

ETHIOPIAN AIRLINES GROUP ANNUAL REPORT

2024/25



Ethiopian
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STAR ALLIANCE



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ETHIOPIAN AIRLINES GROUP
ANNUAL REPORT

OVERVIEW

GROUP CEO MESSAGE



I am delighted to reflect on the key highlights of Ethiopian Airlines Group's performance and achievements during the 2024/25 fiscal year. Guided by our long-term strategic vision and unwavering commitment to operational excellence, we continued our remarkable growth trajectory, delivering strong operational and financial performances while achieving significant milestones across our business.

During the fiscal year, Ethiopian Airlines transported 18.78 million passengers and 771.5 thousand tons of cargo across its extensive network of more than 167 destinations spanning five continents. Our modern fleet expanded to 141 aircraft, while revenue reached USD 7.6 billion, further reinforcing our position as Africa's leading airline.

Throughout the year, we phased in 14 aircraft and placed orders for more than 100 ultra-modern aircraft, including the Boeing 777X, making Ethiopian Airlines the first African carrier to order this aircraft.

Ethiopian also continued to expand its global network by launching new passenger services to Port Sudan, Monrovia, Warsaw, Dhaka, Hyderabad, Porto, Sharjah, and Urumqi during the fiscal year.

Enhancing its technological capabilities and driving innovation, Ethiopian Airlines continued to make significant investments in information and communication technology and aviation infrastructure to strengthen operational efficiency and elevate the customer experience. These investments have enhanced passenger and cargo services, sales and distribution channels, internal business processes, and overall operational reliability for both international and domestic travellers.

During the fiscal year, the Group successfully completed several strategic projects, including the establishment of a new Data Center, expansion of IT infrastructure at regional airports, enhancement of engine maintenance capabilities, implementation of aircraft modification projects, and development of new domestic airports. In addition, several other strategic infrastructure and technology initiatives are currently underway and are expected to be completed in the coming fiscal year, further reinforcing Ethiopian Airlines' commitment to operational excellence, digital transformation, and sustainable growth.

Ethiopian Airlines received numerous prestigious awards and recognitions during the 2024/25 fiscal year across various categories. These include four SKYTRAX World Airline Awards 2025: Best Airline in Africa (for the eighth consecutive year), Best Business Class in Africa, Best Economy Class in Africa, and Best Business Class Onboard Catering in Africa. The airline also received the APEX Best Overall in Africa Award, the U.S. President's Lifetime Achievement Award, the Global Recognition and Appreciation Award, the Outstanding Tourism Transportation Award, the Best Cargo Airline – Africa Award, and the Four-Star Global Airline Award, among many other accolades.

While the 2024/25 fiscal year presented a range of challenges, Ethiopian Airlines remained resilient, thanks to the unwavering commitment, professionalism, and collaborative spirit of its management and employees. Through their collective efforts, the Group not only sustained its strong performance but also advanced the strategic priorities that will shape its future growth and long-term success.

I extend my deepest appreciation to our valued customers for their continued trust and loyalty, to our dedicated employees for their exceptional commitment and hard work, and to our management team for their outstanding leadership and tireless efforts throughout the year. Their contributions have been instrumental in the achievements we celebrate today.

As we look ahead, we remain committed to strengthening our resilience, driving innovation, enhancing operational excellence, and creating sustainable value. With a clear strategic direction, we are confident in our ability to seize new opportunities, navigate future challenges, and continue connecting Africa with the rest of the world while delivering world-class services.

MESFIN TASEW

Group Chief Executive Officer



BOARD OF DIRECTORS



H.E. Lt. Gen. Yilma Merdasa
Board Chairman



H.E. Mr. Teklewold Atnafu
V/ Board Chairman



H.E. Ms. Selamawit Dawit
Board Member



Mr. Tadesse Tilahun
Board Member



H.E. Ms. Selamawit Kassa
Board Member



Commissioner Debele Kabeta
Board Member



Capt. Chala Etana
Board Member



H.E. Dr. Sisay Tola
Board Member

EXECUTIVE MANAGEMENT



Mr. Lemma Yadecha
Group Chief Commercial Officer



Mr. Retta Melaku
Group Chief Operating Officer



Mr. Adamu Tadele
Group Chief Financial Officer



Mr. Getinet Tadesse
Group Chief Information Officer



Mr. Getaneh Adera
MD Ethiopian Airports



Mr. Teklehaimanot G. Yohannes
MD International Services



Mr. Dereje Derero
MD Ethiopian Cargo &
Logistics Services



Mr. Daniel Demeke
MD ET-MRO
Services



Mr. Ermias Abebe
Group VP Legal Counsel and
Secretariat



Mr. Hailemelekot Mamo
VP ET Holiday, Digital Sales &
GCIC



Mrs. Rahel Assefa
VP Marketing



Mr. Bekele Bayi ODA
Group VP HCM



Mr. Laeke Tadesse
President Ethiopian Aviation
University



Mr. Mengistu Bezie
Group VP IA, QMS, SMS,
Compliance and Business
Sustainability



Mr. Samson Arega Bekele
Group Vice President Customer
Experience



Capt. Yoseph Hailu
VP Flight Operations



Mr. Daniel Abebe
Group VP Strategic Planning
& Alliance



Mr. Gemechis Tujuba
MD Ethiopia
Ground Services

MILESTONES AWARDS

Recognition for Excellence and Impact



THE US PRESIDENT'S LIFETIME ACHIEVEMENT AWARD

Ethiopian airlines group was distinguished with the us president's lifetime achievement award, recognizing the airline's outstanding contributions and dedicated service to communities in the united states.



GLOBAL RECOGNITION AND APPRECIATION AWARD

Ethiopian Airlines received Global Recognition and Appreciation Award for outstanding role in Covid-19 response at the first international post Covid conference held in Toronto on July 11, 2024.



OUTSTANDING TOURISM TRANSPORTATION AWARD

Ethiopian Airlines received Outstanding Tourism Transportation Award at Africa Tourism Leadership Forum (ATLF) held in Gaborone, Botswana on September 6, 2024.



EXCEPTIONAL COMMITMENT AND OUTSTANDING PARTNERSHIP

Ethiopian Airlines exclusively recognized for 'Exceptional Commitment' and 'Outstanding Partnership' at the Zambia Airports Corporation Limited's 35th Anniversary in the overall award category on September 11, 2024.



BEST OVERALL IN AFRICA

Ethiopian Airlines Group was crowned with 'Best Overall in Africa' accolade at the prestigious 2025 APEX Passenger Choice Awards held on 28 October 2024 in California.

This honour was a testament to Ethiopian unwavering dedication and significant contribution to the success of Zambia Airports in both passenger and cargo services.



BEST CARGO AIRLINE-AFRICA AWARD

Ethiopian Cargo and Logistics Services has been honoured with the 'Best Cargo Airline-Africa' award for the second time in a row at the prestigious Arabian Cargo Awards.



FOUR-STAR GLOBAL AIRLINE AWARD

Ethiopian Airlines was crowned with the Four-Star Global Airline award at the 2025 APEX Passenger Choice Awards. This accolade highlights Ethiopian Airlines' unwavering commitment to delivering a service that meets global standards to its passengers across more than 140 international destinations.



OUTSTANDING FOOD SERVICE BY A CARRIER AFRICA AWARD

Ethiopian Airlines Group has won the 'Outstanding Food Service by a Carrier – Africa' Award at the 2025 PAX Readership Awards and the 'Cabin Concept of the Year 2025' award at the Onboard Hospitality Awards in April 2025.



SKYTRAX AT 2025 WORLD AIRLINE AWARDS

Ethiopian Airlines Group received four awards by SKYTRAX at 2025 World Airline Awards, for eighth consecutive year. The awards are Best Airline in Africa, Best Economy Class in Africa, Best Business Class in Africa, and Best Business Class Onboard Catering in Africa.

NEW ROUTES



📍 Warsaw

Ethiopian Airlines commenced new services to Warsaw, the capital and largest city of the Republic of Poland, via Athens as of July 1, 2024.



📍 Port Sudan

Ethiopian Airlines launched a new passenger service to Port Sudan, a major Red Sea port city in the Republic of the Sudan, on 15 October 2024.



📍 Dhaka

Ethiopian Airlines Group commenced a new passenger service to Dhaka, Bangladesh, on 2 November 2024.



📍 Monrovia

Ethiopian Airlines, resumed passenger flights to Liberia's capital, Monrovia on November 30, 2024.



📍 Sharjah

Ethiopian Airlines launched a new passenger service to Sharjah, United Arab Emirates, effective June 1, 2025 with a vibrant event attended by ambassadors, senior government officials, and Ethiopian Airlines executives.



📍 Urumqi

Ethiopian Airlines, Africa's leading carrier and one of the fastest growing global airline brands, is pleased to announce the launch of its new twice-weekly cargo flight service between Addis Ababa and Urumqi, China.

INFRASTRUCTURE & SYSTEM



Mega Airport City Development

Ethiopian Airlines Group signed a technical advisory and consultancy contract with Dar Al-Handasah Consultants to embark on the design and supervision of a Mega Airport City at Abusera in Bishoftu city on August 12, 2024.



Silver Lounge Inauguration

Ethiopian Airlines inaugurated its Silver Lounge, an exclusive facility dedicated to ShebaMiles Silver members, in Addis Ababa Bole International Airport on August 16, 2024.



Fayda ID Travel Integration

Ethiopian Airlines and Ethiopia National ID Program (NIDP) signed a Memorandum of Understanding on October 29, 2024 to cooperate on integrating their systems to facilitate the use of Fayda ID as a travel document for domestic travels.



Wako Gutu Airport Terminal

Ethiopian Airlines Group inaugurated the new Wako Gutu Airport Terminal at Bale Robe.

FLEET



✈️ A350-1000

Ethiopian Airlines, received Africa's first Airbus A350-1000 in a grand ceremony attended by government officials, ambassadors, diplomats, and esteemed representatives from Airbus and Thales.



✈️ Boeing 737-800

Ethiopian Airlines added a New Boeing 737-800 aircraft to its fleet, dedicated exclusively to VIP and smaller group charter flights on March 17, 2025.

OTHER KEY MILESTONES

Ethiopian Airlines took over the responsibility of managing Gorgora Eco Resort under Ethiopian Skylight Hotel, in an agreement ceremony held at Ethiopian Skylight Hotel on July 23, 2024.

Ethiopian Aviation University graduated more than 460 aviation professionals, including international trainees from 10 African countries on December 7, 2024.

Ethiopian Airlines Group in partnership with the Government of the Democratic Republic of Congo has established Air Congo on December 1, 2024.

Ethiopian Airlines received IATA CEIV Pharma (Center of Excellence for Independent Validators in Pharmaceutical Logistics) certification as an Airline and ground handling agent on 17 Jan 2025.

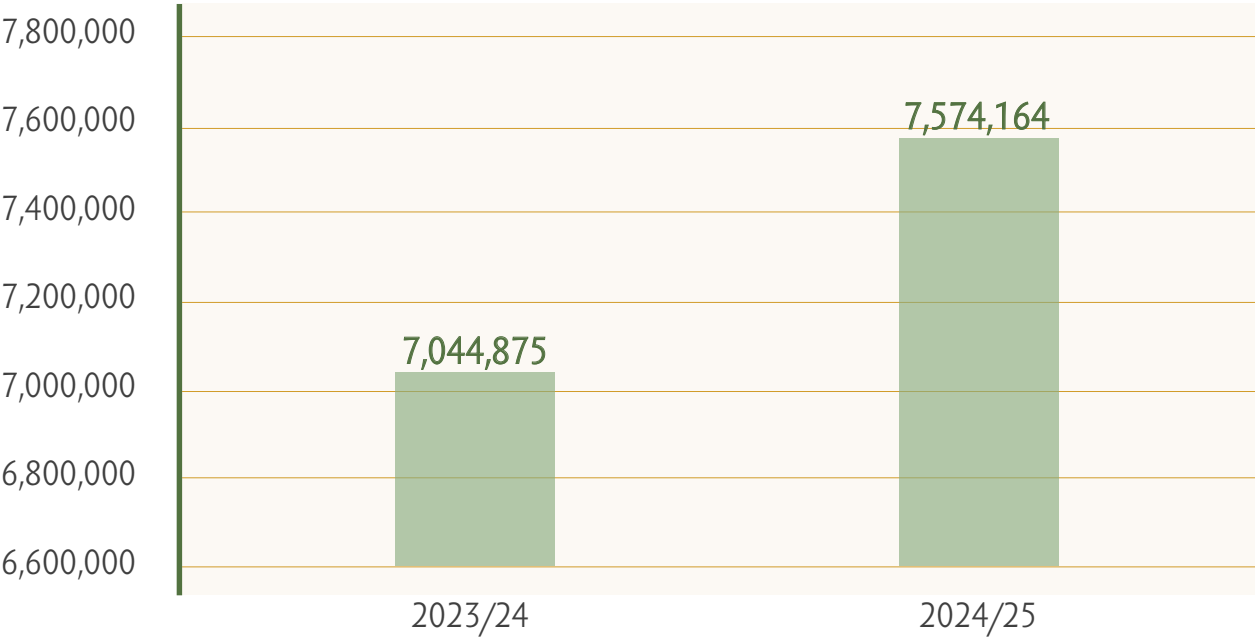
Ethiopian Airlines celebrated International Women's Day 2025 with an all-women-operated flight, where women led catering, maintenance, check-in, lounge services, and flight operations. The initiative highlighted the airline's commitment to advancing women's participation in aviation.

Ethiopian Airlines and Etihad Launch Strategic Joint Venture and New Flights Between Addis Ababa and Abu Dhabi on 9 March 2025 with the aim to transform connectivity between Africa, the Middle East, and Asia.

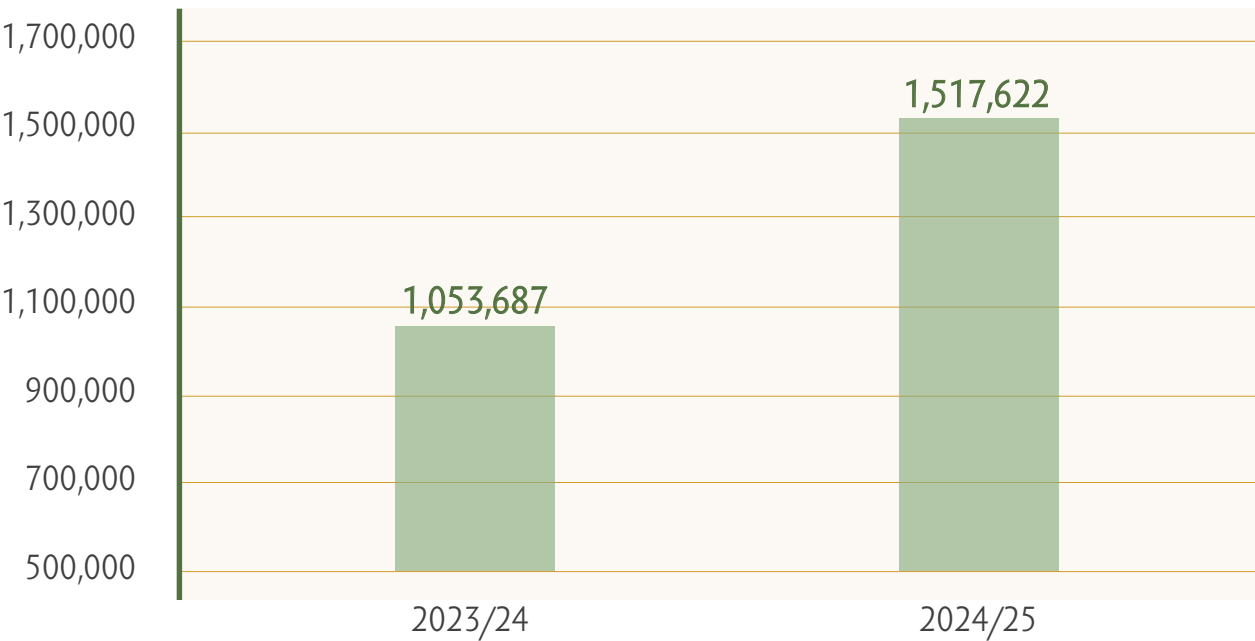
Ethiopian Airlines Group graduated 974 aviation trainees on May 3, 2025.

