

ABU DHABI PORTS COMPANY PJSC

**Review report and condensed
consolidated financial information
for the nine-month period ended
30 September 2022**

ABU DHABI PORTS COMPANY PJSC

Review report and condensed consolidated financial information for the nine-month period ended 30 September 2022

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ABU DHABI PORTS COMPANY PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi Ports Company PJSC (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of interim Financial Information Performed by the Independent Auditor of the Entity.*” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of the Group are not prepared, in all material respects, in accordance with IAS 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Obada Alkowitz
Registration No. 1056
14 November 2022
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
as at 30 September 2022**

		30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	5	20,611,882	17,152,182
Investment properties	6	4,328,556	3,637,855
Intangible assets and goodwill	7	869,335	224,043
Right-of-use assets		874,463	635,409
Investment in joint ventures	8	594,807	455,493
Investment in an associate	9	1,424,013	-
Financial asset at fair value through other comprehensive income	10	2,088,288	58,788
Trade and other receivables	11	2,034,073	1,778,980
Prepayments and advances	12	33,678	45,600
		<hr/>	<hr/>
Total non-current assets		32,859,095	23,988,350
Current assets			
Inventories		25,278	25,260
Trade and other receivables	11	2,429,812	2,395,316
Prepayments and advances	12	626,626	451,308
Property held for sale	28	-	237,000
Cash and bank balances	13	716,799	1,051,274
		<hr/>	<hr/>
Total current assets		3,798,515	4,160,158
		<hr/>	<hr/>
Total assets		36,657,610	28,148,508
EQUITY AND LIABILITIES			
Equity			
Share capital	14	5,090,000	3,840,000
Share premium	14	2,750,000	-
Statutory reserve		379,861	379,861
Assets distribution reserve		(22,063)	(22,063)
Cash flow hedge reserve		(42,996)	(97,039)
Investment revaluation reserve	10	938,850	-
Foreign currency translation reserve	9	(16,126)	-
Merger reserve		1,319,288	1,319,288
Retained earnings		4,065,704	3,148,645
Shareholders' contribution		4,610,360	2,069,710
		<hr/>	<hr/>
Equity attributable to owners of the Company		19,072,878	10,638,402
Non-controlling interests		209,988	52,546
		<hr/>	<hr/>
Total equity		19,282,866	10,690,948
		<hr/>	<hr/>

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of financial position
as at 30 September 2022 (continued)**

		30 September 2022	31 December 2021
		AED'000	AED'000
	Notes	(unaudited)	(audited)
Liabilities			
Non-current liabilities			
Deferred government grants	15	6,592,094	6,270,793
Provision for employees' end of service benefits		139,052	120,011
Lease liabilities		856,966	713,460
Payable to the project companies	16	2,147,646	2,150,564
Bond payable	17	3,587,721	3,581,021
Trade and other payables	19	605,002	343,753
		<hr/>	<hr/>
Total non-current liabilities		13,928,481	13,179,602
Current liabilities			
Deferred government grants	15	127,694	131,919
Payable to the project companies	16	274,994	273,508
Lease liabilities		144,863	91,809
Borrowings	18	550,935	1,146,132
Trade and other payables	19	2,347,777	2,634,590
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Total current liabilities		3,446,263	4,277,958
		<hr/>	<hr/>
Total liabilities		17,374,744	17,457,560
		<hr/>	<hr/>
Total equity and liabilities		36,657,610	28,148,508
		<hr/> <hr/>	<hr/> <hr/>

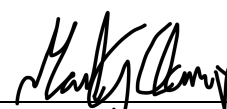
To the best of our knowledge, the condensed consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.



