking has a commitment to advance a further €8 million under a sub-ordinated loan facility arrangement, which was advanced subsequent to the year-end.

29. Lessor operating leases

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2020 €000	2019 €000	**2020 €000**	2019 €000
Buildings				
One year	**17,145**	15,268	**17,145**	15,268
Two to five years	**35,136**	28,963	**35,136**	28,963
Greater than five years	**12,661**	17,822	**12,661**	17,822
	64,942	62,053	**64,942**	62,053
Land				
One year	**107**	113	**107**	113
Two to five years	**429**	435	**429**	435
Greater than five years	**355**	458	**355**	458
	891	1,006	**891**	1,006
Plant and Equipment				
One year	**168**	650	**168**	650
Two to five years	**6**	15	**6**	15
	174	665	**174**	665

30. Related party disclosures

The related parties of the Group, as defined by FRS 102, Section 33 'Related Party Disclosures', the nature of the relationship and the extent of transactions with them (excluding subsidiary undertakings), are summarised below.

	2020 €000	2019 €000
Associated undertakings		
Management charges to associated undertakings	**1,072**	2,633
Dividends received from associated undertakings and joint ventures	**1,618**	18,677
Due from associated undertakings at year-end	**19,594**	3,513

Other than as set out in Note 14 , outstanding balances with related parties are unsecured, interest free and cash settlement is expected within the specified payment terms. There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

The Group deals in the normal course of business with Government and state bodies and other entities that are under ownership, control or significant influence from the Government. Such dealings are with a wide range of entities that include central government, local authorities, commercial and non-commercial semi-state companies and financial institutions.

Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 30 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. There were no amounts provided for or written off in the period in respect of debts due to or from related parties.

Key management compensation

The Board of Directors and members of the Executive team who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of the individuals for 2020 was €4.4 million (2019: €4.4 million).

31. Non-controlling interest

	2020 €000	2019 €000
At beginning of financial year	**17,947**	18,384
Share of (loss)/profit for the financial year	**(3,045)**	2,245
Exchange differences	**(1,310)**	391
Dividend to non-controlling interest[1]	**(504)**	(3,073)
Purchase of minority shareholding	**2,932**	–
At end of financial year	**16,020**	17,947

1. Amounts above represent dividend payments and declared dividends by Aer Rianta International (Middle East) to its non-controlling interests.

32. Acquisition of subsidiary

On 26 July 2020 the Group acquired 49.9% of issued share capital of Ahlan Modern Travelers Services Company Limited (AMTSC) and control of the company is obtained under the shareholder agreements, which govern the management of AMTSC's financial and operating policies. AMTSC currently operates a retail outlet at Terminal 5 at King Khalid International Airport in Riyadh that caters to domestic air traffic. The retail outlet trades primarily in perfumes, cosmetics, confectionery, fashion, jewellery, sunglasses and other consumer goods.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below

	2020 €000
Tangible assets	**1,666**
Intangible assets	**41**
Stocks	**1,871**
Other current assets	**297**
Cash at bank and in hand	**7,342**
Trade creditors	**(2,607)**
Accruals	**(860)**
Amounts due from parent Company	**(1,715)**
Provision for retirement benefits	**(131)**
Total identifiable assets acquired and liabilities acquired	**5,904**
Goodwill	**1,678**
Non-controlling interest of 50.1% in AMTSC	**(2,932)**
Total consideration	**4,650**
Satisfied by:	
Cash	**4,650**
Cash consideration for acquisition of subsidiary undertaking	**4,650**
Cash acquired through acquisition of subsidiary undertaking	**(7,342)**
Net cash inflow arising from acquisition	**2,692**

33. Litigation

In the normal course of business, the Group is involved in various legal proceedings with third parties, the outcome of which is uncertain. Where appropriate, provision is made in the Financial Statements based on the Directors' best estimate of the potential outcome of such proceedings. It is the policy of the Group to rigorously defend all legal actions taken against the Group.

34. Events after the end of the reporting period

There have been no significant post balance sheet events which require adjustment to the Financial Statements or the inclusion of a note thereto.