FINANCIAL AND STATISTICAL HIGHLIGHTS

TOTAL GROUP REVENUES (USD '000)



GROUP OPERATING PROFIT (USD '000)



ETHIOPIAN AIRLINES GROUP FINANCIAL SUMMARY

Total Revenues (USD 'ooo)	2024/25 7,574,164	2023/24 7,044,875
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Change
8%

Total Expense (USD 'ooo)	2024/25 6,056,542	2023/24 5,991,117
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Change
1%

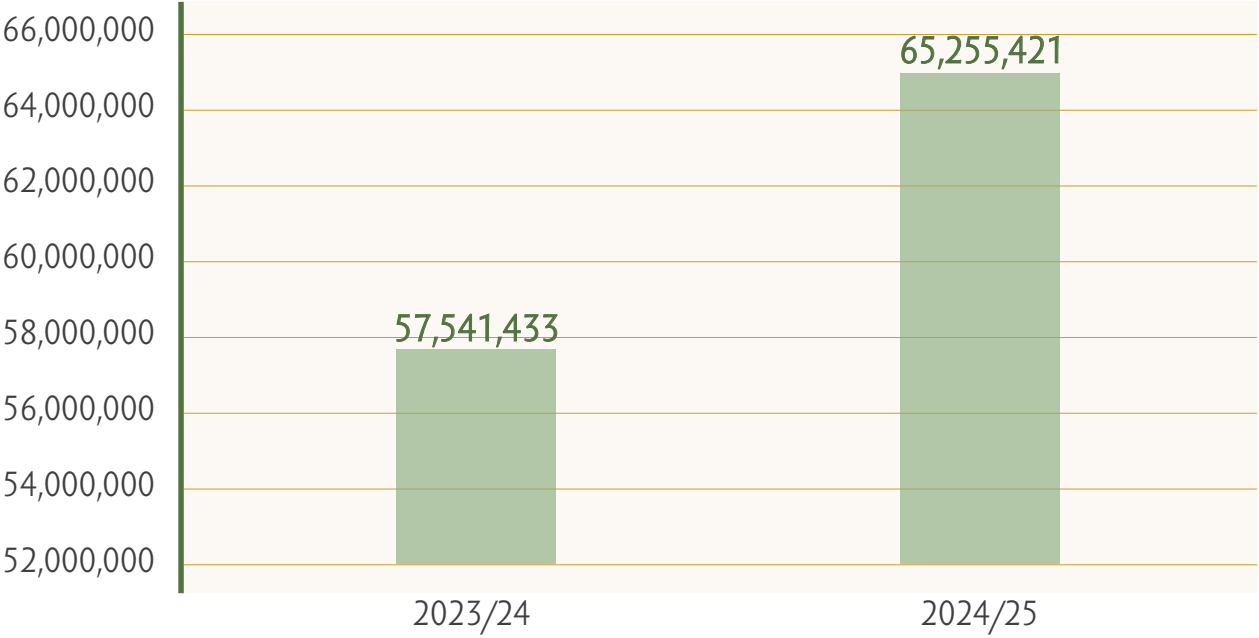
Operating Profit (USD 'ooo)	2024/25 1,517,622	2023/24 1,053,758
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Change
44%

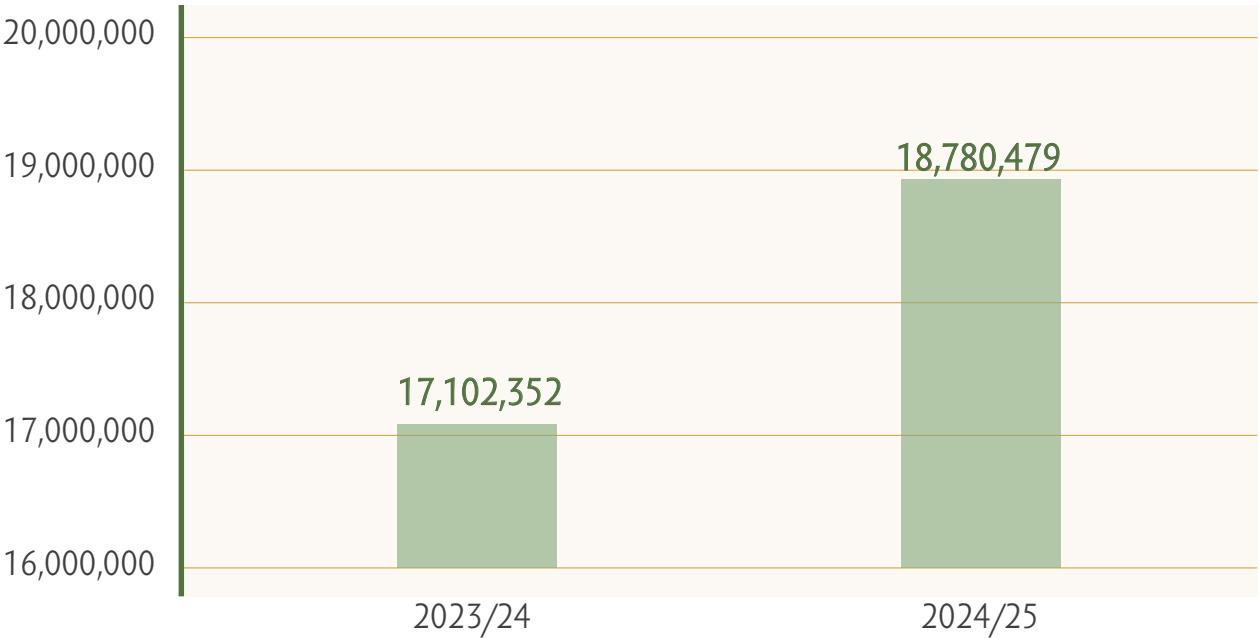
Net Profit Before Tax (USD 'ooo)	2024/25 1,161,170	2023/24 860,318
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Change
35%

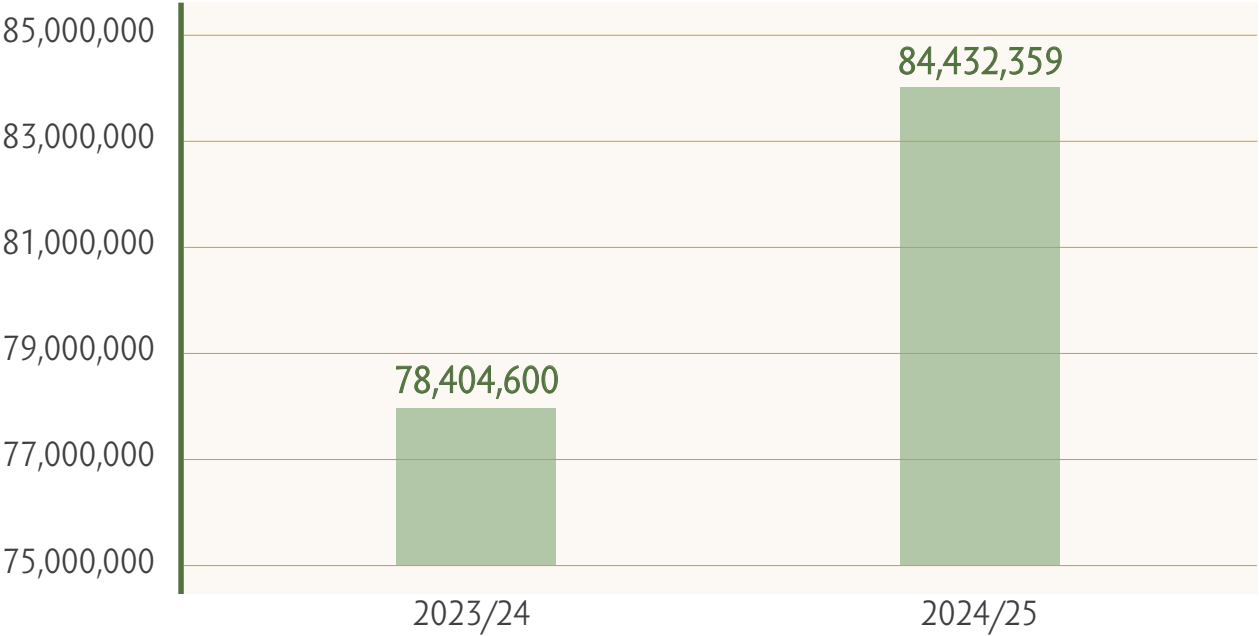
TOTAL REVENUE
PASSENGER KMS. (RPK) '000



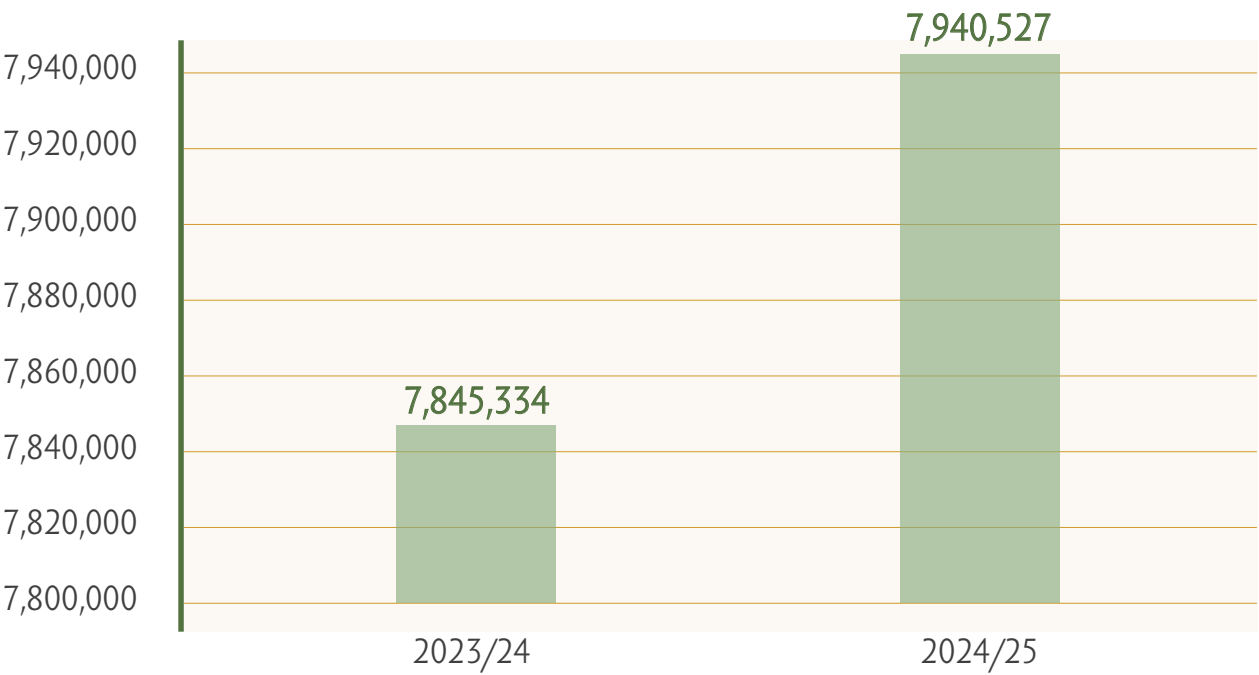
TOTAL PASSENGER
NUMBER



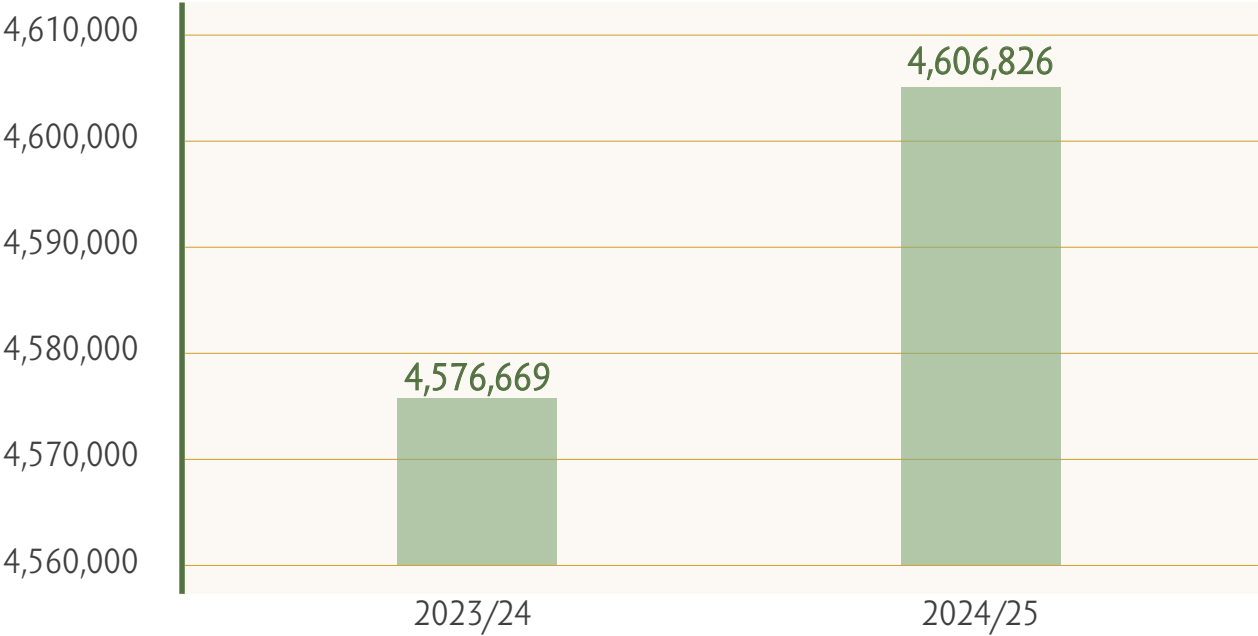
TOTAL AVAILABLE
SEAT KMS.(ASK) 'ooo



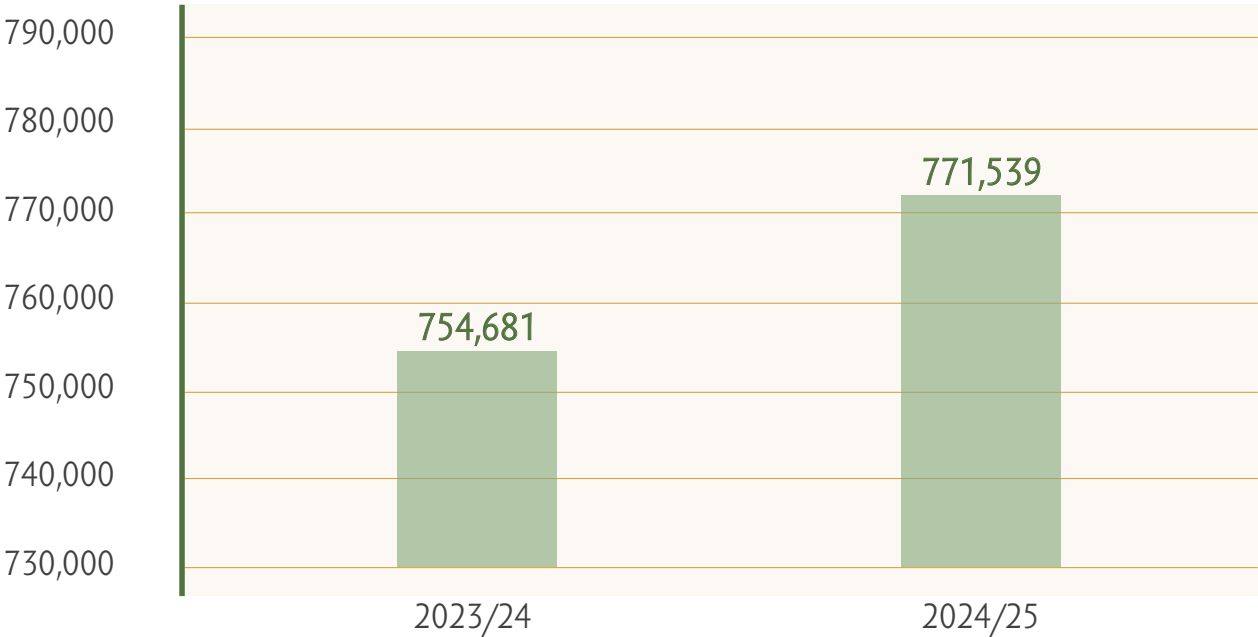
TOTAL AVAILABLE FREIGHTER
TON KMS. (AFTK) 'ooo



TOTAL FREIGHT
TON KMS. 'ooo



TOTAL FREIGHT
UPLIFT (TONNES)



ETHIOPIAN AIRLINES GROUP

OPERATIONAL PERFORMANCE SUMMARY

PASSENGER

Total Passenger Number	2024/25 18,780,479 Change 11%	2023/24 17,102,352	Total Revenue Passenger Kms. (RPK) 'ooo	2024/25 65,255,421 Change 13%	2023/24 57,541,433
Total Available Seat Kms. (ASK) 'ooo	2024/25 84,432,359 Change 8%	2023/24 78,404,600	Passenger Load Factor (%)	2024/25 77.29 Change 5 points	2023/24 73.40

CARGO

Total Freight Kilos 'ooo	2024/25 771,539 Change 4%	2023/24 754,681	Total Freight Ton Kms. 'ooo	2024/25 4,606,826 Change 1%	2023/24 4,576,669
Total Available Freightier Ton Kms. (AFTK) 'ooo	2024/25 7,940,527 Change 1%	2023/24 7,845,334	Cargo Load Factor (%)	2024/25 58.22 Change -0.21 points	2023/24 58.34