H.E. Falah Al Ahbabi
Chairman



Mohamed Al Shamisi
Chief Executive Officer



Martin Aarup
Chief Financial Officer

**Condensed consolidated statement of profit or loss
for the nine-month period ended 30 September 2022**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Revenue	20	1,466,127	959,387	3,755,048	2,791,018
Direct costs	21	(815,108)	(516,593)	(1,946,890)	(1,485,430)
Gross profit		651,019	442,794	1,808,158	1,305,588
Share of profit/(loss) from joint ventures	8	36,875	(2,489)	112,336	33,729
Share of profit from associate	9	10,068	-	32,626	-
General and administrative expenses		(227,578)	(171,980)	(666,351)	(479,773)
Selling and marketing expenses		(25,323)	(10,753)	(49,953)	(29,167)
(Provision)/reversal for impairment losses on financial assets	11	(15,563)	27,792	(88,859)	15,586
Impairment of investments in equity accounted investees		-	(17,850)	-	(17,850)
Finance income		2,909	143	12,515	477
Finance costs		(99,507)	(83,921)	(294,725)	(246,284)
Gain on disposal of asset held for sale	28	-	-	73,000	-
Other income		2,365	5,432	2,664	13,385
Profit before tax for the period		335,265	189,168	941,411	595,691
Income tax expense on foreign operations		(836)	-	(836)	-
Net profit for the period		334,429	189,168	940,575	595,691
Attributable to:					
Owner of the Company		314,362	187,337	917,059	590,047
Non-controlling interests		20,067	1,831	23,516	5,644
		334,429	189,168	940,575	595,691
Basic and diluted earnings per share (AED)	23	0.06	0.05	0.19	0.15
Adjusted EBITDA	24	593,644	390,798	1,650,019	1,160,717

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income
for the nine-month period ended 30 September 2022**

	Notes	Three-month ended 30 September		Nine-month ended 30 September	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Profit for the period		334,429	189,168	940,575	595,691
Other comprehensive income/(loss):					
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>					
Fair value gain on financial asset designated at FVTOCI	10	(102,300)	-	938,850	-
Fair value gain on financial asset designated at FVTOCI – share of equity accounted investees	9	(32)	-	(4)	-
<i>Items that may be reclassified subsequently to statement of profit or loss</i>					
<i>Share of equity accounted investees:</i>					
Net fair value gain/(loss) on hedging instruments entered into for cash flow hedges – equity accounted joint venture	8	18,015	24,340	54,043	31,115
Share of equity accounted associate	9	(265)	-	(16,122)	-
Total other comprehensive income/(loss)		(84,582)	24,340	976,767	31,115
Total comprehensive income for the period		249,847	213,508	1,917,342	626,806
Attributable to:					
Owner of the Company		229,780	211,677	1,893,826	621,162
Non-controlling interests		20,067	1,831	23,516	5,644
		249,847	213,508	1,917,342	626,806

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of changes in equity
for the nine-month period ended 30 September 2022**

	Share capital AED'000	Share premium AED'000	Statutory reserve AED'000	Assets distribution reserve AED'000	Cash flow hedge reserve AED'000	Investment revaluation reserve AED'000	Foreign currency translation reserve AED'000	Merger reserve AED'000	Retained earnings AED'000	Shareholders' contribution AED'000	Equity attributable to owner of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2021 – as previously reported	3,840,000	-	295,292	(22,063)	(134,175)	-	-	1,319,288	2,387,520	33,343	7,719,205	6,426	7,725,631
Establishment of a subsidiary (restated)	-	-	-	-	-	-	-	-	-	-	-	30,550	30,550
Balance at 1 January 2021 (restated)	3,840,000	-	295,292	(22,063)	(134,175)	-	-	1,319,288	2,387,520	33,343	7,719,205	36,976	7,756,181
Profit for the period	-	-	-	-	-	-	-	-	590,047	-	590,047	5,644	595,691
Other comprehensive income for the period	-	-	-	-	31,115	-	-	-	-	-	31,115	-	31,115
Total comprehensive income for the period	-	-	-	-	31,115	-	-	-	590,047	-	621,162	5,644	626,806
Dividend declared to non- controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Shareholder's contribution (note 22)	-	-	-	-	-	-	-	-	-	1,400,000	1,400,000	-	1,400,000
Balance at 30 September 2021 (unaudited)	3,840,000	-	295,292	(22,063)	(103,060)	-	-	1,319,288	2,977,567	1,433,343	9,740,367	41,543	9,781,910
Balance at 1 January 2022 (audited)	3,840,000	-	379,861	(22,063)	(97,039)	-	-	1,319,288	3,148,645	2,069,710	10,638,402	52,546	10,690,948
Profit for the period	-	-	-	-	-	-	-	-	917,059	-	917,059	23,516	940,575
Other comprehensive income for the period	-	-	-	-	54,043	938,850	(16,126)	-	-	-	976,767	-	976,767
Total comprehensive income for the period	-	-	-	-	54,043	938,850	(16,126)	-	917,059	-	1,893,826	23,516	1,917,342
Dividend declared to non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,617)	(1,617)
Shareholder's contribution (note 22)	-	-	-	-	-	-	-	-	-	2,540,650	2,540,650	-	2,540,650
New shares issued (note 14)	1,250,000	2,750,000	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000
Acquisition of new subsidiaries (note 29)	-	-	-	-	-	-	-	-	-	-	-	135,543	135,543
Balance at 30 September 2022 (unaudited)	5,090,000	2,750,000	379,861	(22,063)	(42,996)	938,850	(16,126)	1,319,288	4,065,704	4,610,360	19,072,878	209,988	19,282,966