35. Implications of COVID-19

During the course of 2020 many countries adopted extraordinary and economically costly containment measures in order to respond to the public health risk posed by the COVID-19 pandemic. Certain countries required companies to limit or even suspend normal business operations. The tighter travel restrictions and lockdowns and a significant number of airport closures, flight cancellations and suspensions, has resulted in a substantial reduction in aviation, tourism and retail activities, with a significant consequent knock-on impact on the Group's revenues and profitability. COVID-19 has adversely impacted and significantly disrupted all of the Group's operations, the key one being the reduction in passenger traffic both domestically and internationally. Passengers at daa's Irish airports in 2020 were 22% of 2019 levels.

In order to mitigate against the impacts of COVID-19, the Group immediately focused on cost and liquidity management in order to right-size Group which included:

- Immediate focus on cash management. Cash outflow from operations before restructuring payments was €7.5 million. Significant cost actions were taken, and Government and other stakeholder supports were availed of.
- The Group's available, committed liquidity was significantly increased, its average maturity was lengthened and at the end of 2020 was €1.2 billion. All investment commitments were reviewed and will be informed by a range of factors including visibility and pace of the anticipated recovery in air traffic and price regulation factors.
- Almost all of the Irish based employees were reduced to 80% of normal working hours from April 2020 and the Group introduced a pay and hiring freeze.
- Launched a significant restructuring programme for our Irish businesses, incorporating *Right-sizing Our Organisation* and *New Ways of Working*. This will potentially see our workforce in Ireland operating at about 70% of 2019 levels. Significant reductions have also been effected in ARI's international retail operations, where concession terms have also been revised in a number of cases.

The Group's turnover declined by 69% to €291 million compared to €935 million in 2019. Aeronautical revenue declined by 72% to €89 million. International turnover declined by 70% to €80 million. The Group's operating costs before exceptionals (net of government support) reduced by 42% or €186 million to €260 million in 2020. The above items have negatively impacted the Group's performance. The Group recorded an EBITDA loss before exceptionals of €33 million compared to an EBITDA profit of €302 million in 2019. Group loss after tax, before exceptionals was €187 million, a significant decrease compared to a profit of €150 million in 2019.

COVID-19 continues to impact the Group's operations in the early part of 2021 with new variants of the virus creating fresh outbreaks globally resulting in a continuation of travel restrictions in many countries in which we operate. While there is ongoing uncertainty about the timing of reopening of international travel in the various countries in which we operate we are satisfied the Group is well positioned to take advantage of this upturn in activity when it materialises.

36. Accounting policies

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiary undertakings ('subsidiaries') up to 31 December 2020.

The results of subsidiaries are consolidated and included in the consolidated profit and loss account from their date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

Adjustments are made where necessary to subsidiary accounting policies when preparing the Group Financial Statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Financial Statements have been prepared on the going concern basis. The Directors considered the adverse impact of the current COVID-19 pandemic on the business for the next twelve months and the longer term. Whilst the situation and outlook for the aviation industry and on passenger demand for air travel and travel retail, continues to evolve, with enhanced screening and quarantine measures in place in many of the Group's locations and the implementation of a vaccination programme, the Directors expect the Group to continue to be operational, however there is uncertainty surrounding the timing of when full passenger operations will return.

The Directors, having reviewed the Group's projections, with particular reference to its operating cash flow, capital commitments, liquidity and funding position, and in light of the ongoing impact of the COVID-19 crisis continue to have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Joint venture undertakings

Joint venture undertakings ('joint ventures') are those undertakings over which the Group exercises control jointly with one or more parties.

The Group accounts for investments in joint ventures using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture. If the Group's share of losses of a joint venture equals or exceeds the carrying amount of its investment in the joint venture, the Group discontinues

recognising its share of further losses. The Group recognises additional losses as a provision if it has a legal or constructive obligation to do so. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of the losses not recognised.

The results of joint ventures acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Associated undertakings

Associated undertakings ('associates') are those undertakings in which the Group has a participating interest in the equity capital and over which it is able to exercise significant influence.