EMPLOYEE

Total Permanent Employees Number	2024/25 19,760 Change 12%	2023/24 17,591	Total Employees Number(including contract & outsource employees)	2024/25 26,814 Change 8%	2023/24 24,758
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ETHIOPIAN AIRLINES GROUP
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ETHIOPIAN AIRLINES GROUP

FLEET

Ethiopian Airlines Group operates one of the youngest fleets in Africa, with an average age of 7 years. Currently, Ethiopian Airlines operates a modern fleet of 141 aircraft. The airline's fleet expansion achievements in the 2024/25 fiscal year were as follows:

 **141** AIRCRAFT IN OPERATION

 **100+** AIRCRAFT ON ORDER

 **14** NEW PHASED-IN FLEET

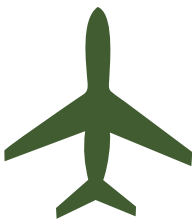
B777-300ER, A350-1000, B767F, B737-8 Max, B777F, B737-8, BBJ-2

“Fleet expansion remains to be one of Ethiopian key strategic goal”



FLEET SUMMARY

Long Range Passenger Services		
 03 ✈️ Airbus A350 - 1000XWB	 20 ✈️ Airbus A350 - 900XWB	 19 ✈️ Boeing B787-8
 10 ✈️ Boeing B787-9	 05 ✈️ Boeing B777-300ER	 06 ✈️ Boeing B777-200LR
Medium Range Passenger Services		
 06 ✈️ Boeing B737-800	 19 ✈️ Boeing B737 MAX	 02 ✈️ Boeing B737-700NG
Regional and Domestic Passenger Services		Business Jet
 29 ✈️ Q400 Bombardier		 01 ✈️ Boeing B737-800
Long Range Cargo		Medium Range Cargo
 12 ✈️ Boeing B777-200LRF	 04 ✈️ Boeing B737-800F	 05 ✈️ B767-300F



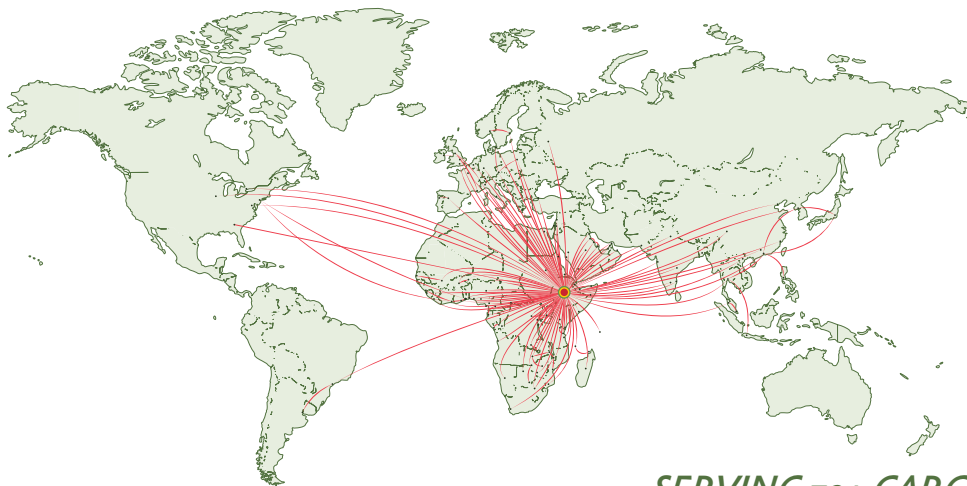
141

TOTAL NUMBER OF OPERATING FLEET

GLOBAL NETWORK

Ethiopian Airlines has continued to expand its global network by launching new routes, resuming suspended services, and increasing flight frequencies. The airline now serves more than 145 destinations worldwide, including over 70 dedicated cargo destinations.

SERVING 140+ DESTINATIONS



SERVING 70+ CARGO DESTINATIONS



In 2024/25 fiscal year, the major achievements of Ethiopian network expansion were as below:

📍 **Warsaw**
Poland

📍 **Port Sudan**
Sudan

📍 **Monrovia**
Liberia

📍 **Dhaka**
Bangladesh

📍 **Porto**
Portugal

📍 **Sharjah**
United Arab Emirates

📍 **Urumqi**
China (Cargo)

ETHIOPIAN INTERNATIONAL SERVICE

Ethiopian Airlines offers a wide range of international services to its passengers, particularly flights that connect travellers worldwide. The Ethiopian Airlines Group's key achievements in international passenger services during the 2024/25 fiscal year were as follows:



 **15.16M** International passengers carried
13% Increase

 **77.29%** Passenger Load factor

 **5.12B USD** Revenue from international passengers
8% Increase

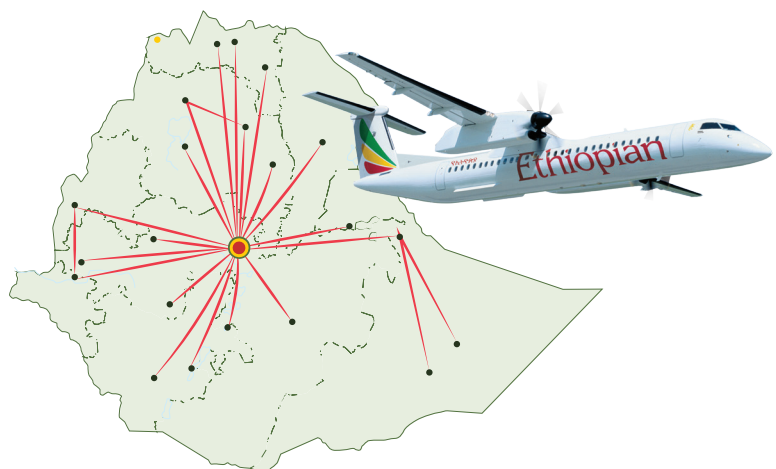
ETHIOPIAN EXPRESS

Ethiopian Airlines Express is established to provide fast, reliable, and affordable domestic air services across Ethiopia, focusing on short haul routes operated primarily with modern turboprop aircraft while maintaining the airline's high safety and service standards.

In 2024/25 fiscal year Ethiopian Express performed as below

 **3.9M** Total Express passengers carried
5% Increase

 **153M USD** Total revenue from Express passengers



ETHIOPIAN CARGO & LOGISTICS SERVICE

Ethiopian Cargo & Logistics Services has continued to play a leading role on the continent by providing world-class cargo transportation and logistics services. With a network of 70 dedicated cargo destinations and more than 145 passenger destinations across Africa, the Middle East, Asia, Europe, and the Americas, supported by its fully automated, state-of-the-art warehouses and advanced technologies, the division continues to deliver efficient and reliable logistics solutions.

In the 2024/25 fiscal year, Ethiopian Cargo & Logistics Services achieved the following performance results:



 **785,323** Total cargo transported

 **58.22%** Freight Load Factor

 **1,89B** Annual cargo and mail revenue
USD
13% Increase

ETHIOPIAN MRO

The scale of Ethiopian Airlines' MRO operation has continued to be impressive. As the largest MRO service provider in Africa, certified by the ETCAA, FAA, and EASA, Ethiopian MRO delivers world-class services to its customers, helping make Ethiopian one of the most dependable and safest airlines in the world.

In the 2024/25 fiscal year, Ethiopian MRO registered remarkable performance across many aspects compared with the previous year.

 **110.16M** Annual total MRO customer work revenue
USD
22% Increase



ETHIOPIAN AVIATION UNIVERSITY

Ethiopian Aviation University is the largest and most modern aviation studies centre in Africa, recognized as an ICAO Regional Training Centre of Excellence. The university offers undergraduate and postgraduate programs in various fields, along with a wide range of basic and recurrent training programs across disciplines such as pilot training, cabin crew training, aviation maintenance, and commercial training.

In the 2024/25 fiscal year, Ethiopian Aviation University enrolled 3,082 new trainees and graduated 1,951 trainees across piloting, technical, cabin crew, commercial, ground service agents, finance, catering, EFM technicians, and air traffic control.

During the same fiscal year, the university generated total annual revenue of USD 12.0 million, representing a 41% increase compared with the same period last year.



 **3,082** New trainees

 **1,951** Graduated

 **12M** Annual revenue
USD
41% Increase

ETHIOPIAN AIRPORTS

Ethiopian Airports play a vital role in supporting the transportation system and generate significant multiplier effects on both national and regional economies. Ethiopian Airports is responsible for the construction, maintenance, and administration of airports across Ethiopia. It currently manages 2 international airports and 22 domestic airports throughout the country.

 **175M** Total annual revenue
USD
7% Increase



GROUND SERVICE

Ethiopian Ground Services offers a comprehensive range of ground handling services for both international and regional passenger flights, as well as cargo services for Ethiopian Airlines and other scheduled and ad-hoc customer airlines. Ethiopian Ground Services, dedicated to delivering quality service, strives to always meet customer expectations. Ethiopian Ground Services handle all aspects of ground services for airline arrivals and departures at Addis Ababa and domestic airports using modern ground support equipment, and highly trained and committed staff.

In 2024/25 fiscal year Ethiopian Ground Services generated a total revenue of USD 6.70 million.



 **6.7M** Total annual revenue
USD

ETHIOPIAN SKYLIGHT HOTEL

Ethiopian Skylight Hotel is the first and largest ultra-luxurious five-star hotel complex on the continent, co-located in a single area. It features Presidential Suites, Executive Suites, apartments, and rooms designed for persons with limited mobility, making it an ideal accommodation choice for all travellers, including those transiting through Addis Ababa Bole International Airport.

Ethiopian Skylight Hotel generated an annual revenue of USD 50 million in 2024/25 fiscal year.

 **50M** Total annual revenue
USD



HUMAN RESOURCE DEVELOPMENT

In line with Vision 2035 Human Capital Management strategy, Ethiopian focuses on training adequate number of qualified key professionals, who can support its fast, profitable and sustainable growth strategy.

As of June 30, 2025, Ethiopian has a total of 20,550 employees, in which 39.43% of the employees were female.

Ethiopian Airlines Group is committed to ensuring that its employees are well trained, prepared, and motivated all the time.

In the 2024/25 fiscal year, Ethiopian Airlines, through Ethiopian Aviation University, provided leadership and career development training to 38,090 trainees, including both its employees and third-party customers. The training aimed to enhance leadership capabilities, strengthen professional skills, support career growth, and equip its employees and other participants with the knowledge and competencies required to improve individual and organizational performance.



 **25,500** Employees
39.43% Female

 **38,090** Trainees Trained
Employees & Third Parties

SUSTAINABILITY

Ethiopian Airlines Group integrates sustainability across its operations through four key pillars: environmental, social, economic, and governance. This approach ensures that its efforts remain focused, measurable, and effective, thereby supporting the airline's long-term growth as it pursues its vision of leading Africa's aviation sector responsibly and sustainably.

ENVIRONMENTAL SUSTAINABILITY : Minimizing natural resource use

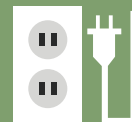
Recognizing the global urgency of climate change, Ethiopian Airlines has intensified its environmental sustainability practices across its operations to reduce its environmental footprint.

The airline has implemented measures to enhance fuel efficiency, increase the use of sustainable aviation solutions, and minimize waste throughout its operations.

Ethiopian Airlines Group is committed to minimizing the use of natural resources across all operational, technical, and support facilities. Guided by its Environmental Policy, the airline applies a structured approach to energy, emissions, and water management throughout the organization. Dedicated environmental management teams across the Group support implementation at the unit level, ensuring consistent standards and compliance. Ethiopian continuously assesses environmental risks—including climate-related risks, operational disruptions, and hazardous waste management practices—through internal audits and third-party evaluations.

Ethiopian Airlines Group continues maintaining its ISO 14001:2015 Environmental Management System (EMS) certification through comprehensive package of activities covering environmental compliance audit, and environmental awareness trainings, and resource efficiency programs and others.

**Your Small Action Today Protects
Tomorrow — Use Water, Electricity &
Resources Wisely!**



EVERY RESOURCE COUNTS!



STAR ALLIANCE 

EMISSION REDUCTION AND TRANSITION TO A LOW-CARBON FUTURE

Ethiopian Airlines Group continuously monitors and manages energy consumption through a robust framework covering aircraft operations, maintenance facilities, offices, and ground support equipment. Energy performance is regularly tracked, enabling the airline to identify efficiency opportunities, benchmark progress, and integrate improvements into strategic planning aimed at optimizing energy use across its operations.

In 2024/25, Ethiopian Airlines Group achieved a 2.5% improvement in fuel efficiency and reduced emissions by 200 tons of CO₂e. Besides, the Group was able to achieve a 5% improvement in emission intensity reduction as measured in grams of CO₂e (gCO₂e) per revenue ton kilometer (RTK). Each seat we fly carries not just passengers, but our commitment to more sustainable sky.

WATER CONSERVATION

Ethiopian Airlines Group recognizes water as a vital and increasingly vulnerable resource and is committed to managing both water consumption and wastewater discharge responsibly across its operations. The Group continuously monitors and minimizes water use while ensuring the responsible management of wastewater discharge.

During the 2024/25 fiscal year, the airline implemented various water conservation measures, including the installation of motion-activated faucets, improved water metering systems, proactive leak prevention, enhanced staff awareness programs, investment in groundwater wells, and the installation of high-efficiency, high-pressure toilet systems, among other initiatives.

WASTE MANAGEMENT AND RECYCLING

Ethiopian Airlines Group follows a structured waste management system under its ISO 14001-certified Environmental Management System (EMS), adhering to both local and international environmental regulations. The airline prioritizes waste minimization, reuse, recycling, and recovery to reduce its environmental impact. Solid and hazardous waste are managed through proper segregation, storage, and disposal, ensuring compliance with environmental standards. Specialized wastewater treatment technologies are employed, particularly in maintenance facilities such as paint hangars, to prevent pollution. Recycling and recovery initiatives include paper, plastic, and metal recycling, responsible food waste disposal, and the safe handling of used oils and lubricants.

During the 2024/25 fiscal year, the Group continued to enhance its waste management performance by strengthening waste management practices, investing in environmental safeguards, and expanding recycling partnerships.

Waste segregation at the source remained a key priority, ensuring that recyclable materials—particularly paper, plastics, and metals—were directed to licensed recycling companies. As a result, 35% of total dry waste was recycled, contributing to a circular economy and reducing the volume of waste sent to landfills.

Ensuring clean and compliant wastewater discharge remains central to the Group's pollution prevention strategy.

The Group will continue enhancing waste diversion rates, expanding recycling partnerships, and strengthening source segregation across its operational units. Ongoing investments in staff awareness, facility upgrades, and hazardous waste risk management will further improve environmental performance and strengthen alignment with international best practices in sustainable aviation.

SOCIAL SUSTAINABILITY: Improving lives through inclusive services

At Ethiopian Airlines Group, people remain at the core of our mission. We strive to enhance the well-being of our employees, passengers, partners, and the communities we serve across the globe. We are dedicated to fostering an inclusive culture where all employees feel valued, respected, and empowered to grow.

Beyond our operations, we invest in community programs that advance education, social welfare, and national development, strengthening our role as a catalyst for progress across Ethiopia, Africa, and our global network.

DIVERSITY AND INCLUSION

Ethiopian Airlines Group is committed to building a workplace where every employee is treated with fairness, dignity, and provided with equal opportunities. With a workforce drawn from a wide range of nationalities, age groups, cultures, beliefs, and diverse educational and social backgrounds, the Group reflects the multicultural nature of global aviation and the communities it serves.



During the 2024/25 fiscal year, women represented 40% of the Group's permanent workforce.

CORPORATE SOCIAL RESPONSIBILITY

Driven by its commitment to empowering the communities it serves, Ethiopian Airlines Group has demonstrated its strong commitment to corporate social responsibility by supporting a wide range of donations and philanthropic initiatives.

The Group's community empowerment efforts include corporate sponsorships, employee volunteerism, charitable donations, and the provision of complimentary and discounted air tickets.

During the 2024/25 fiscal year, Ethiopian Airlines Group invested a total of ETB 466.5 million in assistance to individuals, governmental and non-governmental charitable organizations, and community initiatives. These contributions included meal donations, complimentary medical travel tickets, and a variety of humanitarian activities.

Throughout the year, Ethiopian Airlines participated in numerous Corporate Social Responsibility (CSR) initiatives, including donating school materials, supporting school feeding programs, providing assistance to victims of disasters such as the GOFA landslide, celebrating holidays with beneficiaries, participating in the national greenery initiative through tree planting, constructing low-cost housing for communities, and undertaking many other community development initiatives.



Furthermore, as part of its commitment to improving healthcare, Ethiopian Airlines reaffirmed its role by delivering 11.5 tons of essential medical devices and supplies to the Ministry of Health. The Group also transported 33 tons of goods in support of various humanitarian and social initiatives and provided 92 complimentary tickets to assist communities in need.

During the 2024/25 fiscal year, Ethiopian Airlines Group provided 77 tons of in-kind assistance, supporting 147 initiatives in collaboration with 34 stakeholders.