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows
for the nine-month period ended 30 September 2022**

	Nine-month ended 30 September	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit for the period	940,575	595,691
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment and investment properties	564,979	360,053
Amortisation of right-of-use assets	27,500	24,948
Amortisation of intangible assets	16,843	8,017
Share of profit from joint ventures	(112,336)	(33,729)
Share of profit from associate	(32,626)	-
Provision/(Reversals) for impairment losses on financial assets	88,859	(15,586)
Impairment of investments in equity accounted investees	-	17,850
Provision for slow moving inventories	1,638	475
Amortisation of government grants	(182,924)	(91,649)
Provision for employees' end of service benefits	26,506	22,059
Foreign exchange loss/(gain)	391	(330)
Finance costs	294,725	246,284
Interest income	(12,515)	(477)
Income tax on foreign operations	836	-
Gain on disposal of property, plant and equipment	(75,529)	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	1,546,922	1,133,606
Increase in inventories	(116)	(5,922)
Increase in trade and other receivables	(631,894)	(271,156)
(Increase)/decrease in prepayments and advances	(11,450)	16,462
Increase/(decrease) in trade and other payables	376,446	(272,256)
	<hr/>	<hr/>
Cash generated from operations	1,279,908	600,734
Employees' end of service benefits paid	(8,560)	(5,690)
Payment of short term lease	(9,724)	-
Payment of low value lease	(7,896)	-
	<hr/>	<hr/>
Net cash generated from operating activities	1,253,728	595,044
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for property, plant and equipment	(4,091,116)	(1,835,252)
Purchase consideration paid to acquire new subsidiaries	(880,712)	-
Proceeds from sale of property, plant and equipment	6,388	-
Proceeds from disposal of property held for sale	310,000	-
Payments for investment properties	(113,681)	(175,630)
Dividend received from associate	42,487	-
Dividend received from a joint venture	27,065	43,000
Interest received	12,515	477
Net movement in term deposits with original maturity over three months	(184)	(1,513)
Investments placed in joint ventures	-	(22,035)
Repayment received from a loan given to a related party	-	700,000
	<hr/>	<hr/>
Net cash used in investing activities	(4,687,238)	(1,290,953)
	<hr/>	<hr/>

The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows
for the nine-month period ended 30 September 2022 (continued)**

	<u>Nine-month ended 30 September</u>	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Cash flows from financing activities		
Receipt of term loans	550,935	1,822,160
Term loan repaid	(1,146,132)	(5,504,850)
Proceeds from issuance of shares	4,000,000	-
Payment to project companies	(192,143)	(193,417)
Proceeds from bond issue	-	3,597,165
Bond issuance cost paid	-	(22,000)
Grants received	-	52,048
Finance cost paid	(57,150)	(31,641)
Principal payment for lease liabilities	(26,062)	(34,449)
Interest paid on lease liabilities	(28,980)	(28,741)
Contributions received from the parent	-	1,400,000
Dividends paid to non-controlling interests in subsidiaries	(1,617)	(1,077)
	<hr/>	<hr/>
Net cash generated from financing activities	3,098,851	1,055,198
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(334,659)	359,289
Cash and cash equivalents at beginning of the period	1,035,803	262,046
	<hr/>	<hr/>
Cash and cash equivalents at end of the period (Note 13)	701,144	621,335
	<hr/> <hr/>	<hr/> <hr/>
Significant non-cash transactions:		
Investment in an associate received as a capital contribution	1,450,000	-
	<hr/>	<hr/>
Investment in FVTOCI received as a capital contribution	1,090,650	-
	<hr/>	<hr/>
Transfer to properties under development (Investment properties) from capital work in progress (Property, plant and equipment) (note 6)	730,757	-
	<hr/>	<hr/>
Transfer to property, plant and equipment – Fujairah port developments (note 5)	500,000	-
	<hr/>	<hr/>
Transfer of capital work in progress to receivables for Fujairah port development project	-	482,728
	<hr/>	<hr/>
Government grants transferred to a related party	-	21,000
	<hr/>	<hr/>
Amount due from a related party off set against an amount due to a related party	-	84,610
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The accompanying notes form an integral part of the condensed consolidated financial statements.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2022