	2020 €000
Goodwill	
Goodwill arising on acquisition of subsidiary	1,678
Impairment of goodwill	(605)
	1,073

The Group accounts for investments in associates using the equity method. Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate. If the Group's share of losses of an associate equals or exceeds the carrying amount of its investment in the associate, the Group discontinues recognising its share of further losses. The Group recognises additional losses as a provision if it has a legal or constructive obligation to do so. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of the losses not recognised.

Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out below. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

The results of associates acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are shown in the Company balance sheet as investments and are valued at cost less allowance for impairment in value.

Listed investments and financial instruments that are classified as financial assets are measured at fair value through the profit or loss.

Financial income

Dividends receivable are recognised when the right to receive payment has been established.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Turnover represents the fair value of goods and services, net of discounts, delivered to external customers and to certain of the Group's associated undertakings net of unrealised profit/losses in the accounting period excluding value added tax.

Sale of goods comprises goods supplied to both external customers and to certain of the Group's associated undertakings. Turnover from the sale of goods is recognised when the customer takes delivery of the goods.

Aeronautical revenue comprises passenger charges which are recognised on their departure, runway movement charges (recognised on landing and take-off) levied according to aircraft's maximum take-off weight, aircraft parking charges based on a combination of time parked and area of use, and other charges which are recognised when services are rendered. The Commission for Aviation Regulation (CAR) regulates the level of revenues that the Company may collect in airport charges levied on users of Dublin Airport. CAR achieves this by setting a maximum level of airport charges per passenger that can be collected at Dublin Airport.

Rendering of services includes property letting, which is recognised on a straight-line basis over the term of the rental period and usage charges for the operational systems (e.g. check-in desks), which are recognised as each service is provided. Car park revenue of which the majority is pre-booked, is recognised on a straight-line basis.

36. Accounting policies continued

Concession fee revenue, in general, is a percentage of turnover which may be subject to certain minimum contracted amounts. The minimum contracted amounts are recognised on a straight-line basis over the period to which they relate and the excess which is a percentage of turnover is recognised at the time the excess is reached and can be reliably measured.

Management fees and other direct income from overseas associated undertakings are recognised as turnover when collection is reasonably assured.

Other income

Other income comprises government grants and assistance availed of by the Group in the form of governments' subsidised wage schemes to provide relief for entities during the COVID-19 pandemic. Government grants are recognised in the profit and loss account on a systematic basis over the period in which the entity has recognised the related costs for which the grants are intended to compensate.

Foreign currency

(i) Functional and presentational currency

The individual Financial Statements of each company are presented in the currency of the primary economic environment in which it operates (its functional currency).

For the purposes of consolidated Financial Statements, the results and financial position of each company are expressed in Euro, which is the functional currency of the parent Company and the presentational currency for the consolidated Financial Statements.

(ii) Transactions and balances

Transactions arising in foreign currencies are translated into Euro at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the year-end rates of exchange. The resulting profits or losses are dealt with in the profit and loss account for the year.

Where applicable, the Group's net investment in overseas subsidiaries and associate undertakings is translated at the rate ruling at the balance sheet date. The results of overseas subsidiaries, associates and joint ventures are, where applicable, included at the average rate of exchange. The resulting translation differences are accumulated in equity and are reported in other comprehensive income.

Leases

Operating leases

(i) As lessor

Leases where the Group retains substantially all the risks and benefits of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognised over the lease term on the same basis as income.

(ii) As lessee

Expenditure on operating leases is charged to the profit and loss account on a straight-line basis over the lease period except where there are rental increases linked to expected general inflation, in which case these increases are recognised when incurred.

Borrowing costs

Borrowing costs which are directly attributable to major capital projects are capitalised as part of the cost of the assets. The commencement of capitalisation begins when both the finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost), less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write off the cost of tangible fixed assets, other than land and assets in the course of construction, on a straight-line basis over the estimated useful lives as follows:

Terminal building, pier and satellite structures	20-50 years
Terminal fixtures and fittings	4-30 years
Airport plant and equipment	5-30 years
Runway surfaces	10-15 years
Runway bases	50 years
Taxiways and aprons	25-40 years
Motor vehicles	5-15 years
Office equipment	3-10 years
Computer equipment	3-7 years

Assets in the course of construction are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete. Depreciation is not applied to assets in the course of construction. The cost of land and buildings and construction work in progress includes an apportionment of staff costs directly associated with the acquisition and development of the assets.