ANNUAL TREE PLANTING

Ethiopian Airlines Group conducts an annual tree-planting program that engages employees, partners, and other stakeholders in planting more than 10,000 trees each year. This initiative fosters a culture of environmental stewardship among employees and partners while encouraging collective responsibility for protecting the environment.



ECONOMIC SUSTAINABILITY: Innovative solutions for customers need

Ethiopian Airlines Group drives sustainable economic growth by developing a fully integrated and diversified aviation ecosystem that extends far beyond passenger transport. This broad and interconnected business model creates multiple revenue streams, enhances resilience against industry volatility, and strengthens the Group's position in the global aviation industry.

As Africa's largest aviation group, our economic performance is closely linked to the continent's connectivity, trade, tourism, and overall economic development.

By expanding and optimizing each business segment, including passenger services, cargo, tourism, aviation training, maintenance, repair and

overhaul (MRO), catering, ground handling, and airport services, the Group focuses on building long-term financial resilience, enhancing operational efficiency, strengthening its contribution to Africa's economic development, and ensuring sustained growth in an increasingly competitive global aviation market.



GOOD GOVERNANCE: Adopting best practice governance policies

Ethiopian Airlines Group remains committed to the highest standards of governance and economic stewardship, ensuring transparency, accountability, and long-term value creation for all stakeholders. Through prudent financial management, robust risk oversight, and responsible business practices, the airline continues to strengthen its resilience and drive sustainable growth.

During the 2024/25 fiscal year, governance oversight was strengthened through more structured reporting channels across all divisions, and the enterprise risk register was updated to reflect emerging operational, financial, cybersecurity, safety, and environmental risks.

In the areas of ethics, compliance, and anti-corruption, awareness of the Group's Code of Conduct was reinforced through targeted training and internal communication. In addition, digital systems supporting human resources, safety reporting, procurement, and financial management were further enhanced to improve efficiency, transparency, and accountability. Furthermore, the Group has implemented a robust Enterprise Risk Management (ERM) framework to proactively identify, assess, and mitigate potential risks.

SAFETY AND HEALTH

Ethiopian Airlines Group fosters a strong safety culture through effective safety leadership, robust occupational health and safety management, and the continuous promotion of safety awareness across all areas of its operations.

Safety is our First Priority!

At Ethiopian Airlines Group, safety is not confined to a single department—it is a fully integrated, enterprise-wide system embedded into every function, every process, and every decision. Our approach brings together the operational depth of each business unit with the strategic oversight of our central safety governance, creating a cohesive, resilient, and future-ready safety ecosystem. Safety management is systematically implemented across all major divisions, ensuring comprehensive coverage of our diverse operational environment.



The airline ensures a safe working environment through regular risk assessments, workplace safety protocols, and emergency preparedness and response measures. Employees receive ongoing training on health, safety, and hazard prevention, while the provision of personal protective equipment (PPE) and well-maintained facilities further enhances workplace safety.



During the 2024/25 fiscal year, all employees completed safety awareness training. In addition, all Ethiopian Airlines executives successfully completed an Advanced Safety Leadership training program, held from 19–23 May 2025.



ETHIOPIAN AIRLINES GROUP
ANNUAL REPORT

AUDITED FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SUPERVISING AUTHORITY OF ETHIOPIAN AIRLINES GROUP

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ethiopian Airlines Group (Ethiopian), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ethiopian Airlines Group as at 30 June 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of Ethiopian in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be a key audit matters to be communicated in our report.



Key Audit Matters (continued)

A. Passenger and cargo revenue recognition

The accounting for passenger revenue recognition for each flight requires complex IT systems and involves the exchange of information with industry systems and other airlines for a high volume of transactions. There are risks that operating revenue may not be appropriately and completely recognized. In response to the assessed risk, we have tested the operating effectiveness of key controls designed for the passenger revenue process. We have analyzed the flow of transactions from ticket sales to passenger revenue. We have also identified and tested manual postings to passenger revenue. We have tested a sample of passenger tickets to ensure that the revenue was recognized in the correct period. Our testing did not identify major weaknesses in the design and operation of controls that would have required us to expand the nature or scope of our planned detail test work. Overall, we found no concerns in respect to the recording of revenue at appropriate values.

B. Long term loans

Long term loans may not be recorded in the correct amounts or may not be recorded at all; they may not be properly classified and disclosed in the financial statements. There are risks that accrued interest may not be properly recorded. In response to these risks, we checked Board minutes, selected loan agreements, loan disbursement tables and confirmed that loan balances were recorded in the appropriate amounts and timing. The translation of the amounts of loans denominated in foreign currencies into the presentation currency were checked, as was the treatment of gains and losses on foreign exchange in accordance with IFRS. Balance confirmations were requested of lenders and the replies compared with the accounting records. The classification of the current maturities of the loans was tested. Our audit procedures did not identify major weaknesses and, overall, we found no concerns in respect to the recording of long term loans.

C. Inventory

The audit of the airline's inventory management found significant stock recorded in both MXI and SAP systems, with no year-end stock count or cut-off date, relying instead on perpetual counts for internal control, which hinders transparent year-end balance comparison. Inventory provisioning may not sufficiently cover perishable catering items, which require separate profit and loss accounting. Testing of internal controls showed approved adjustments for discrepancies, and overall, no major weaknesses or concerns were identified in inventory recording.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines 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, management is responsible for assessing Ethiopian's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group financial reporting process.

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 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, we exercise professional judgment and maintain professional skepticism 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 Ethiopian's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the Ethiopian'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 our auditor's report. However, future events or conditions may cause Ethiopian to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement audit partner on the audit resulting in this independent auditor's report is Woizero Kokeb Sime.

Audit Service Corporation

28 October 2025



ETHIOPIAN AIRLINES GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Birr	2024 Birr
Revenue	4(a)	891,541,254,129	396,703,727,589
Other Income	4(b)	6,927,423,800	4,726,869,747
Operating Expense	5	(717,388,284,673)	(339,837,470,990)
GROSS OPERATING PROFIT		181,080,393,256	61,593,126,346
Finance Income	12 (a)	6,464,746,820	2,475,736,023
Finance Costs	12 (b)	(19,823,901,896)	(9,895,195,387)
Gain/ (Loss) On Foreign Currency Translation	2(e),6	(27,252,083,305)	(4,880,119,992)
NON OPERATING GAIN (LOSS)		(40,611,238,381)	(12,299,579,356)
PROFIT FOR THE YEAR		140,469,154,875	49,293,546,990
Profit Tax	26	(831,834,761)	(316,008,759)
PROFIT AFTER TAX		139,637,320,114	48,977,538,231
Other Comprehensive Income (Loss)			
Items that will not be reclassified to profit or Loss			
Gain (Loss) on Translation from functional To Presentation Currency	2(e),7	378,978,538,981	12,281,156,215
Gain (Loss) on Employee Benefits	22(c)(v)	(149,854,216)	(134,173,531)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		518,466,004,878	61,124,520,916



ETHIOPIAN AIRLINES GROUP STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

	Notes	Birr	2024 Birr
ASSETS			
NON- CURRENT ASSETS			
Property, plant and equipment	2(f),(g),9	911,492,635,304	378,046,584,084
Intangible Assets	2(i),10	571,116,805	276,322,399
Right of use assets	2(d),29a	254,167,459,940	120,792,553,434
Investment in associates	2(q),11	8,793,202,594	2,869,202,257
Standing deposits	13	76,145,662,256	41,638,079,851
Employee loan receivables	14	881,485,359	341,230,287
		1,252,051,562,258	543,963,972,312
CURRENT ASSETS			
Stock	2(p),15	49,840,120,963	16,755,433,602
Trade and other receivables	2(k),16	202,027,235,502	70,584,549,963
Employee loan receivables	14	105,784,697	83,601,706
Short term investments	17	155,163,322,100	46,017,298,426
Cash and cash equivalents	2(r),18	206,935,284,286	66,447,497,628
		614,071,747,548	199,888,381,325
TOTAL ASSETS		1,866,123,309,806	743,852,353,637
EQUITY AND LIABILITIES			
EQUITY			
Authorized Birr 1,600,000,000,000			
Paid up capital	19	402,400,750,522	262,565,358,102
Retained Earning		-	-
Other comprehensive income	7	464,037,816,280	85,209,131,516
TOTAL EQUITY		866,438,566,802	347,774,489,618
NON - CURRENT LIABILITIES			
Long term loans	2(k),20	353,833,824,772	118,612,465,126
Provision for maintenance	2(n),21	5,086,407,739	2,865,733,639
Lease liabilities	2(d),29b	216,992,609,672	104,855,747,647
Employee benefit	2(w),22	1,486,990,555	1,143,254,160
Deferred Tax Liability	23	149,057,083	81,181,436
Deferred liabilities	24	10,233,573,541	2,736,572,563
		587,782,463,362	230,294,954,571
CURRENT LIABILITIES			
Trade and others Payables	2(k),25	104,425,160,760	42,287,816,301
Contract Liabilities	30	200,698,598,503	79,704,703,901
Profit Tax Payable	26(d)	721,020,941	211,028,862
Current Maturity of Lease Liabilities	2(d),29b	54,041,815,328	23,544,514,172
Current Maturity of Long Term Loans	2(k),20	52,045,684,110	20,034,846,212
		411,902,279,642	165,782,909,448
TOTAL EQUITY AND LIABILITIES		1,866,123,309,806	743,852,353,637

ETHIOPIAN AIRLINES GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	Paid up capital Birr	Other comprehensive income (loss) Birr	Profit Birr	Total Birr
Balance at 30 June 2023	214,142,922,601	73,062,148,831	-	287,205,071,436
Profit for the year	-	-	48,977,538,231	48,977,538,231
Rental income Tax Payment (Note 28)	(655,102,733)	-	-	(655,102,733)
Transfer to capital	48,977,538,231	-	(48,977,538,231)	-
Government Subsidy (Note 28)	100,000,000	-	-	100,000,000
Other comprehensive income(loss) (Note 7)	-	12,146,982,684	-	12,146,982,684
Balance at 30 June 2024	262,565,358,103	85,209,131,515	-	347,774,489,618
Profit After Tax	-	-	139,637,320,114	139,637,320,114
Transfer to capital	139,637,320,114	-	(139,637,320,114)	-
Government Subsidy (Note 28)	198,072,305	-	-	198,072,305
Other comprehensive income(loss) (Note 7)	-	378,828,684,765	-	378,828,684,765
Balance at 30 June 2025	402,400,750,522	464,037,816,280	-	866,438,566,802



ETHIOPIAN AIRLINES GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Note	Birr	2024 Birr
Net Cash Flows From Operating Activities	27	490,560,663,133	107,830,076,878
Cash Flows From Investing Activities			
Interest received		5,781,000,166	2,206,035,651
Payments for property, plant and equipment		(100,809,809,390)	(32,747,645,004)
Change in investment in associates		(5,924,000,337)	(1,316,999,917)
Increase in standing deposits		(34,507,582,405)	(14,844,320,182)
Payment for short term investment		(109,146,023,674)	750,522,034
Payment for intangible assets		(168,220,436)	(55,895,272)
Net cash used in investing activities		(244,774,636,077)	(46,008,302,691)
Cash Flows From Financing Activities			
Proceed from government subsidy		198,072,306	100,000,000
Interest paid on Lease Liabilities		(9,875,228,405)	(4,687,519,882)
Finance Costs paid for Long term loan		(9,864,485,023)	(5,020,307,727)
Repayment for lease Liabilities		(47,654,721,615)	(18,373,565,580)
Repayment of borrowings		(45,913,014,874)	(21,035,520,938)
Net cash generated from financing activities		(113,109,377,611)	(49,016,914,126)
Effects on Translation from functional To Presentation Currency		7,811,137,213	(1,855,186,020)
Increase in cash and cash equivalents		140,487,786,655	10,949,674,040
Cash and cash equivalents at the beginning of the year		66,447,497,628	55,497,823,588
Cash and cash equivalents at the end of the year		206,935,284,286	66,447,497,628
Cash and cash equivalents comprise:-			
Cash and bank balances		206,935,284,286	66,447,497,628



ETHIOPIAN AIRLINES GROUP

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. BUSINESS DESCRIPTION

Ethiopian Airlines Group was originally established in June 1945 and had its first scheduled flight in April 1946. It is the flag carrier of the country.

The Airline was established as a public Enterprise in Ethiopia in 1995 by council of Ministers regulations NO.216/1995 and is governed further by Council of Ministers Regulations No.406/2017. Its principal place of business is in Addis Ababa Ethiopia, and it has area and station offices all over the world. Ethiopian Airlines Group is wholly owned by the Government of the Federal Democratic Republic of Ethiopia.

Ethiopian airlines group follows multi business model to get advantage of buying another company so that they can give complete services for our customers. The airline business is mainly six-freedom traffic /permit to fly different countries / whereby passengers passes through the main hub Addis Ababa and layover and connect next flights. Then they can stay near to the airport to its own hotel.

Activities of Ethiopian Airlines Group among others include the following;

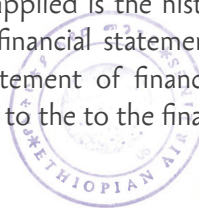
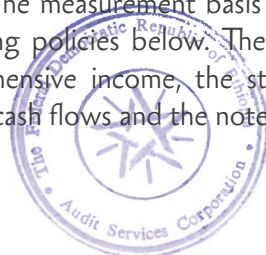
- To provide domestic and international air transportation services as well as general aviation
- To manufacture and repair aircraft and aircraft parts
- To construct, expand, maintain, and administer airports
- To provide aviation training services
- To provide airport Services (landing, parking, lighting, Passenger services and terminal facility)
- To provide hotel, recreational and other tourism services related to the aviation industry or invest in such services through equity participation
- To engage in other related activities necessary for the attainment of its purpose.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies, which have been applied consistently in the preceding period, are set out below.

A. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretation issued by the IFRS interpretation committee applicable to companies as issued by International Accounting Standards Board. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the to the financial statements.



The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires for management to exercise judgment in the process of applying the Ethiopian Airlines Group's accounting policies. The areas involving a high degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

B. Going concern

Management has assessed the Ethiopian airlines group ability to continue as a going concern and is certain that it has the resources to continue in business for the near future.

C. Changes in accounting policies and disclosures

New standards, amendments to published standards and interpretations that are relevant to Ethiopian airlines group:

New Standards Effective and applied in the current year

Certain new standards or amendments became effective for the current year. These are as follows

- Amendments to IFRS 16; Sale and Leaseback transactions
- Amendments to IAS 1; Presentation of Financial Statements (Deals with how a company classifies liabilities as current or non-current, especially when covenants are involved.)
- Amendments to IAS 7 and IFRS 7; Financial Instruments Disclosures (Pertain to supplier finance arrangements)

These amendments do not have a material impact on these financial statements.

Not yet effective and have not been early adopted

At the date of authorisation of these financial statements, certain new accounting standards have been published that are not mandatory for the financial year ended 30 June 2025 and have not been early adopted. The following new standards impact not assessed:

Title	Effective date (annual periods beginning on or after)	Impact on financial statement assessment status
IFRS 18 Presentation and Disclosure in Financial Statements	01Jan-27	Impact not assessed
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01Jan-27	Impact not assessed
Amendments to IFRS 9 and IFRS 7	01Jan-26	Impact not assessed

D. Lease

The group recognises right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate, which is the rate of interest that the Group would have to pay for long term loans for financing of similar assets for a similar value to the right of use asset in a similar economic environment. The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability which is calculated as the present value of future lease liability, and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. It is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The lease liability is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's assessment of whether it will exercise an extension, termination or purchase option, or if there is a modification to the lease. The right-of-use assets and liability are presented as a separate line in the statement of financial position.

E. Foreign currency translation

I - Functional and presentation currency

The functional currency of the Ethiopian Airlines Group is United States Dollar (USD) while that of Ethiopian Airports and Ethiopian Skylight Hotel (the operating segment under Ethiopian Airlines Group) is Ethiopian Birr. These financial statements are presented in Ethiopian Birr.

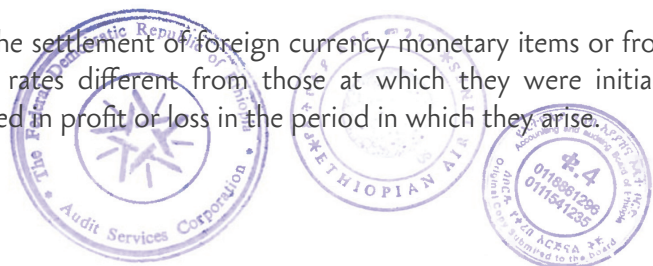
II - Foreign currency transactions and balances

All foreign currency transactions are initially recorded in the Group's functional currency (USD) by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- Monetary items denominated in foreign currencies (e.g., cash, receivables, payables) are translated using the closing exchange rates.
- Non-monetary items that are measured at historical cost (e.g., property, plant and equipment, inventories, prepayments) are translated using the exchange rate at the date of the transaction.
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses arising from the settlement of foreign currency monetary items or from translating foreign currency monetary items at rates different from those at which they were initially recognized or previously translated, are recognized in profit or loss in the period in which they arise.