1 General information

Abu Dhabi Ports Company PJSC ("the Company" or "AD Ports") is a public joint stock company established in accordance with the provisions of Emiri Decree No. 6 of 2006 dated 4 March 2006 ("the Decree") as part of the restructuring of the commercial ports sector in the Emirate of Abu Dhabi ("the Emirate"). During the period, the Company's ordinary shares were listed on the Abu Dhabi Securities Exchange.

The Company is registered with the Department of Economic Development and obtained its commercial license on 29 March 2006. The registered head office of the Company is at P.O. Box 54477, Mina Zayed, Abu Dhabi, United Arab Emirates.

Pursuant to Abu Dhabi Law No. 2 of 2018 and Executive Council Resolution No. 143/2019, the ownership of the Company was transferred to Abu Dhabi Developmental Holding Company PJSC ("ADQ") from the Government of Abu Dhabi effective from 20 June 2019. Accordingly, ADQ is the parent undertaking of the Company, and the Government of Abu Dhabi (the "Government") is the ultimate controlling undertaking of the Company.

The Company, its subsidiaries, joint ventures and associates (together referred to as the "Group") has grown and diversified into a vertically integrated clusters with operations across ports, industrial and free zones, logistics, maritime and digital services:

- **Ports**, which owns and operates ports as well as operates terminals under concession arrangements in the UAE;
- **Economic Cities & Free Zones**, which principally operates Khalifa Economic Zone "KEZAD" and other industrial cities following the integration of Specialized Economic Zones Company "ZonesCorp" into the Group at the start of 2020;
- **Logistics**, which provide a range of logistical services, such as transportation, warehouse, cargo handling services and value added services;
- **Maritime**, which provides a range of marine services, including feeder, as well as transshipment and offshore support services within and outside UAE. Maritime mainly derives its revenue from port side service fees, feeder, offshore services, vessel chartering, underwater surveys and other general marine services; and
- **Digital**, which provide digital services to external customers through Maqta Gateway LLC as well as services to the Group's other clusters.

There is no change in the principal activities, operations and ownership interest of the group's subsidiaries and joint ventures during the nine-month period ended 30 September 2022, except the acquisition of subsidiaries, a joint venture and transfer of an associate during the period as explained in note 29 and 9 respectively. Refer to the consolidated financial statements of the Group as at and for the year ended 31 December 2021 for the details of principal activities, operations and ownership interest of the remaining subsidiaries and joint ventures.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****2 Application of new and revised International Financial Reporting Standards (“IFRSs”)****2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts (effective from January 1, 2023).
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023).
- Covid-19-Related Rent Concessions beyond 30 September 2021 (Amendment to IFRS 16) (effective from 1 April 2022)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023).
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2 related to Disclosure of Accounting Policies (effective from January 1, 2023).

The above stated new standards and amendments are not expected to have any significant impact on these condensed consolidated financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on these condensed consolidated financial statements of the Group.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****3 Statement of compliance and basis of preparation****Statement of compliance**

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and also comply with the applicable requirements of the laws in the U.A.E. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except the financial asset at fair value through other comprehensive income measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

4 Summary of significant accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates, and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2021, except for the adoption of new standards and interpretations effective 1 January 2022 as stated in Note 2 and below accounting policy for investment in an associate.

Investment in an associate

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. 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.