Assets which are constructed by a lessor are recognised as a completed asset when substantially all the activities necessary to get the asset ready for use are completed. In return for the transfer of title of the asset, the lessor receives abated rent for the period of the contract. The asset is initially recognised at the present value of the future cash flows which is the deemed cost.

Where a tangible fixed asset is to be withdrawn from use, the depreciation charge for that asset is accelerated to reflect the asset's remaining useful life based on the period between the date of the decision to withdraw the asset and the forecast date when withdrawal will take place.

The carrying values of items of property, plant and equipment are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

The Group estimates the recoverable amount of its tangible fixed assets based on the higher of their fair value less costs to sell or their value-in-use, consisting of the present values of future cash flows expected to result from their use. For the purposes of this review, Dublin and Cork airports combined are considered to form one cash-generating unit based on the statutory mandate to operate critical national infrastructure, the interdependence of the airports' cash flows and the functional organisational structure by which the airports are managed. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), an impairment loss is recognised by writing down the assets to their recoverable amount.

Investment property

Investment property is property held to earn rentals, capital appreciation or both. Assets that are currently held for an undetermined future use are also regarded as held for capital appreciation. Owner occupied properties are classified as property, plant and equipment and carried at cost. Investment property is stated at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the profit and loss account for the period in which they arise. Investment properties are not depreciated. Valuations were carried out having regard to comparable market evidence relevant to each specific property or class of properties. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence.

Investment properties in the course of construction are transferred to completed investment property when substantially all the activities necessary to get the asset ready for use are complete. During the construction phase, property under construction is stated at cost less any accumulated impairment losses. On completion the investment property is stated at fair value.

Intangible assets and goodwill

Goodwill arising on the acquisition of a business (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) is capitalised and is amortised on a straight-line basis over its estimated useful life, the period during which benefits are expected to accrue.

Where control of a subsidiary undertaking is obtained in stages, in accordance with FRS 102, using the true and fair override, goodwill is calculated as the sum of the goodwill arising on each purchase of shares, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased. This represents a departure from Irish company law, under which goodwill is calculated as the difference between the total acquisition costs of the interests held and the fair value of the identifiable assets and liabilities on the date that the entity becomes a subsidiary undertaking. This treatment under company law would be misleading in certain circumstances as it would have the effect that the Group's share of profits or losses and reserve movements of its associates becomes reclassified as goodwill. The Group has complied with the applicable legislation, except for this departure in relation to purchased goodwill in order to achieve a fair presentation.

Where there is an increase in interest in an undertaking that is already a subsidiary undertaking, the assets and liabilities are not revalued to fair value and no additional goodwill is recognised at the date the controlling interest is increased.

Goodwill is being amortised over the period of the concession agreements entered into in the acquired entity.

Where events or circumstances are present which indicate that the carrying amount of goodwill may not be recoverable, the Group estimates the recoverable amount based on the present value of future cash flows expected to result from the use of the asset and its eventual disposition. Where this amount is less than the carrying amount of the asset, the Group will recognise an impairment loss.

In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is assessed for impairment prior to the end of the relevant annual period.

Other intangible assets, comprising software and concession rights are recorded at acquisition cost, being fair value at the date of acquisition less the amounts amortised to the profit and loss account. These intangible assets are amortised over their economic lives, being the terms of various concessions, which currently range from three to fourteen years or being the duration of the software licenses, which currently range from three to seven years.

36. Accounting policies continued

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on invoice price on either an average basis or on a first-in first-out basis depending on the stock category. An allowance is made on an annual basis in respect of potential stock obsolescence. It is based on an aged analysis of stock. Due to COVID-19, the allowance also relates to dated and perishable stock as the sell through rate significantly decreased due to the closures of retail stores as a result of the implementation of Government restrictions across various jurisdictions.

Maintenance stock relates solely to stock which will be expensed when consumed. It comprises spare parts which are used for maintenance purposes and office supplies.

Taxation

Current tax, including Irish corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Unutilised tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction to which it relates.