Translation to Presentation Currency (from Functional Currency)

For presenting the consolidated financial statements in Ethiopian Birr, the assets and liabilities of the Group's operations (whose functional currency is USD) are translated at the closing rate at the date of the statement of financial position. All income and expenses presented in the statement of profit or loss and other comprehensive income are translated at exchange rates at the dates of the transactions. For practical reasons, an average rate for a month has been used for all transactions in each foreign currency occurring during the year, if exchange rates do not fluctuate significantly.

All resultant exchange differences arising from the translation of the functional currency financial statements into the presentation currency are recognized in other comprehensive income and accumulated in a separate component of equity, as per the requirements of IAS 21. These exchange differences are reclassified to profit or loss on disposal or partial disposal of the foreign operation.

F. Property, Plant, and Equipment

Recognition and measurement

Property, Plant, and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Aircraft

All aircrafts purchased by Ethiopian Airlines Group shall be considered as capital assets and measured at cost including any conversion expenses.

Aircraft Accessories (Rotables)

This category of capital assets includes all durable accessories, including but not necessarily limited to engines, propellers, starters, generators. For determination of items falling into this classification of assets, an accessory, which can normally be repaired and re-used over the serviceable life of the related type of aircraft shall be considered as durable accessory or Rotable spares.

Ground Equipment

This category of capital asset shall include radio field/passenger, Service/ramp equipment, furniture and fixture and are capitalized if the unit cost of the item plus shipping and other purchasing costs are equivalent to Birr 167,673.50 (USD 1,250) or more.

Tools

Tools shall be capitalized if the unit cost of the item plus shipping and other purchasing costs is equivalent to Birr 40,241.64 (USD 300) or more.

Neon Signs

Neon Signs shall be capitalized if the unit cost of the item is equivalent to Birr 201,208.20 (USD 1,500) or more.



Computerized Equipment

Computerized equipment shall be capitalized if the unit cost of the item plus shipping and other purchasing costs are equivalent to Birr 167,673.50 (USD 1,250) or more.

Motorized Vehicles and Equipment

This category of capital assets shall include all self-propelled and motorized vehicles and mobile equipment and are capitalized at cost.

Capitalization of modification costs

Modification expenses on airframes and jet engines will be capitalized if such expenses increase the productivity or extend the serviceable life of the equipment. The detailed are as follows: -

Item	Amount to be capitalized
Jet Airframe	Birr 4,694,858.00 (USD 35,000.00) and over
Turbo Prop Airframe	Birr 3,353,470.00 (USD 25,000.00) and over
Twin Otter Airframe	Birr 2,012,082.00 (USD 15,000.00) and over
Jet Engine	Birr 2,012,082.00 (USD 15,000.00) and over

G. Building

The construction costs of all buildings are capitalized. Subsequent costs of improvement, modification or extension are capitalized only if it is probable that future economic benefits associated with the item will flow to Ethiopian Airlines Group and the cost of the item is over Birr 2,682,776.00 (USD 20,000). All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Depreciation of an asset begins when it is available for use.



The estimated useful lives of significant items of property, plant and equipment are as follows:

Class of assets	Service Life - Years	Residual Values (% on cost)
Airframe and Engines Jet	18	10
Turbo Propeller	12	10
Twin Otter	10	10
Light Aircraft	9	10
Simulators	12	-
Rotables	As per the life of the respective aircraft	-
Building	35	10
Office furniture and fixture	5	-
Computerized equipment	4	-
Motorized vehicles and equipment	15	-
Ground equipment	5	-
Radio, field passenger's service, hangar, ramp, tools, equipment, and office machines	5	-
Neon Signs	5	-

Property, plant and equipment obtained by donation

Items obtained by donation are recorded based on the price estimation or market value received from either the donors or manufacturers. These items are capitalized if they meet the capitalization policy of Ethiopian Airlines Group.

H. Land

Land is recognized as a separate asset from the buildings, runways, or other structures constructed upon it. Land is considered to have an indefinite useful life and is therefore not depreciated. The value is determined based on appraisals prepared by external professional valuers.

I. Intangible assets

Intangible assets are initially recognized at cost when it is probable that the expected future economic benefits attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. The cost of an intangible asset includes its purchase price, and any directly attributable expenditure incurred to prepare the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

In the case of internally developed intangibles, development expenditure is capitalized if:

- Cost can be measured reliably.
- The product is technically feasible and commercially viable.
- Future economic benefits are probable and there exists an intent and ability to complete the development and to use or sell the asset.



Other research and development expenditures not meeting the criteria for capitalization are recognized in the statement of profit or loss as incurred. Intangible assets are amortized on the straight-line basis over their estimated useful lives between 3 and 7 years.

J. Impairment of non-financial assets

At each reporting date, Ethiopian Airlines Group reviews the carrying amount of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGU).

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sale. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then reduce the carrying amount of the other asset in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

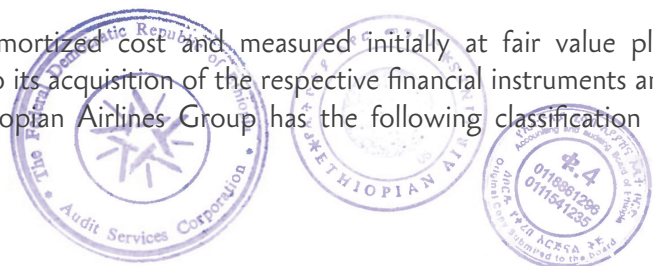
Impairment assessment has been made for aircrafts which are the Ethiopian Airlines Group major non-financial assets. All aircrafts have air worthiness certificate and can operate properly. Furthermore, the value in use of the aircrafts was tested.

K. Financial Assets and Financial liabilities

I. Recognition and Measurement

Financial assets and liabilities are recognized when Ethiopian Airlines Group becomes a party to the contractual provisions of the instrument.

All financial instruments are classified under amortized cost and measured initially at fair value plus transactions costs that are directly attributable to its acquisition of the respective financial instruments and subsequently measured at amortized cost. Ethiopian Airlines Group has the following classification of financial assets and liabilities.



Long Term loans

The Group's long-term loans are financial liabilities classified at amortized cost. These instruments, sourced from international financial institutions, are used for the long-term financing of major capital expenditures, primarily the acquisition of aircraft. At initial recognition, the long-term loans are measured at their fair value, which is the present value of the future cash flows, discounted at the market interest rate for similar instruments. This amount is adjusted for any transaction costs that are an integral part of the effective interest rate. The loans are subsequently measured at amortized cost using the effective interest method, which allocates the interest expense over the loan term.

For loans with floating interest rate, interests are compounded quarterly using the average benchmark rate (LIBOR) for the quarter where interest is accrued and paid to the Loan providers.

Trade Receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments. They are classified and subsequently measured at amortized cost using the effective interest method, where provisions made based on expected credit losses (ECL) rather than only on incurred credit losses.

Trade payables

Trade payables are classified under amortized cost, recognized initially at fair value, and subsequently measured at amortized cost using effective interest method.

II. De recognition of Financial Assets and Financial Liabilities

De recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

The right to receive cash flows from the assets has expired, or Ethiopian Airlines Group has transferred its rights to receive cash flows from the asset or, has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either

A. Has transferred substantially all the risks and rewards of the asset, or

B. Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When Ethiopian Airlines Group has transferred its rights to receive cash flows from an asset or has entered a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of Ethiopian Airlines Group continuing involvement in the asset. In that case, Ethiopian Airlines Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Ethiopian Airlines Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Ethiopian Airlines Group could be required to repay.

De recognition of financial liabilities

A financial liability is derecognized when the contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liabilities are substantially modified, such an exchange or modification is treated as de recognition of the original liabilities and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

III. Impairment of financial assets

Ethiopian Airlines Group assesses at each reporting date financial asset or a group of financial assets impairment, which is calculated based on expected loss on the future those loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the balance aged more than a year, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

L. Provisions

A Provisions is recognized when there is a present obligation (legal or constructive) as a result of a past event, and 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.

A contingent liability is not recognized in the financial statements but is disclosed in the notes unless the possibility of an outflow of resources is considered remote.

M. Income Tax

Ethiopian Airlines Group is exempt from income tax in accordance with a decision of the-Council of Ministers, but one of the operating segments Ethiopian Skylight Hotel is required to pay business profit tax in accordance with a decision of the-Council of Ministers.

I. Current income tax

The income tax expense of Ethiopian Skylight Hotel for the year is the tax payable on the current year's taxable income based on the applicable income tax rate in Ethiopian Airlines Group adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses the current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

II. Deferred tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.



Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liabilities is settled. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

N. Provision for aircraft maintenance

The Group operates aircraft under lease agreements which require monthly payments to the lessor for future maintenance costs. These payments, known as maintenance reserves, are typically calculated based on agreed-upon charges for flight hours, block hours, and cycles. From past trend analysis, the actual maintenance payments for leased aircrafts vary when compared with the monthly contractual payments when the maintenance is due.

Additional provisions are maintained based on the number of hours flown by each aircraft/engine and an estimated rate for any shortfalls' other than maintenance reserve paid and for those lease aircrafts without maintenance reserve payments.

Ethiopian Airlines Group record this cost as maintenance reserve expense on monthly basis based on actual activities of the aircrafts. The long-term portion of the provision is not discounted to its present value due to uncertainties as the final date of maintenance and costs to be incurred when compared to the estimated rate applied.

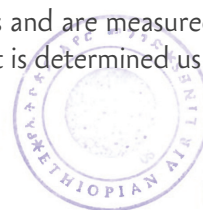
O. Value Added Taxes

Domestic Air fares are exempted while international fares are zero-rated. Revenues, expenses, and assets are recognized net of the amount of value added taxes except where the value added tax incurred on purchased assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of the asset or absorbed as an expense.

The net amount of value added tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the statements of financial position.

P. Stock

Inventories are held for consumption in the process of rendering services and are measured at the lower of cost and estimated net realizable value based on market assessment. Cost is determined using the weighted average method.



Q. Investment in associates

Associates are those entities over which Ethiopian Airlines Group has significant influence accompanying a shareholding between 20% and 50% of the voting right. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investment in associates is accounted for using the equity method. Under the equity method, investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss and other comprehensive income after the date of acquisition. Ethiopian Airlines Group share of its associate's post-acquisition profits or losses is recognized in the statement of profit or loss. When the Ethiopian Airlines Group share of losses in an associate exceeds its interest in the associate, the Group does not recognize any further losses.

R. Cash and cash equivalents

Cash comprises cash on hand and cash at banks in the current and deposit accounts. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from the date of acquisition.

S. Offsetting of financial asset and liabilities

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

T. Manufacturers credits

The Group receives various credits from manufacturers in connection with the acquisition and operation of aircraft and engines. The accounting treatment for these credits is determined by their nature and contractual terms. Credits that relate directly to the acquisition of a specific aircraft or engine are treated as a reduction of the asset's cost in accordance with IAS 16, Property, Plant and Equipment. These credits are considered a form of variable consideration or a price concession that reduces the net purchase price of the asset. The capitalized cost of the related asset is reduced by the amount of the credit, which in turn reduces the future depreciation expense.

Credits that are not directly attributable to the acquisition of an asset but are compensation for ongoing operational matters are recognized as a reduction of the related operating expense in the Consolidated Statement of Profit or Loss. These credits are recognized when the right to receive them is established and the amount can be reliably measured.



U. Revenue

Revenue from passenger tickets including excess baggage and cargo sales is recognized when the transportation services is provided. Sales of unutilized tickets and airway bills are recognized as a liability and shown in the statement of financial position under current liabilities with the heading contract liabilities. The values of unused tickets are recognized as revenue after the expiry date of one-year. Ethiopian airlines group major Revenues, which is reported in operating revenues, are:

Passenger transport

The Ethiopian Airlines Group sells flight tickets primarily via agents, its own websites, own sales office or other air- lines in the course of interlining. The payments are received by the Ethiopian Airlines Group via credit card billing companies, agents, or other airlines, generally, before the corresponding service is provided. Receivables from the sale of flight tickets and related ancillary services are only amounts payable by credit card billing companies, agents, or other airlines.

The Ethiopian Airlines Group initially recognizes all ticket sales as liabilities from unused flight documents. These are presented as current liabilities. Depending on the terms of the selected fare, the contract liabilities reflect a range of possibilities for refunding services that have not yet been provided. Liabilities include both the deferred income for future flights and ancillary services that are recognized as revenue when the flight documents are used, and the liabilities for award miles credited to the passenger when the flight documents are used. The Ethiopian airlines Group allocates the transaction price to all of the performance obligations identified on the flight ticket based on their individual transaction prices. The individual transaction prices for flight segments are determined using the IATA procedure. The total price payable is allocated to individual flight segments using what is known as a prorate calculation. The individual transaction prices for ancillary services that are not included in the fare are directly observable prices. The Ethiopian Airlines Group reduces liabilities from unused flight documents and recognizes revenue for each flight when the respective document is used. For tickets that cover more than one flight segment, the Ethiopian airlines Group identifies each flight segment as a distinct performance obligation, since each flight segment is independent and can be distinguished in the context of the contract.

Cargo

In its cargo business, the Ethiopian airlines Group has identified the entire freight service as a distinct performance obligation. The customer receives the benefit of the transport service and uses the service at the same time as this performance obligation is fulfilled with each transport segment. In this case, the customer takes control of the company's output while the carrier provides its service. The customer receives the benefit of the service as each transport segment is fulfilled. The corresponding cargo revenue is therefore recognized at the prorate value when the documents for each individual freight segment are used. Ethiopian Airlines group consider for performing its service once the transport has been carried out.



Maintenance, Repair and Overhaul (MRO)

The Group recognises aircraft and engine maintenance and overhaul revenue over time as the benefits are transferred to the customers by determining the appropriate amount of revenue and cost relating to third-party maintenance contracts to be recognised in the statement of profit or loss in each period, when the outcome can be estimated reliably. Estimation is based on cost plus margin. Maintenance revenue is recognised as the related performance obligations are satisfied (over time), being where the control of the goods or services are transferred to the customer. When the outcome of a maintenance contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Catering

The Ethiopian airlines group offers products and services related to in-flight service. These include catering, in-flight sales and entertainment, in-flight service equipment and the related goods and services and the operation of lounges related to this catering have been identified as distinct performance obligations.

The performance obligation to prepare meals is generally fulfilled when the meals are delivered to the customers. The catering performance obligation is fulfilled over time between the transport of the meals to the airport and the disposal of the waste, depending on the services ordered by the customer. For performance obligations over time, the percentage of completion is measured on an output basis.

Airport services

The Ethiopian airlines group offers services related to Airport services like landing, parking, lighting, terminal facility, passenger services, rental of offices, warehouse, restaurants, shops, and checking counters. Identified performance obligations the performance obligation to give airport services are ready to use and the revenue recognized when the contract obligation fulfilled.

Hotel Services

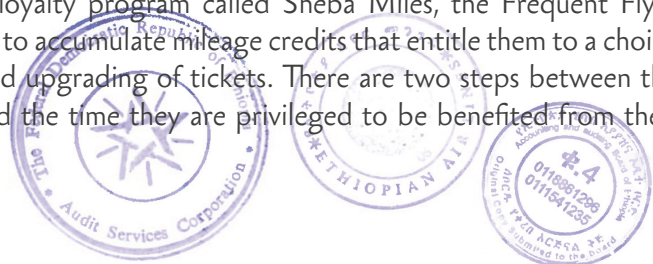
The Ethiopian airlines group offers services related to hotels services. The performance obligation related to these services are provided goods, services, and the revenue recognized when the contract obligation fulfilled.

Aviation related Training services

Revenue from aviation training services is recognised over time as per the customer receive and consume the benefits of these services and the group fulfil the contractual obligations over the training period. The level of completion of course work is measured on a straight-line basis over training period. The training period varies based on the type of course. Advance payments are recognised as contract liabilities and recognised as revenue upon completion of training courses.

Frequent flyer program

Ethiopian Airlines Group operates a customer loyalty program called Sheba Miles, the Frequent Flyer Program (FFP). That allows qualifying customers to accumulate mileage credits that entitle them to a choice of various awards such as primarily free travel and upgrading of tickets. There are two steps between the time passengers accumulate their flown miles and the time they are privileged to be benefited from their accumulated flown miles.



Step 1 - Earn: This is the process of accumulating flown miles which occurs upon purchase of ticket. There is a minimum set up miles for earning economy and business class in which the number of miles required before redeeming benefit depends on destination to destination.

Step 2 - Redeem (spend): This is the process where loyal members start to benefit from their accumulated miles.

The consideration in respect of the initial sales is allocated to Sheba Mile awards based on the relative stand-alone selling price and adjusted for expected expiry and the extent to which the demand for an award cannot be met. The estimated amount of Sheba Mile awards is recorded under current liabilities under the heading unearned transportation. The stand-alone selling price is determined based on the price of the benefit Ethiopian Airlines Group provide to the customers through assessment using estimation techniques and taking in to account the consideration of various redemption options available to Sheba Miles.