The results and assets and liabilities of an associate are accounted for using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated financial statements at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. When an associate is transferred from an entity under common control, it will be initially recognised at the carrying value at which it is transferred from the other party.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

4 Summary of significant accounting policies, estimates and judgements (continued)

Investment in an associate (continued)

Profit or loss reflects the Group's share of the results of operations of an associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the investees are eliminated to the extent of the interest in the investees.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of profit or loss outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the associate.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group and having same accounting policies. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

5 Property, plant and equipment

Movement of the property, plant and equipment balance is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Carrying amount at the beginning of the period/year	17,152,182	15,374,891
Additions during the period/year	3,877,173	2,923,899
Acquired through business combination (note 29)	228,385	-
Depreciation charge for the period/year	(411,241)	(387,527)
Transferred from/to receivables during the period/year (i)	500,000	(493,196)
Transferred to Investment properties (note 6)	(730,757)	-
Disposals during the period/year	(3,860)	(7,887)
Transfers to property held for sale (note 28)	-	(237,000)
Transfers to grants (note 15)	-	(20,998)
Carrying amount at the end of the period/year	20,611,882	17,152,182

(i) The Group has constructed improvements to Fujairah Port Infrastructure totaling to AED 500 million as of 30 June 2022 (31 December 2021: AED 493.2 million). The assets developed are funded by Ministry of Presidential Affairs and were disclosed under Receivable for Fujairah Port development (note 11) and Advances for Fujairah Port development project (note 19). During the period, the Group received communication from Ministry of Presidential Affairs to retain these assets and therefore these assets are transferred to "Property, plant and equipment" from Receivable and "Deferred government grants" (note 15) from "Advances for Fujairah Port development project" (note 19) respectively.

The depreciation charge has been allocated in the condensed consolidated statement of profit or loss as follows:

	Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Direct costs	334,121	228,826
General and administrative expenses	77,120	47,406
	411,241	276,232

Staff costs of AED 125 million have been capitalised within capital work-in-progress during the nine-month period ended 30 September 2022 (30 September 2021: AED 109 million).

Borrowing costs of AED 22.9 million have been capitalized within capital work-in-progress during the nine-month period ended 30 September 2022 (30 September 2021: AED 35 million).

No impairment indications were noted for property, plant and equipment as of and during the nine-month period ended 30 September 2022.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

6 Investment properties

Movement in the balance is as follows:

	Completed properties AED'000	Properties under development AED'000	Total AED'000
<u>Nine-month period ended 30 September 2022</u>			
<u>(unaudited)</u>			
Carrying amount at the beginning of the period	3,087,528	550,327	3,637,855
Additions during the period	-	113,682	113,682
Transferred from property, plant and equipment	-	730,757	730,757
Depreciation charge for the period	(153,738)	-	(153,738)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the period	2,933,790	1,394,766	4,328,556
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Year ended 31 December 2021 (audited)</u>			
Carrying amount at the beginning of the year	2,850,781	607,238	3,458,019
Additions during the year	-	268,590	268,590
Transfers from properties under development	325,501	(325,501)	-
Depreciation charge for the year	(114,567)	-	(114,567)
Reversal of impairment loss for the year	25,813	-	25,813
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	3,087,528	550,327	3,637,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The depreciation charge has been recorded under the direct costs in the condensed consolidated statement of profit or loss.

Rental income from investment properties of AED 1,307 million (30 September 2021: AED 1,162 million) was earned and direct operating expenses (including maintenance expense) of AED 381 million was incurred during the period ended 30 September 2022 (30 September 2021: AED 539 million).

During the period, the Group has reclassified AED 730.7 million (30 September 2021: Nil) from property, plant & equipment (capital work-in-progress) to Investment properties (properties under development) to better represent the intended use of the assets upon completion.

Investment properties under development mainly comprises the costs relating to warehouses, Razeen and workers residential cities in Economic Cities and Free Zone.

As of 31 December 2021, the fair value of investment properties estimated by management was AED 12,189 million. Management believes that there is no significant change in the fair value of investment properties during the nine-month period ended 30 September 2022 and will perform the full assessment by the year end on the new and existing Investment Properties.

The inputs used in the valuation are not based on observable market data and thus the valuation techniques were considered to be Level 3 valuation.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

7 Intangible assets and goodwill

Movement in the balance is as follows:

	Goodwill	Other	Total
	AED'000	intangible	AED'000
		assets	
		AED'000	AED'000
<u>Nine-month period ended 30 September 2022</u>			
<u>(unaudited)</u>			
Carrying amount at the beginning of the period	54,534	169,509	224,043
Acquired through business combination (note 29)	560,735	101,400	662,135
Amortisation charge for the period	-	(16,843)	(16,843)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the period	615,269	254,066	869,335
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Year ended 31 December 2021 (audited)</u>			
Carrying amount at the beginning of the year	54,534	180,199	234,733
Amortisation charge for the year	-	(10,690)	(10,690)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	54,534	169,509	224,043
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Goodwill of AED 32.8 million arose from the acquisition of logistics business from Abu Dhabi Terminals LLC ('ADT') during 2018 and AED 21.7 million from the acquisition of MICCO Logistics-Sole Proprietorship LLC ("MICCO") during 2019. During the period, the Group recognised AED 185.9 million of goodwill on acquisition of Safeen Surveys and Subsea Services, AED 337.9 million of goodwill on acquisition of International Associated Cargo Carrier B.V, AED 10.8 million of goodwill from the acquisition of Alligator Shipping Container Line LLC, AED 26.1 million of goodwill from the acquisition of Divetech Marine Engineering Services LLC, as disclosed in note 29.