Payments for corporation tax 'Group' relief to companies within the daa Group that are in excess of the value of the tax value surrendered are treated as a capital contribution.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist if the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Retirement benefit obligations

The Group operates or participates in contributory pension schemes, covering the majority of its employees. The schemes are administered by trustees and are independent of the Group.

For schemes accounted for as defined contribution schemes, contributions are accrued and recognised in operating profit in the period in which they are earned by the relevant employees.

For the schemes accounted for as defined benefit schemes:

- The difference between the market value of the schemes' assets and actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability on the balance sheet.
- Deferred tax on the pension is recognised (to the extent that it is recoverable) and disclosed as part of provisions for liabilities.
- The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.
- The net interest cost on the net defined benefit liability is included within finance costs in the profit and loss account.
- Remeasurement comprising actuarial gains and losses, due to changes in the actuarial assumptions or because actual experience during the year was different to that assumed, and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised in other comprehensive income.
- Tax in relation to service costs, net interest costs, past service costs or gains and losses on curtailments and settlements is recorded in the profit and loss account. Tax on remeasurements is recorded in other comprehensive income.

Unfunded retirement benefit liabilities are accounted for as defined benefit arrangements.

Other post-employment benefits are recognised where there is a legal or constructive obligation and are measured at the present value of the benefit obligation at the reporting date.

Termination benefits are recognised when the Group has a present obligation (legal or constructive) to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy or early retirement. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the termination benefits are due more than 12 months after the balance sheet date.

Capital grants

Capital grants are treated as deferred income and amortised over the expected lives of the related fixed assets.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debt instruments which meet the basic financial instruments conditions, such as the Group's bank loans and loan notes, which have fixed or determinable payments, are subsequently measured at amortised cost using the effective interest method. Debt instruments that are classified as payable or receivable within one year and which meet the basic financial instruments conditions, such as intercompany loans carried in the Company's balance sheet and which are repayable on demand, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

At the end of each reporting period financial assets measured at amortised cost, such as unlisted investment in loan stock and loan receivables which are repayable on demand, are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

36. Accounting policies continued

(ii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit or loss immediately.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the Group estimates the fair value by using a valuation technique.

(iv) Interest income and expense recognition

Interest income and expense is recognised in the profit and loss account for all interest-bearing financial instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment or receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the carrying amount of the financial asset or liability.

Cash and cash equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Within the Group cash flow statement, cash is defined as cash and deposits repayable on demand.

Exceptional items

Exceptional items are material items of income and expense that, because of the unusual nature and expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Group's financial performance. Such events may include gains or losses on disposal of assets or fair value movements on investment property, costs of a fundamental reorganisation or restructuring.

37. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 36, the Directors are required to make judgements, estimates and assumptions about the carrying amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment assessment

Airport assets are reviewed for potential impairment by considering a series of external and internal indicators specific to the assets under consideration. Dublin and Cork airports are considered to be a single income generating unit for the purpose of impairment assessments based on the statutory mandate to operate airport infrastructure, the interdependence of the airports' cash flows and the functional organisational structure of the daa Group. The level of headroom is a direct function of the judgements and assumptions underpinning the strategic plan and is ultimately dependent on the discount rate, the terminal growth rate and passenger combined annual growth rate. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the cash-generating unit. The main assumptions that affect the estimation of the value-in-use are continuation of the current regulatory regime, the existence and rate of passenger growth and the discount rate. The cash flows are taken from the Group's long-term financial projections and rolling five-year business and financial plan and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested.

Where there are indicators of impairment of financial or intangible assets including goodwill and concession rights, the Group performs impairment tests based on the value-in-use. The value-in-use is determined by calculating the net present value of estimated future cash flows arising from that income generating unit, discounted at an appropriate discount factor. The cash flows are derived from the financial projections plan.