Revenue from Aircrafts trading

Aircrafts are ordered in advance as production takes long time. Before delivery of the respective aircraft, management may decide either to sale or sale and lease back the respective aircraft. Under such circumstance the difference between the sales price and initial order price will be recognized under non-operating revenue.

Lease Revenue

The Group enters into lease agreements as a lessor with respect to some of its aircraft. Rental income from operating leases is recognised as lease revenue over the lease period. Initial direct costs incurred in negotiating and arranging an operating lease are directly reflected on the statement of profit or loss.

V. Finance income and costs

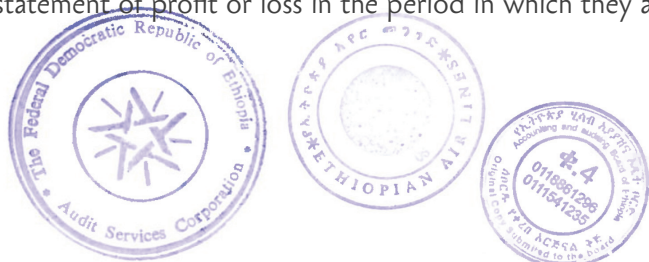
Interest income and expenses are recognized on a time proportion basis using the effective interest

Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period to prepare or acquire for their intended use, are added to the costs of those assets until such time that the assets are substantially ready for their intended use.

Where funds are borrowed specifically for the purpose of obtaining a qualifying asset, any investment income earned on temporary surplus fund is deducted from borrowing costs eligible for capitalization. In the case of general borrowings, a capitalization rate, which is the weighted average rate of general borrowing costs, is applied to the expenditure on qualifying asset and included in the cost of the asset.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.



Other operating revenue

Other non-operating revenue is recognized when significant risks and rewards of ownership are transferred to the recipient and the amounts of revenue can be measured reliably. Unclaimed sundry liabilities over one-year-old are absorbed to non-operating income.

W. Employee benefits

I. Defined Contribution plan

Defined contribution plan is a pension scheme under which Ethiopian Airlines Group pays fixed contribution. The fund is administered by an independent Government Agency and is funded by fixed contributions from both Ethiopian Airlines Group and the employees. Ethiopian Airlines Group has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient asset to settle the benefit relating to the employee's services in the current and prior periods. Contributions to the pension fund are charged to the statement of profit or loss in the period in which they fall due.

Ethiopian Airlines Group makes contributions to a statutory defined contribution pension scheme. The employer and the employee make contributions of 11% and 7% of the employee's basic salary respectively, as determined by statute. For the year ended 30 June 2025 Ethiopian Airlines Group contributed Birr 1,809,275,855 (2024-Birr 1,270,717,792.) which has been charged to the profit or loss account in the period to which they relate.

II. Defined benefit plan

Ethiopian Airlines Group net obligation in respect of defined benefit plan is calculated by estimating the sum of future benefits that employees have earned in return for their service in the current and prior periods, those benefits are discounted to determine the present value and any unrecognized past service costs and the fair value of any plan asset is deducted. The discount rate is the current government deposit rate. The calculation is performed annually by independent qualified actuary using the projected unit credit method. The current service cost of the defined benefit plan, recognized in the statement of profit or loss in employee benefit expenses, except were included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past service costs are recognized immediately in profit or loss and other comprehensive income.

Actuarial gains or loss arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

III. Short term benefit

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are rendered by employees.

A liability is recognized for the amount expected to be paid and include mainly wages and salaries, bonus, leave benefits and other allowances and incentives as a result of past service provided by the employees, and the obligation can be estimated reliably.



IV. Termination benefits

According to the law in the case of unjustified dismissal, employers are obliged to pay to their employee's compensation based on the years of service. This obligation is computed as per proclamation no 377/2003, further amended by proc.NO 494/2006.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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

A. Useful lives and residual values of aircraft and related assets

Management assigns useful lives and residual values to aircrafts and related assets based on the intended use and the economic lives of those assets.

Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in the actual useful lives or residual value to be different from initial estimates.

B. Provision for leased aircraft maintenance costs

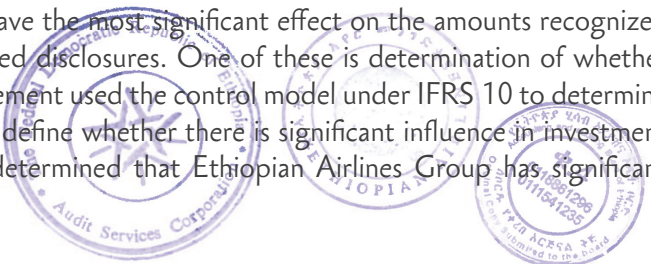
From past trend analysis, the actual maintenance payments for leased aircrafts vary when compared with the monthly contractual payments when the maintenance is due. Management estimates the shortfall and maintain provision based on the actual flight hour when leased aircraft operates. Moreover, for those leased aircrafts with no contractual maintenance reserve payments, management estimate and maintain provision based on actual flight hours and estimated provision rate.

C. Defined benefits plans

The cost of the defined benefits of long service awards, severance pay, and retirement awards and the present value of these defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each

D. Investment in associates

Judgments made in applying accounting policies have the most significant effect on the amounts recognized in the combined financial statements and the related disclosures. One of these is determination of whether there is significant influence over investees. Management used the control model under IFRS 10 to determine whether the control indicators set out are used to define whether there is significant influence in investment under equity partners or control. Management determined that Ethiopian Airlines Group has significant influence over the associate companies.



E. Going concern

Management has assessed the Ethiopian Airlines Group ability to continue as a going concern and is certain that it has the resources to continue in business for the near future.

Management has prepared the financial statements of Ethiopian Airlines Group on a going concern basis. This is founded on the assessment of the Group's ability to continue in operation for a period of at least twelve months from the reporting date.

To mitigate risks and ensure continued financial resilience, management has implemented several key measures:

Operational Efficiency: Numerous cost-saving initiatives and efficiency improvements have been implemented across all operational areas.

Strategic Financial Management: The Group is meticulously monitoring the profitability of each flight, reducing discretionary capital expenditure, and maintaining strong financial controls.

Based on the proactive measures taken and the positive financial results achieved, management believes there is no material uncertainty that casts significant doubt on the Group's ability to continue as a going concern.



4. REVENUE

(A) Revenue from Contract Customer

		2024
	Birr	Birr
Passenger	580,589,644,742	263,127,225,983
Freight	192,613,164,341	80,585,148,267
Charter	49,134,566,939	20,226,076,130
Excess baggage	17,800,152,094	7,736,828,097
Customer services - work orders	13,292,330,536	5,155,047,166
Airport charges	937,720,911	3,875,588,421
Mail	4,148,561,682	3,039,667,115
Commission	8,684,050,670	3,458,309,070
Hotel Services	3,518,624,503	1,719,843,975
Ground handling	694,394,593	346,045,360
Cargo Terminal	1,157,995,849	800,321,084
Aviation Academy	1,456,942,095	488,292,887
In-Flight Sales	3,693,506,161	1,562,890,094
Aircraft lease	2,124,154,733	814,869,705
Catering Operations	113,334,319	85,090,698
Miscellaneous	11,582,109,960	3,682,483,538
	891,541,254,129	396,703,727,589

(B) Other Income

		2024
	Birr	Birr
Write back of creditors account	459,627,915	423,293,540
Revenue from purchase incentive	2,092,114,215	771,010,357
Others	4,375,681,670	3,532,565,850
	6,927,423,800	4,726,869,747



5. OPERATING EXPENSE

	Birr	2024 Birr
Salaries and related benefits	38,024,108,445	24,664,979,834
Aircraft fuel and oil	285,413,650,716	152,636,518,500
Depreciation of flying equipment	47,051,300,322	20,123,203,556
Depreciation for Right of use assets	49,610,631,729	20,946,856,539
Foreign overhauls	55,429,384,985	18,665,540,757
Overflying and navigation	41,680,102,168	16,919,575,302
Handling	34,851,280,613	14,471,024,183
Landing and parking	4,872,532,097	5,833,700,756
Passengers' expense	25,272,439,150	10,728,540,548
Commission and incentives	24,829,623,344	10,074,904,252
Aircraft materials	18,564,430,963	7,907,265,512
Maintenance of leased aircraft	14,457,559,068	6,863,929,419
Central reservation system charge	17,728,092,510	6,868,758,710
Insurance	5,928,459,841	2,264,020,735
Travel	10,763,410,999	4,093,386,539
Service	12,226,729,679	4,184,464,741
Amortization for Engine Maintenance	4,204,650,290	1,893,911,393
Depreciation non- flying equipment	5,287,553,508	2,616,408,764
Depreciation for Runways, Taxiways & Aprons	513,984,818	474,273,741
Corporate Taxes	2,911,737,450	1,120,945,866
Communications	4,439,313,171	1,921,812,155
Rentals	3,531,203,516	1,069,121,660
Supplies	1,128,586,056	352,775,847
Impairment for Stock	829,959,963	(673,274,875)
Impairment for Trade and other Receivable	1,431,291,572	891,519,998
Amortization for Intangible Asset	168,624,664	89,125,758
Utilities	389,857,974	224,284,903
Advertising and publishing	212,599,918	61,182,607
Training	36,206,612	42,069,091
Entertainment	21,573,613	10,096,982
Cost of sales hotel	822,703,892	481,227,016
Bank Charges	345,470,890	299,039,121
Credit card Charges	301,821,782	146,544,648
ECL for Cash & Cash Equivalents	30,144,448	22,020,796
Miscellaneous	4,077,263,907	1,547,715,635
	717,388,284,673	339,837,470,990



6. FOREIGN CURRENCY TRANSLATION

		2024
	Birr	Birr
Gain / (Loss) On Translation from Foreign Currency to Functional Currency for Long Term Loans	(185,577,264,818)	784,812,451
Gain / (Loss) On Translation from Foreign Currency to Functional Currency for others monetary Items	158,325,181,513	(5,664,932,443)
	(27,252,083,305)	(4,880,119,992)

7. OTHER COMPREHENSIVE INCOME

	Closing Date Exchange Rate	Actual Exchange Rate	Other Comprehensive Income (Loss)
	Birr	Birr	Birr
Beginning balance Retained earning	237,009,143,940	152,651,233,265	84,357,910,675
Addition From Profit	44,133,311,859	43,282,091,018	851,220,840
Equity as of June 30,2024	281,142,455,799	195,933,324,283	85,209,131,515
Beginning balance Retained earning	281,142,455,799	195,933,324,283	85,209,131,515
Effect Of Currency Translation	363,806,694,235	-	363,806,694,235
Total Beginning balance Retained earning	644,949,150,034	195,933,324,283	449,015,825,750
Addition From Profit	146,345,848,826	131,323,858,296	15,021,990,530
Equity as of June 30,2025	791,294,998,860	327,257,182,579	464,037,816,280
OCI for the year 2025			378,828,684,765

8. STAFF COSTS

		2024
	Birr	Birr
Salaries and related benefits	36,809,589,212	23,617,984,965
Pension costs - Company contribution	1,809,275,855	1,270,717,792
	38,618,865,067	24,888,702,756

9. PROPERTY, PLANT AND EQUIPMENT

	Flight Equipment	Land, Building & Other Property	Engine Maintenance Cost	Land, Runways, Taxiways & Aprons	Work In Progress	Total Balance
	Birr	Birr	Birr	Birr	Birr	Birr
COST						
Opening Balance	390,136,510,649	62,690,014,225	20,142,972,981	45,366,968,685	15,571,957,864	533,908,424,405
Additions	18,666,828,690	5,755,765,872	2,101,127,658	855,169,867	21,075,731,921	48,454,624,008
Disposals/Retirements	(69,479,228)	33,298,643	-	-	-	(36,180,585)
Transfer Work In Progress	6,310,192,393	-	-	-	(6,310,192,393)	-
Year ended 30 June 2024	415,044,052,504	68,479,078,740	22,244,100,639	46,222,138,552	30,337,497,392	582,326,867,827
Effect on Translation from functional To Presentation on						
Opening Balance	536,279,051,303	51,071,232,459	15,928,323,331	1,663,351,713	15,878,184,181	620,820,142,987
Additions	171,496,433,430	11,322,857,824	3,549,597,967	367,347,194	31,947,486,255	218,683,722,669
Disposals/Retirements	(1,070,680,325)	(185,280,639)	-	-	-	(1,255,960,965)
Transfer Work In Progress	5,789,275,865	-	-	-	(5,789,275,865)	-
Year ended 30 June 2025	1,127,538,132,777	130,687,888,384	41,722,021,936	48,252,837,459	72,373,891,963	1,420,574,772,519
DEPRECIATION						
Opening Balance	(141,246,940,996)	(18,191,723,704)	(17,145,477,192)	(2,042,730,535)	-	(178,626,872,428)
Additions	(20,123,203,536)	(2,616,408,764)	(1,893,911,393)	(474,273,741)	-	(25,107,797,455)
Effect Of Currency Translation on Depreciation	(464,161,233)	(40,297,941)	(41,154,688)	-	-	(545,613,861)
Year ended 30 June 2024	(161,834,305,786)	(20,848,430,409)	(19,080,543,273)	(2,517,004,276)	-	(204,280,283,744)
Effect on Translation from functional To Presentation on						
Opening Balance	(208,618,112,861)	(21,427,476,506)	(11,834,586,062)	-	-	(241,880,175,430)
Additions	(47,051,300,322)	(5,287,553,508)	(4,204,650,290)	(513,984,818)	-	(57,057,488,939)
Effect Of Currency Translation on Depreciation	(4,964,832,301)	(418,787,307)	(480,569,487)	-	-	(5,864,189,095)
Year ended 30 June 2025	(422,468,551,270)	(47,982,247,730)	(35,600,349,112)	(3,030,989,095)	-	(509,082,137,208)
NET BOOKVALUE						
	705,069,581,507	82,705,640,654	6,121,672,824	45,221,848,364	72,373,891,963	911,492,635,311

Effect on Translation from functional To Presentation on
 Opening Balance
 Additions
 Effect Of Currency Translation on Depreciation
Year ended 30 June 2025

NET BOOKVALUE



10. INTANGIBLE ASSET

	Birr	2024 Birr
Balance brought forward	276,322,400	302,019,432
Additional For the Year	168,220,436	55,895,272
Amortization for Intangible Asset	(192,753,465)	(95,194,016)
Effects on Translation from functional To Presentation Currency	319,327,435	13,601,712
Balance carried forward	571,116,805	276,322,399

11. INVESTMENT IN ASSOCIATES

(A) Investment in Associates

Associates	% of equity owned	Principal activities	Country of incorporation and principal operations
ASKY Airlines (1,014,119 shares of XOF 10,000 each par value and each share has one voting right)	23.2	Air transport services	Lomé, Togo
Malawi Airlines (460,000 shares of US Dollars 35 each par value and each share has 1 voting right)	46	Air transport services	Lilongwe, Malawi
DHL -ET logistics services (5,355 shares each par value Ethiopian Birr 1000), Management effective control under DHL	51	Logistics services	Addis Ababa, Ethiopia
Ethiopian Sky Technologies P.L.C (6,103 shares each par value Ethiopian Birr 1000)	51	Manufacturing services	Addis Ababa, Ethiopia
Zambia Airways (450,000 shares each par value ZMW 1)	45	Air transport services	Lusaka, Zambia
Air Congo (4,900 shares each par value CDF 8,000,000)	49	Air transport services	Kinshasa, DRC
Universal Air Travel Plan (UATP) (71 shares each par value USD 20,000)	71 Shares	Information technology services	Washington, D.C, USA
France Telecom (271,640 shares each par value EUR 11.22)	271,640 Shares	Telecommunications services	Paris, France
SITA (37 shares each par value EUR 5)	37 Shares	Information technology services	Geneva, Switzerland
AAICEC (300,000 shares each par value ETB 1000)	300,000 Shares	Business and entertainment events	Addis Ababa, Ethiopia



(B) Movement of Investment in Associates

	Birr	2024 Birr
ASKY Airlines		
(1,014,119 shares of XOF 10,000 each par value and each share has one voting right)	2,666,702,885	1,110,067,378
Less; Share of (loss) Gain from investment	2,881,208,705	409,888,786
Net investment	5,547,911,590	1,519,956,164
Malawi Airlines (460,000 shares of US Dollars 35 each par value and each share has 1 voting right)	703,052,199	941,415,516
Less; Share of (loss) Gain from investment	602,556,176	(137,797,730)
Net investment	1,305,608,376	803,617,786
- DHL ET logistics services (5,355 shares each par value Ethiopian Birr 1000), Management effective control under DHL	212,126,206	50,775,986
Less; Share of (loss) Gain from investment	(78,768,851)	(14,145,463)
Net investment	133,357,356	36,630,523
Ethiopian Sky Technologies P.L.C (6,103 shares each par value Ethiopian Birr 1000)	48,667,687	21,214,933
Less; Share of (loss) Gain from investment	620,028	270,279
Net investment	49,287,715	21,485,212
Zambia Airways (450,000 shares each par value ZMW1)	1,810,873,800	466,989,233
Less; Share of (loss) Gain from investment	(1,810,873,800)	(211,602,247)
Net investment	-	255,386,985
Air Congo (2,450 shares each par value CDF 8,000,000)	1,305,095,406	-
Less; Share of (loss) Gain from investment	-	-
Net investment	1,305,095,406	-
France Telecom (271,640 shares each par value EUR 11.22)	524,972,757	158,953,977
AAICEC (300,000 shares each par value ETB 1000)	717,508,441	312,772,077
Universal Air Travel Plan (UATP) (71 shares each par value USD 20,000)	2,682,776	1,169,460
SITA (37 shares each par value EUR 5)	25,934	11,305
	9,586,450,352	3,109,983,489
Effect Of Currency Translation	(793,247,758)	(240,781,233)
	8,793,202,594	2,869,202,257



12. FINANCE INCOME AND COSTS

(A) Finance income

	Birr	2024 Birr
Interest income on bank deposits and Investment	6,449,838,506	2,457,346,803
Others	14,908,313	18,389,220
Finance income	6,464,746,820	2,475,736,023

(B) Finance cost

	Birr	2024 Birr
Interest expense on lease liabilities	8,873,994,216	4,580,085,638
Interest Expense on Long Term loans	10,900,401,596	5,312,312,895
Other Finance Costs	49,506,084	2,796,854
Finance costs	19,823,901,896	9,895,195,387

13. STANDING DEPOSITS

These are deposits for security, aircraft lease, hotel, hospital, and similar purposes. It also includes pre delivery payment for aircraft purchase.