Revaluation of investment property

The Group engaged independent valuation specialists to determine fair value at 31 December 2020 and 31 December 2019. The valuations were prepared in consideration of FRS 102 and in accordance with the appraisal and valuation manual issued by the Royal Institution of Chartered Surveyors. The Group has significant property assets which are employed in a wide variety of activities throughout the airports such as car parking, car hire, hangars and office space. Judgement was required to determine in the context of the operations of airports, which properties, if any, should be classified as investment properties under Section 16 Investment Property. Where property assets are held to deliver essential services required at the airport such as car hire, parking and hangar facilities, these were not deemed to be held as investment properties. Other properties which are considered to be an investment property are properties or land held to earn rentals or for capital appreciation such as hotel sites and office buildings which are not used in the core operation of the airports.

All valuations are professional opinions on a stated basis, coupled with any appropriate or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

Subjective judgements were made by the valuers during their valuation approach in arriving at the valuation and whilst they consider these to be both logical and appropriate they are not necessarily the same as would be made by every purchaser.

Investments in subsidiaries, associates and joint ventures

Where there are indicators of impairment in investments in subsidiaries, associates and joint ventures, the Group performs an impairment assessment based on the value in use. The value-in-use is determined by calculating the net present value of estimated future cash flows arising from the that cash generating unit, discounted using an appropriate discount factor. The cash flows are derived from the Group's long-range financial projections. Due to the ongoing COVID-19 global pandemic, there is an increased level of uncertainty in the assumptions applied such that a reasonably possible change in these assumptions could lead to a material change in the carrying value of assets.

Provision for liabilities

A provision is recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group carries provisions for reported and potential claims under its self-insurance programme and for other liabilities, including legal claims. These provisions are made based on historical or other relevant information, adjusted for recent trends where appropriate. Similarly, a provision for restructuring is held for the cost of future leavers under the scheme based on the most up to date information available at the year end. However, provisions represent estimates of the financial costs of events that may not occur for some years. The basis for these estimates are reviewed and updated at least annually and where information becomes available that may give rise to a material change.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Determination of appropriate useful economic lives is a key judgement and the useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 11 for the carrying amount of the property, plant and equipment and Note 36 for the useful economic lives for each class of assets.

Intangible assets and goodwill

The Group establishes a reliable estimate of the useful life of intangible assets and goodwill arising on business combinations. The estimate is based on a five-year period or where longer, over the period of the concession agreement entered into in the acquired entity.

Concession fee revenue

The Group has applied temporary concession fee relief and or concession deferrals as a direct consequence of the COVID-19 pandemic. The Group continues to negotiate with customers, this has led to variations to lease and concession agreements being reached for various customers. The change in the rent concession income has been recognised over the periods that the change is intended to compensate.

Five year summary of financial results

	2020 €000	2019 €000	2018 €000	2017 €000	2016 €000
Operating results					
Turnover	**290,643**	934,696	896,901	854,582	793,107
EBITDA (pre-exceptional)	**(32,926)**	301,781	289,005	270,901	247,476
Depreciation, amortisation and impairment	**(125,839)**	(127,024)	(124,368)	(113,024)	(108,299)
Fair value adjustment on investment property	**(11,106)**	29,881	5,655	6,804	4,115
Group operating (loss)/profit	**(169,871)**	204,638	170,292	164,681	143,292
Share of (losses)/profit of associates and joint ventures	**(33,870)**	16,866	17,299	29,543	29,505
Finance income/(expenses)	**(18,241)**	(16,154)	(26,186)	(36,419)	(41,192)
Group exceptional items	**(99,852)**	–	2,811	–	(37,088)
(Loss)/profit before taxation	**(321,834)**	205,350	164,216	157,805	94,517
Taxation	**(35,025)**	(27,135)	(22,662)	(21,827)	(9,876)
Minority interest	**3,045**	(2,245)	(2,010)	(5,662)	(5,258)
(Loss)/profit for the financial year	**(283,764)**	175,970	139,544	130,316	79,383
(Loss)/profit excluding exceptional items (after taxation)	**(187,351)**	150,167	132,628	125,114	107,512
Capital employed					
Tangible assets and investment property	**2,149,250**	1,996,918	1,856,038	1,840,432	1,758,316
Intangible fixed assets	**57,178**	57,296	51,750	55,948	61,245
Investments	**106,584**	129,459	128,024	129,473	129,986
Net current assets	**627,924**	189,589	247,864	187,741	499,104
Total assets less current liabilities	**2,940,936**	2,373,262	2,283,676	2,213,594	2,448,651
Creditors due after more than one year	**(1,561,302)**	(723,085)	(770,310)	(817,510)	(1,155,439)
Capital grants	**(6,819)**	(7,361)	(8,016)	(8,705)	(10,156)
Provisions for liabilities	**(129,806)**	(107,967)	(106,956)	(94,102)	(82,643)
Net assets	**1,243,009**	1,534,849	1,398,394	1,293,277	1,200,413