(A) Standing Deposit Movement

		Birr	2024 Birr
Security Deposit		23,643,593,136	9,053,892,343
Deposit for Pre - delivery payment for aircraft purchase	13(b)	52,558,580,623	32,649,714,118
Less; Effects on Translation from functional To Presentation Currency		(56,511,503)	(65,526,610)
		76,145,662,256	41,638,079,851



(B) Pre-delivery Aircraft schedule

The deposit relates to Pre-delivery payment for aircraft purchase represent amount paid to Boeing and Airbus in relation to B777F, B737MAX, B787 - 900 & A350 aircrafts. The delivery schedule is as

	Birr	2024 Birr
Within one year	25,395,474,858	20,736,754,291
Between 2 and 5 years	21,727,978,616	8,850,391,237
After 5 years	5,435,127,173	3,062,568,590
	52,558,580,623	32,649,714,118

14. EMPLOYEE LOAN RECEIVABLES

This represents loan given to employees for housing construction at interest rate of 9.5%. The carrying amount of the loan was discounted at effective interest rate of 9.5% and shown at amortized cost. The loan is guaranteed by employee houses as collateral.

15. STOCK

	Birr	2024 Birr
Aircraft parts	46,281,423,557	15,745,670,435
Stock of stationery and other materials	8,061,306,396	2,679,076,592
	54,342,729,953	18,424,747,027
Less: Impairment for stock	(4,502,608,990)	(1,669,313,425)
	49,840,120,963	16,755,433,602



16. TRADE AND OTHER RECEIVABLES

	Birr	2024 Birr
Transportation - Others	36,348,821,225	16,373,852,118
Airport Service Charges	928,022,166	573,080,614
Trade Debtors	4,243,657,834	2,391,240,913
Deposits and prepayments	39,299,306,443	16,012,385,153
Transportation - Airlines	23,224,393,856	10,198,289,758
Claims from aircraft lessor	16,145,358,038	7,194,903,649
Ethiopian Government	382,322,981	510,991,922
Value added tax and duties recoverable	14,308,379,174	4,969,201,432
Airmail	66,661,657	59,993,009
Claims from insurance	2,359,469,761	834,362,300
Miscellaneous	75,403,867,376	15,951,507,671
	212,710,260,511	75,069,808,539
Less: Impairment for Trade and Other Receivables	(10,683,025,010)	(4,485,258,576)
	202,027,235,502	70,584,549,963

17. SHORT TERM INVESTMENTS

	Birr	2024 Birr
Short term Investment	149,311,662,790	46,605,076,307
Less: ECL for Short Term Investments	11,931,733	(6,635,105)
Effect Of Currency Translation	5,839,727,577	(581,142,776)
	155,163,322,100	46,017,298,426

18. CASH AND CASH EQUIVALENTS

	Birr	2024 Birr
Cash with foreign banks	209,987,317,568	57,018,499,102
Cash with local banks	43,921,219,526	26,931,216,666
Less: Allowance for ECL	(2,780,869,746)	(1,187,344,955)
Less: Effect Of Currency Translation	(44,418,899,168)	(16,327,617,691)
	206,708,768,179	66,434,753,122
Cash on hand	510,692,144	135,649,093
Effect Of Currency Translation	(284,176,036)	(122,904,585)
	206,935,284,286	66,447,497,628



19. CAPITAL

Ethiopian Airlines Group is wholly owned by the Government of the Federal Democratic Republic of Ethiopia. There are no shares and no-par value. As per Council of Ministers proclamation number 406/2009 Ethiopian airlines Group is authorized to transfer the net profits to paid up capital.

20. LONG TERM LOANS

(A) Long Term Loans Movement

		Birr	2024 Birr
Balance brought forward		138,647,311,338	137,101,571,382
Additional loans		118,255,364,158	16,411,794,904
Effects on Translation from Transaction to functional Currency		185,577,264,818	(784,812,451)
Effects on Translation from functional To Presentation Currency		11,055,008,864	6,954,278,441
		453,534,949,177	159,682,832,276
Less: Repayments		47,655,440,296	21,035,520,938
Balance carried forward	20 (c)	405,879,508,882	138,647,311,338
Accrued interest		974,490,948	431,904,785
Principal Payable within One Year		51,071,193,163	19,602,941,427
Total Current Maturity		52,045,684,111	20,034,846,212
Long Term Loan	20 (b)	353,833,824,772	118,612,465,126

(B) Long Term Loan Repayable Schedule

	Birr	2024 Birr
Within one year	52,045,684,111	20,034,846,212
Between 2 and 5 years	159,099,978,520	15,542,941,656
After 5 years	194,733,846,252	103,069,523,470
Total Long Term Loan	353,833,824,772	118,612,465,126
	405,879,508,882	138,647,311,338

(C) Long Term Loan denominated currencies

	Birr	2024 Birr
US Dollar	158,150,958,857	82,765,182,088
EURO	226,067,019,357	45,384,524,853
Chinese yuan (CNY)	14,656,382,449	7,795,046,389
Japanese Yen (JPY)	7,005,148,219	2,702,558,008
	405,879,508,882	138,647,311,338



Loans from foreign lending institutions secured on aircraft bearing interest at rates of between 0.35% and 7.35% per annum and repayable in quarterly instalments.

All Ethiopian airlines aircraft and Project loans are secured loan from foreign lending institutions and development agencies, bearing interest at rates of between 2.38% and 4.66% per annum, and repayable in, mainly, quarterly instalments.

21. PROVISION FOR MAINTENANCE

	Birr	2024 Birr
Balance brought forward	2,865,733,639	2,455,271,364
Additional For the Year	1,429,243,012	623,027,251
Utilized In the Year	(2,916,913,419)	(335,438,323)
Effects on Translation from functional To Presentation Currency	3,708,344,507	122,873,347
Balance carried forward	5,086,407,739	2,865,733,639

The provision for maintenance is made to match aircraft maintenance costs with the generated revenues.

22. EMPLOYEE BENEFIT OBLIGATION

Ethiopian Airlines Group operates an unfunded lump sum Gratuity Arrangement ("the Arrangement"). As the Arrangement is unfunded, gratuity benefits are paid out of the Ethiopian Airlines Group general revenues. The following arrangement benefits were valued:

A. Severance Pay

Severance benefits are based on the statutory severance benefit as set out in labour Proclamation No. 377/2003 Article No. 39 and 40 as amended by labour proclamation No 494/2006 Article NO.2. This benefit is implemented for those employees who have a service period of a minimum of 5 years. Severance pay is calculated as the employee's one month's salary for the first year of service and \$1/3\$ (one third) of the employee's salary for every additional year of service. This benefit is paid on withdrawal, death, and ill health retirement from the Company. Employees who are over 55 years and have a past service of more than 25 years are not entitled to this benefit. In addition, this benefit is not paid on retirement from the company.



B. Service Award

Long service award benefits are payable to employees only on completion of specified anniversaries of

Service anniversary (years)	Amount Birr
20th	8,000
25th	14,000
30th	20,000
35th	25,000
40th	30,000

C. Retirement Award

Retirement benefit awards are payable to employees on retirement from the Ethiopian Airlines Group. The retirement benefit is Birr 6,000 plus Birr 500 for every year above 20 Years of service.

I - Reconciliation of benefit obligation

	Birr	2024 Birr
Opening benefit obligation	1,143,254,160	1,258,707,090
Current service cost (employer)	166,722,382	126,391,014
Interest cost	170,441,255	123,740,504
Actuarial (gain) / loss due to experience	149,854,216	134,173,531
Benefits paid	(142,418,268)	(86,091,759)
Effect on Translation from Transaction to Functional Currency	(863,190)	(413,666,220)
Closing benefit obligation	1,486,990,555	1,143,254,160

II - Reconciliation of assets

	Birr	2024 Birr
Employer contributions	(142,418,268)	(86,091,759)
Benefits paid	142,418,268	86,091,759
Closing market value of assets	0.00	0.00



III - Defined benefit obligation (asset) Recognized in the balance sheet

	Birr	2024 Birr
Present value of funded obligations	1,486,990,555	1,143,254,160
Net underfunding in funded plan	1,486,990,555	1,143,254,160
Defined benefit obligation (asset) recognized in the balance sheet	1,486,990,555	1,143,254,160

IV - Amount recognized in profit or loss

	Birr	2024 Birr
Current service cost (employer)	166,722,382	126,391,014
Interest cost on defined benefit obligation	170,441,255	123,740,504
Total included in profit and loss in respect of Scheme	337,163,637	250,131,518

V - Amount recognized in OCI

	Birr	2024 Birr
Actuarial (gain) loss - experience adjustments arising from participants' movement	149,854,216	134,173,531
Amount recognized in OCI statement for the fiscal year	149,854,216	134,173,531
These will not be reclassified subsequently to profit or loss		

VI - Reconciliation

	Birr	2024 Birr
Net liability at start of period	1,143,254,160	1,258,707,090
Net expense recognised in the income statement	337,163,637	250,131,518
Employer contributions	(142,418,268)	(86,091,759)
Amount recognized in OCI	149,854,216	134,173,531
Effect on Translation from Transaction to Functional Currency	(863,190)	(413,666,220)
Net liability at end of period	1,486,990,555	1,143,254,160

VII - Actuarial Assumptions

		2024
	Birr	Birr
Discount rate (% p.a.)	15.00%	14.75%
Future salary increases (% p.a.)	10.00%	10.00%
Weighted average duration of defined benefit	8.00	7.20

Ethiopian Airlines Group also make statutory contributions to the national social security fund. Contributions are determined by the local statute and are shared between the employer and employee. For the year, ended 30 June 2025 Ethiopian Airlines Group contributed Birr 1,809.275.855 (2024 Birr 1,270,717,792).

VIII - Sensitivity Analysis

The results of the actuarial valuation will be more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount rate used, we have relied on calculations of the duration of the liability.

Since the majority of benefits payable under the arrangements are salary related, the sensitivity of the liability



Item	Scenario -1 Base	Scenario -2 Discount Rate Increased By 1%	Scenario -3 Salary Rate Increased By 1%	Scenario -4 Discount Rate Decreased By 1%	Scenario -5 Salary Rate Decreased By 1%	Scenario -6 Increased Decrements(+ 10%)	Scenario -7 Decreased Decrements(- 10%)
Discount Rate	15.00%	16.00%	15.00%	14.00%	15.00%	15.00%	15.00%
Salary Increase	10.00%	10.00%	11.00%	10.00%	9.00%	10.00%	10.00%
Net Liability At start of Period	1,143,254,160	1,143,254,160	1,143,254,160	1,143,254,160	1,143,254,160	1,143,254,160	1,143,254,160
Total Net Expense Recognised in the Income Statement	337,163,637	337,163,637	337,163,637	337,163,637	337,163,637	337,163,637	337,163,637
Net expense Recognised in the OCI	149,854,215	18,831,221	250,726,350	252,238,914	61,510,490	179,536,552	119,929,318
Employer Contributions	(142,418,267)	(142,418,267)	(142,418,267)	(142,418,267)	(142,418,267)	(142,418,267)	(142,418,267)
Effect on Translation from Transaction to Functional Currency	(863,190)	(863,190)	(863,190)	(863,190)	(863,190)	(863,190)	(863,190)
Net Liability At end of Period	1,486,990,555	1,355,967,561	1,587,862,690	1,589,375,254	1,398,646,830	1,516,672,892	1,457,065,658



XI - Expected impact on future cash flow

The current arrangements are unfunded with no pre-determined contributions. The Ethiopian Airlines Group however meets benefits payments on a pay-as-you-go basis. The company benefit outgo was Birr 175,841,473 (2024 Birr 86,091,759).

Ethiopian SKYLIGHT HOTEL, one of Ethiopian Airlines group segment deferred tax is calculated on all temporary differences under the liability method using the enacted rate, currently at 30%. The deferred tax Liability at the end of the year is attributable to the difference between the tax basis of property, plant and equipment and its carrying value for financial reporting purposes.

	Birr	2024 Birr
Beginning Balance	81,181,436	(6,604,560)
Curent year Deferred tax	67,875,647	87,785,997
Defered Tax Liabilities	149,057,083	81,181,436

24. DEFERRED LIABILITIES

	Birr	2024 Birr
Security deposits	2,000,780,455	537,994,717
Retentions payable	2,981,438,453	513,248,067
Leased Aircraft maintenance reserve	3,675,326,418	1,132,434,752
Miscellaneous	1,576,028,217	552,895,028
Total	10,233,573,541	2,736,572,563

25. TRADE AND OTHERS PAYBLES

	Birr	2024 Birr
Transportation tax and embarkation fees	18,919,956,322	8,587,466,020
Payable to oil companies	295,629,360	280,270,234
Goods received but not billed	3,581,515,696	812,593,216
Customers' advances for work orders	617,698,641	5,729,535
Services received but not billed	46,131,015,236	19,486,825,201
Rental Income Tax Payable	1,051,279,174	391,705,930
Others	33,828,066,331	12,723,226,164
Total	104,425,160,760	42,287,816,301

26. TAXATION

Ethiopian Airlines Group exempted from business profit tax except rental income tax but one of the segment Ethiopian Skylight Hotel is not exempted from business profit tax.

A- Profit or loss account Income tax expense

	Birr	2024 Birr
Curent Taxation based on profit for the year at 30%	763,959,114	228,222,764
Deferred tax	67,875,647	87,785,994
Total Income Tax Expense	831,834,761	316,008,759

B - Tax expense computation

	Birr	2024 Birr
Net Profit Before tax	2,911,493,087	952,480,291
Add :Disallowed expenses		
Depreciation	384,086,121	378,333,741
Provision for doubtful debts	2,836,791	388,716
Entertainment	13,263,924	6,356,331
Overdue Tax	60,652,865	-
Property & land lease tax for prior period	20,363,216	-
Additional Hotel Inauguration expense for prior period	3,683,398	-
Meal Expense	45,471,493	27,910,045
Gain - Unrealized Exchange Rate	(281,053,135)	(4,608,780)
Interest income	(3,929,105)	(4,558,062)
	3,156,868,656	1,356,302,283
Less: Allowed Expenses		
Depreciation	610,338,277	595,559,736
Taxable Profit	2,546,530,379	760,742,547
Tax expense at 30%	763,959,114	228,222,764
Defered Tax	67,875,647	87,785,994
Tax expense	831,834,761	316,008,759

C - Reconciliation of Tax expense to the expected tax based on accounting

	Birr	2024 Birr
Net profit before taxation	2,911,493,087	952,480,291
Tax at the applicable rate 30%	873,447,926	285,744,087
Tax effect of expenses not deductible for tax purpose	73,612,671	121,146,598
Tax effect of expenses deductible for tax purpose	(183,101,483)	(178,667,921)
Deferred tax	67,875,647	87,785,994
Tax expense	831,834,761	316,008,759

D - Tax payable

	Birr	2024 Birr
Beginning of the year	211,028,862	116,677,427
Paid during the period	(211,028,862)	(116,677,427)
Withholding tax	(42,938,172)	(17,193,902)
Current year Tax payable	763,959,114	228,222,764
	721,020,941	211,028,862



27. CASH FLOWS FROM OPERATING ACTIVITIES

	Birr	2024 Birr
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	139,637,320,114	49,293,546,990
Adjustments for;		
Income tax expense recognized in profit or loss	831,834,761	316,008,759
Finance costs recognized in profit or loss	19,281,065,402	9,895,195,387
Interest income recognized in profit or loss	(6,464,746,820)	(2,475,736,022)
Depreciation and amortization	106,836,745,332	46,143,779,752
Amortization of purchase incentives	(2,092,114,215)	(771,010,357)
Gain on Translation from Transaction to Functional Currency on loans	185,577,264,818	(784,812,451)
Impairment for Receivables	1,431,291,572	891,519,998
Impairment for stock	826,948,022	(673,274,875)
Share of loss from associates	1,382,418,527	131,704,320
Provision for maintenance	1,429,243,012	623,027,251
Creditors' accounts written back to profit or loss	(459,627,915)	(423,293,540)
	448,217,642,610	102,166,655,211
Movements in working capital		
Increase in stock	(35,917,982,926)	(2,822,385,162)
Increase in Trade and other receivables	(137,474,691,631)	(24,376,801,290)
Increase in Trade and other liabilities	62,137,344,459	11,326,902,927
Increase in Lease Liabilities	(142,604,163,181)	13,786,166,682
Increase in Contract Liability	120,683,912,456	13,079,159,380
Increase in deferred liabilities	7,497,000,978	435,511,520
Cash generated from operations	322,539,062,766	113,595,209,269
Loss on Translation from Transaction to Functional Currency for others	168,249,823,132	(5,664,932,443)
Income tax paid	(228,222,765)	(100,199,949)
NET CASH FLOWS FROM OPERATING ACTIVITIES	490,560,663,133	107,830,076,878

Increase in property, plant and equipment of ETB 118,255,364,158 due to loan financing was not considered in the cash flow statement.