Five year summary cash flow

	2020 €000	2019 €000	2018 €000	2017 €000	2016 €000
Summary Cash Flow					
Cash flow from operating activities	**(17,056)**	304,759	286,696	255,723	245,483
Dividends from associated undertakings (net)	**1,618**	17,859	18,921	26,481	22,808
	(15,438)	322,618	305,617	282,204	268,291
Net interest paid	**(18,518)**	(14,895)	(25,887)	(35,063)	(41,424)
Taxation refund/(paid)	**12,140**	(26,134)	(3,421)	(3,807)	(3,559)
	(21,816)	281,589	276,309	243,334	223,308
Investment in tangible fixed assets, investment properties and software	**(270,094)**	(222,012)	(134,686)	(171,194)	(118,273)
Payments in respect of exceptional restructuring and other provisions	**(42,335)**	(3,560)	(3,603)	(4,535)	(3,835)
Investment in/loans to associated and joint venture undertakings and financial assets	**(19,330)**	(2,696)	(630)	–	–
Acquisition of subsidiary undertakings net of cash acquired	**2,692**	–	–	(4,759)	–
Net proceeds from disposal of subsidiary/associated undertakings /joint ventures	**–**	–	1,238	–	–
Sale of tangible and financial assets	**27**	249	32	51	7
Capital grants received	**–**	–	–	28	983
Repayment of financial asset	**–**	365	302	442	–
	(329,040)	(227,654)	(137,347)	(179,967)	(121,118)
	(350,856)	53,935	138,962	63,367	102,190
Dividends paid to shareholder	**–**	(40,000)	(37,400)	(29,100)	(18,300)
Dividends paid to minority undertakings of subsidiaries	**(504)**	(3,073)	(1,261)	(2,570)	(1,355)
Cash (outflow)/inflow before management of liquid resources and financing	**(351,360)**	10,862	100,301	31,697	82,535
Net debt	**782,744**	429,656	440,773	540,619	571,501

Five year summary of passenger statistics – unaudited

Passengers	2020	2019	2018	2017	2016
Overall					
Transatlantic	**577,003**	4,003,989	3,819,410	3,302,033	2,734,502
United Kingdom	**2,720,222**	11,590,992	11,391,320	11,293,751	11,219,615
Continental Europe	**4,231,585**	18,558,369	17,332,628	16,151,160	15,144,817
Other International	**236,413**	1,005,480	991,293	841,776	767,534
Domestic	**36,583**	107,084	115,302	98,892	97,049
Transit	**115,013**	235,575	238,472	203,203	174,431
	7,916,819	35,501,489	33,888,425	31,890,815	30,137,948
Percentage change year-on-year	**-77.7%**	+4.8%	+6.3%	+5.8%	+11.1%
Dublin					
Transatlantic	**576,960**	4,003,713	3,790,970	3,285,618	2,733,975
United Kingdom	**2,415,108**	10,230,550	10,081,376	9,987,687	9,930,904
Continental Europe	**4,009,378**	17,333,001	16,282,380	15,170,341	14,208,822
Other International	**236,412**	1,005,477	991,285	841,769	767,324
Domestic	**33,738**	103,896	111,850	94,276	93,731
Transit	**114,831**	234,590	237,743	202,617	172,628
	7,386,427	32,911,227	31,495,604	29,582,308	27,907,384
Percentage change year-on-year	**-77.6%**	+4.5%	+6.5%	+6.0%	+11.4%
Cork					
Transatlantic	**43**	276	28,440	16,415	527
United Kingdom	**305,114**	1,360,442	1,309,944	1,306,064	1,288,711
Continental Europe	**222,207**	1,225,368	1,050,248	980,819	935,995
Other International	**1**	3	8	7	210
Domestic	**2,845**	3,188	3,452	4,616	3,318
Transit	**182**	985	729	586	1,803
	530,392	2,590,262	2,392,821	2,308,507	2,230,564
Percentage change year-on-year	**-79.5%**	+8.3%	+3.7%	+3.5%	+7.7%