28. ADJUSTMENT ON CHANGE IN OWNERS EQUITY

Ethiopian airport one of Ethiopian Airlines segment adjusted changes in owners' equity for ETB 198,072,305 due to cash injection from Government for ongoing airport projects.

29. RIGHT OF USE ASSETS AND LIABILITY

A- Right Of Use Assets

	Birr	2024 Birr
Balance brought forward	120,792,553,434	136,587,648,645
Additions	33,733,275,144	1,312,200,243
Depreciation for the year	(56,667,523,113)	(21,463,939,300)
Effects on Translation from Transaction to functional Currency	156,309,154,475	4,356,643,834
Balance carried forward	254,167,459,940	120,792,553,434

B- Gross Lease Liabilities

	Birr	2024 Birr
Within one year	65,260,823,291	27,623,583,830
between 2 and 5 years	182,915,245,662	84,338,475,807
After 5 years	51,373,743,118	31,311,768,964
Future Interest	(28,545,387,071)	(14,873,566,782)
Present value of lease liabilities	271,004,424,999	128,400,261,819
Repayable as follows		
Within one year	54,011,815,328	23,544,514,172
between 2 and 5 years	165,931,947,152	75,475,729,775
After 5 years	51,060,662,520	29,380,017,862
Total Over A year	216,992,609,672	104,855,747,647



30. CONTRACT LIABILITY

	Birr	2024 Birr
Balance brought forward	79,704,703,901	66,625,544,521
Addition for Current Year	1,807,769,479,162	1,148,262,720,598
	1,887,474,183,063	1,214,888,265,118
Revenue realized from Previous Year	(165,653,472,812)	(65,254,230,833)
Revenue realized from current year	(938,703,012,602)	(369,773,974,721)
	(1,104,356,485,414)	(435,028,205,554)
Total Refund amount for current Year	(703,412,993,748)	(713,234,515,043)
Effects on Translation from functional To Presentation Currency on Opening Balance	120,993,894,602	13,079,159,380
Balance carried forward	200,698,598,503	79,704,703,901

31. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker. The Chief operating decision maker is the executive management members of Ethiopian Airlines.

Ethiopian Airlines Group who makes strategic decisions and are responsible for allocating resources and assessing the performance of the operating segments. The operating segments of Ethiopian Airlines Group are defined based on IFRS 8, considering the 10% threshold of segment revenue, total assets, and profits of the year. Ethiopian Airlines Group Chief Executive Officer monitors the operating results of the business units for making decisions about resource allocation and performance assessment.

Ethiopian Airlines Group has three reportable segments: Ethiopian Airlines, Ethiopian Airports and Ethiopian Skylight Hotel. Ethiopian Airlines Group provides commercial air transportation including passenger, and cargo services. Ethiopian Airports provides airport services and Ethiopian Skylight Hotel provide hotel services.

The performance of the business units is evaluated based on segment profit or loss and is measured consistently based on the profit of the year as shown in the combined financial statements. Intersegment revenues and expenses and assets and liabilities were eliminated upon combination.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Ethiopian Airlines Group accounts for intersegment sales and transfers as if the sales or transfers were to a third party, which is at current market prices.

(A) Ethiopian Airlines

	Birr	2024 Birr
Total segment Revenue	895,536,959,026	396,155,639,566
Revenue from External Customers	894,366,575,285	395,402,563,969
Intercompany Revenue	1,170,383,740	753,075,596
Intercompany Expense	16,833,062,591	3,923,678,102
Total segment Expense	764,213,100,730	352,873,548,547
Expense from External Customers	747,380,038,139	348,949,870,445
Segment profit before tax	131,323,858,296	43,282,091,019
Finance income	6,460,817,716	2,475,736,023
Finance cost	(19,231,602,011)	(9,593,644,217)
Depreciation and amortization	105,142,594,910	44,573,502,700
Segment Asset	1,749,224,426,789	651,501,282,459
Segment Liability	971,693,821,197	384,499,192,476

(B) Ethiopian Airports

	Birr	2024 Birr
Total segment Revenue	11,432,228,142	9,061,961,166
Revenue from External Customers	(2,969,763,604)	6,318,460,050
Intercompany Revenue	14,401,991,746	2,743,501,115
Intercompany Expense	688,569,567	24,931,598
Total segment Expense	5,198,424,651	4,002,985,485
Expense from External Customers	4,509,855,084	3,978,053,887
Segment profit before tax	6,233,803,491	5,058,975,681
Finance cost	(542,836,494)	(256,296,458)
Depreciation and amortization	1,305,433,792	1,187,740,760
Segment Asset	104,799,896,904	82,130,198,419
Segment Liability	39,095,436,064	11,061,974,484



(C) Ethiopian SKYLIGHT HOTEL

	Birr	2024 Birr
Total segment Revenue	6,260,473,733	3,067,880,388
Revenue from External Customers	3,829,402,888	1,887,703,402
Intercompany Revenue	2,431,070,845	1,180,176,987
Intercompany Expense	481,814,173	728,143,999
Total segment Expense	3,352,909,751	2,115,400,098
Expense from External Customers	2,871,095,578	1,387,256,099
Segment profit before tax	2,911,493,087	952,480,291
Finance cost	(542,836,494)	(45,254,712)
Profit Tax	(831,834,761)	(316,008,759)
Depreciation and amortization	384,086,121	378,333,741
Segment Asset	12,098,986,116	10,220,872,761
Segment Liability	16,424,272,280	516,697,060

(D) Ethiopian Airlines Group

	Birr	2024 Birr
Total segment Revenue	913,229,660,901	408,285,481,120
Revenue from External Customers	895,226,214,570	403,608,727,421
Intercompany Revenue	18,003,446,331	4,676,753,699
Intercompany Expense	18,003,446,331	4,676,753,699
Total segment Expense	772,764,435,132	358,991,934,130
Expense from External Customers	754,760,988,801	354,315,180,432
Segment profit before tax	140,469,154,875	49,293,546,990
Finance income	6,464,746,821	2,475,736,023
Finance cost	(20,317,275,000)	(9,895,195,387)
Profit tax	(831,834,761)	(316,008,759)
Depreciation and amortization	106,832,114,823	46,139,577,201
Segment Asset	1,866,123,309,808	743,852,353,639
Segment Liability	1,027,213,529,541	396,077,864,020

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

1- Risk Management Framework

Ethiopian Airlines Group conduct its business activities in a VUCA environment where volatility, uncertainty, complexity, and ambiguity of commercial environment is very difficult to plan and analyse the future of the business. The Group's understanding and knowledge of how to proactively mitigate the risk involved in this commercial environment is very crucial to improve the strategic decision and achieve its corporate Vision.

The Group is exposed to financial risks arising from its underlying operations and financial activities. It is primarily exposed to commodity risk (volatility of fuel prices), Interest rate risk, currency risk and credit risk. The main objective of the airline's risk management framework is therefore to reduce the negative impact of such risks on cash flow, financial performance and equity.

A continuous dialogue is maintained between the senior management and the various departments in the airline to assure the effectiveness of the risk management framework. The risk management system is governed by guidelines defining the structure and processes of risk assessments.

Financial risk management policies and guidelines cover commodity risk. interest rate risk. currency risk and credit risk. Its policies and guidelines cover areas of cash management and raising of short and long-term debt. Compliance to these policies and guidelines is managed by segregated functions within the Group.

2- Financial Risk Management

The Group is exposed to financial risks such as changes in exchange rates of various countries, interest rates of various jurisdictions and the volatility of jet fuel prices. In accordance with its financial risk policies and procedures, the Group manages these risk exposures using various instruments when it is

2.1 - Currency Risk Management

Currency risk is a financial risk that the airline is exposed because of the nature of its sales operations. The airline conducts ticket and airwaybill sales activities in multiple currencies and its remittance is exposed to fluctuations in exchange rates.

To mitigate this risk exposure, the most common and primary hedging mechanism that the airline uses is to utilize natural hedging, where all local commitments including major direct operating costs such as fuel, landing, and handling are settled in local currency in which the revenue inflows were received to counterbalance any exchange rate fluctuation.

The airline's major commitments such as loan repayments and lease commitments are mostly paid in USD and the concentration account is maintained in USD as well. This can minimize the currency risk in terms of convertibility and volatility.



Major currencies in our revenue stream in Asia and Europe are easily convertible and can be moved to the airline's concentration accounts to protect exposure and they are also precisely managed through the natural hedging. CFA Francs in Africa are pegged to EUR and it only moves when EUR moves against the Dollar and repatriation risks are minimized.

Most of our sales currencies in Africa and some parts of Asia are not tradeable to use onshore derivatives and money market instruments as a risk mitigation tool. To protect the devaluation risk in these jurisdictions, fixed income instruments such as dollar indexed government bonds are used for hedging.

2.2 - Interest Rate Risk

The Group's interest rate risk primarily relates to its borrowings. Most of the debts are asset backed, which reveals the capital-intensive nature of the Industry. 60% of the loans are denominated in USD and the remaining 33% of the loans are in EUR, while remaining 7% consists of CNY and JPY. As of 30 June 2024, 59% of the airline's debt are on fixed and 41% are on floating interest rate basis, at an average weighted interest rate of 3.80% p.a.

The interest rate movements are closely monitored on the world market to keep the balance between fixed and floating interest rate loans. Closely monitoring the movement of interest rates will continue and swaps could also be considered if the rate is declining to the desirable level.

Interest rate risk sensitivity analysis is conducted to monitor the impact of fluctuations on the floating portion of the loan and its sensitivity on income statement and equity is assessed.

Interest Rate Exposure

	2025		2024	
	Average Interest Rate	ETB In Millions	Average Interest Rate	ETB In Millions
Total Outstanding Loan	2.94%	393.584	3.80%	138.456

Interest rate risk: Sensitivity Analysis

A variable interest rate loan is a loan where the interest rate on debt fluctuates throughout the loan period as a result of the rate tied to an index and 1% increase/decrease in the floating interest rate at the reporting date would have increased/decreased profit/loss and equity by the below shown

Profit / Loss & Equity			
Variable Interest Rate Loan	2025	2024	
	ETB In Millions	ETB In Millions	
1% Increase	73	-31	
1% Decrease	73	31	

2.3 Commodity Risk (Fluctuations on Jet Fuel Prices)

Ethiopian Airlines Group is exposed to the volatility of jet fuel prices. This is the risk of loss arising from adverse fluctuations in jet fuel prices. To manage this risk, the airline has adopted a policy of hedging up to 75% of its annual fuel requirements for a maximum period of one year.

All hedging instruments are open for consideration. Currently, due to high volatility of jet fuel prices, with much uncertainty on its direction, lack of clear long-term predictions and uncertainty over technical adjustment to fuel supplies, the Group has not hedged any of its requirements. However, the future jet fuel prices and the hedging practice of competitors are being closely monitored as airline business does not allow automatic price adjustment in case of sudden fall of jet fuel prices below the hedged price.

To control and monitor the impact of swings in jet fuel prices on income statement and equity and to identify the effect of increases on crude oil prices on jet fuel, sensitivity analysis is being conducted from time to time. The risk of loss due to price increase is also minimized by practicing a fuel tankering mechanism where more fuel is uplifted in cheaper stations than the expensive ones.

3- Credit Risk

The credit risk exposure of the Group primarily emanates from travel agents: both IATA approved and non-IATA sales agents through which its major sales are conducted.

The default risk of IATA sales agents is managed by IATA through local financial criteria which are gauged by the sales volume of each member agent. The Group as participating airline involves in the process of evaluation and decision making of each local financial criterion. A mandatory financial security is required on IATA BSP link platform before the member agents are authorized to sell airline tickets. The financial security is held in the form of bank guarantee, letter of credit or insurance guarantee calculated based on the agent's sales volume.

For non- IATA agents which are connected to the airline's stock directly, the same methodology is used where they will be required to provide an irrevocable bank guarantee or security deposit in line with the volume of their sales and remittance period.

Though the credit risk is minimal, corporate customers, where tickets and air waybills are issued on credit, are also required to sign a full-fledged credit agreement after they present their financial statements fully evaluated for credit fitness.

33. COMMITMENTS

Ethiopian Airlines Group has commitments, not provided for in these financial statements of Birr 1,103,331,181,800 for the purchase of 63 aircrafts. The commitments will be financed through long term Loan and partially through the company own funds.



34. CONTINGENT LIABILITIES

Ethiopian Airlines Group has contingent liabilities, not provided for in these financial statements of Birr 12,280,048,620 in respect of legal actions brought by different organizations and individuals, which are being contested by Ethiopian Airlines Group.

35. EMPLOYEES

The Ethiopian Airlines Group employed 20,551 staff on 30 June 2025 (2024-17,591).

36. RELATED PARTIES

A. Remuneration of key management personnel

Key management members and Board members received the following remuneration during the years ended 30 June 2025 and 2024.

	2025 (Birr)	2024 (Birr)
Short term benefit	106,839,809	77,619,604

Compensation of key management personnel includes salaries, housing allowances, fuel allowance, representation allowance and bonus. These amounts are also included in operating expenses.

B. Other related parties

As of the reporting date, Ethiopian Airlines Group has investment of 22.46% shareholding in African sky (ASKY) based in Lomé Togo, 46% shareholding in Malawi Airlines based in Lilongwe Malawi, 51% Shareholding DHL-ET Logistics Services, 49% Shareholding Zambia Airways, and 51% Ethiopian Sky Technologies P.L.C.

Outstanding balances at the year-end are interest free and settlements are to be made in cash. For the year-ended 30 June 2024, Ethiopian Airlines Group has maintained provision for doubtful debts relating to amounts owed by ASKY, Malawi airlines, Zambia Airways, DHL-ET Logistics service and Ethiopian Sky Technologies P.L.C. Assessment is undertaken at the end of each reporting date through examining the financial position of the related parties and the market in which the related parties operate.



Summary of related Parties Balance as of June 30,2025

Partner Airlines	Receivable In ETB	Payable In ETB	Net Balance In ETB	Remark
ASKY Airlines	2,205,118,766	611,307,696	1,593,811,070	In Favor of ET
Malawi Airlines	654,364,746	1,910,961,034	(1,256,596,288)	In Favor of MALAWIAN
Zambia Airways	821,137,857	132,931,304	688,206,553	In Favor of ET
DHL ET Logistics	16,115,968	11,984	16,103,984	In Favor of ET
Air Congo	1,146,603,030	949,871,934	196,731,096	In Favor of ET
Ethiopian Sky Technologies P.L.C	92,368,643	-	92,368,643	In Favor of ET

37. SPECIAL PURPOSE VEHICLES

Ethiopian Airlines Group has established special purpose Vehicles for the purpose of selling and leasing back aircraft and accessories in Tax free zone for legal documentation purpose. Those latter are registered in the names of the Special purpose vehicles and either the assets or the special purpose vehicles themselves serve as collateral for loans. No other transactions have been carried out by the special purpose vehicles to be recognized in these financial statements.

38. EVENTS AFTER THE REPORTING PERIOD

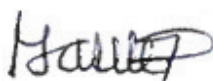
There are no significant events after the reporting period which should be reported in these financial statements.

39. DATE OF AUTHORIZATION

Issue of these financial statement is authorized on 28 October 2025.



Adamu Tadele
 Group Chief Financial Officer



Mesfin Tasew
 Group Chief Executive Officer





80 ^{1946 - 2026} years
A TIMELESS LEGACY

80  1946 - 2026
years
A TIMELESS LEGACY

Ethiopian 
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STAR ALLIANCE 