Five year summary of aircraft movements – unaudited

	2020	2019	2018	2017	2016
Overall					
Commercial					
– Scheduled	**81,212**	243,693	236,431	224,862	217,513
– Non-Scheduled	**3,465**	5,739	5,988	6,436	6,090
– Cargo	**5,102**	4,268	4,389	4,404	4,055
Commercial Air Transport Movements	**89,779**	253,700	246,808	235,702	227,658
Percentage change year-on-year	**-64.6%**	+2.8%	+4.7%	+3.5%	+8.7%
Others	**31,417**	33,930	29,160	30,630	38,332
Total Aircraft Movements	**121,196**	287,630	275,968	266,332	265,990
Dublin					
Commercial					
– Scheduled	**74,754**	222,492	216,199	205,372	197,925
– Non-Scheduled	**3,396**	5,382	5,587	6,052	5,537
– Cargo	**5,102**	4,268	4,388	4,404	4,055
Commercial Air Transport Movements	**83,252**	232,142	226,174	215,828	207,517
Percentage change year-on-year	**-64.1%**	+2.6%	+4.8%	+ 4.0%	+8.5%
Others	**4,641**	6,856	7,011	7,369	7,561
Total Aircraft Movements	**87,893**	238,998	233,185	223,197	215,078
Cork					
Commercial					
– Scheduled	**6,458**	21,201	20,232	19,490	19,588
– Non-Scheduled	**69**	357	401	384	553
– Cargo	**–**	–	1	–	–
Commercial Air Transport Movements	**6,527**	21,558	20,634	19,874	20,141
Percentage change year-on-year	**-69.7%**	+4.5%	+3.8%	-1.3%	+10.9%
Others	**26,776**	27,074	22,149	23,261	30,771
Total Aircraft Movements	**33,303**	48,632	42,783	43,135	50,912

Aeronautical information

Dublin Airport

Location	Lat. 532517N, Long. 0061612W (midpoint runway 10/28)
Elevation	242 ft. AMSL
Runway	**Runway 10R/28L:** Length 2,637 metres – width 45 metres plus 7.5 metre shoulders each side Surface asphalt Category III A (Runway 10)/Category III A (Runway 28) **Runway 16/34:** Length 2,072 metres – width 61 metres Surface Asphalt Category I (runway 16)/Non-precision (runway 34)
Refuelling	JET A1
Operational	24hrs
Postal address	Dublin Airport, Co. Dublin, Ireland
Fax number	(01) 814 1034 (09:00-17:00)
	(01) 814 5479 (24hrs)
Telephone number	National (01) 814 1111 International 353 1 814 1111
Web	www.dublinairport.com
Sita	DUBRN7X (Airport Administration) DUBYREI (Operations)

Cork Airport

Location	Lat. 515029N, Long. 0082928W
Elevation	502 ft. AMSL
Runway	**Runway 16/34:** Length 2,133 metres – width 45 metres plus 7.5 metre shoulders each side Surface asphalt Category II (Runway 16)/Category I (Runway 34) **Runway 07/25:** Length 1,310 metres – width 45 metres Surface concrete Non inst.
Refuelling	Full refuelling facilities available
Operational	24hrs
Postal address	Cork Airport, Co. Cork, Ireland
Fax number	(021) 431 3442
Telephone number	National (021) 431 3131 International 353 21 431 3131
Web	www.corkairport.com
Sita	ORKARXH

General business information

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Barclays Bank
BNP Paribas
Danske Bank A/S
European Investment Bank
HSBC Bank plc
Ulster Bank Limited

Forward looking statements
This document contains certain forward looking statements with respect to the financial condition, results of operations and businesses of daa plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. The statements are based on current expected market and economic conditions, the existing regulatory environment and interpretations of Financial Reporting Standards applicable to past, current and future periods. Nothing in this report should be construed as a profit forecast.

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