As of 31 December 2021, the recoverable amounts of goodwill from ADT and MICCO, was based on their value in use, determined by discounting the future cash flows to be generated from the continuing use of these CGUs by 6% over an estimated useful life of 30 year. Management believes that there is no significant change in the recoverable amounts of goodwill during the nine-month period ended 30 September 2022 and will perform the full assessment by year end for the new and existing goodwill.

Other intangible assets comprised of customer contracts and relationships, backlogs, rights, trademarks, brand name, non-compete agreement and licenses recognised as a result of acquisition of subsidiaries.

No impairment indications were noted for these intangible assets as of and during the nine-month period ended 30 September 2022.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

8 Investment in joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income is as follows:

	ADT		Joint ventures with LDPL		ZIF	
	Nine-month ended 30 September 2022 AED'000 (unaudited)		Nine-month ended 30 September 2021 AED'000 (unaudited)		Nine-month ended 30 September 2022 AED'000 (unaudited)	
Revenue	265,724	230,519	174,049	126,691	277,804	221,586
Direct costs	(261,237)	(236,267)	(146,524)	(138,561)	-	-
Administrative expenses	(20,221)	(24,462)	(4,398)	(3,749)	(1,783)	(9,726)
Finance costs	(104,098)	(96,712)	(7,395)	(8,193)	(69,006)	(78,357)
Other income	933	3,107	1,870	(439)	55	68
(Loss)/profit for the period	(118,899)	(123,815)	17,602	(24,251)	207,070	133,571
Group's share of profit/(loss)	-	-	8,801	(33,057)	103,535	66,786
<i>Other comprehensive income</i>	-	4,073	-	-	108,086	45,303
Share of other comprehensive income for the period	-	15,536	-	-	54,043	22,652
Total comprehensive income/(loss) for the period	-	15,536	8,801	(33,057)	157,578	89,437

The above profit/(loss) for the period include the following:

	ADT		Joint ventures with LDPL		ZIF	
	Nine-month ended 30 September AED'000 2022 (unaudited)		Nine-month ended 30 September AED'000 2021 (unaudited)		Nine-month ended 30 September AED'000 2022 (unaudited)	
Depreciation and amortisation	(95,384)	(93,759)	(21,555)	(21,915)	-	-
Interest income	-	-	-	-	186,508	187,563
Interest expense	(104,098)	(107,465)	(7,391)	(8,193)	(69,006)	(78,357)
The unrecognised share of loss of a joint venture for the period	(60,638)	(63,146)	-	-	-	-
Cumulative share of unrecognised losses	(170,729)	(490,670)	-	-	-	-

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

9 Investment in an associate

During the period, the parent undertaking of the Group, ADQ transferred 22.32% of equity stake of Aramex PJSC as the shareholder's contribution for no consideration. The Group recognised the transferred stake as an investment in an associate as the Group determined that they have significant influence over the investment by virtue of representation on the Board of Directors. The Group recorded the carrying value at which it was recorded in the books of parent undertaking at the acquisition date.

Movement in the balance of investment in associate is as follows:

	30 September 2022 AED'000 (unaudited)
Balance at the beginning of the period	-
Transferred from parent entity during the period	1,450,000
Share of profit for the period	32,626
Share of other comprehensive loss for the period	(16,126)
Dividend received during the period	(42,487)
	<hr/>
Balance at the end of the period	1,424,013
	<hr/> <hr/>

10 Financial asset at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI.

Financial assets at FVOCI breakdown as at the end of the reporting period comprises the following:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Quoted equity security (i)	2,029,500	-
Unquoted debt and equity security (ii)	58,788	58,788
	<hr/>	<hr/>
	2,088,288	58,788
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

10 Financial asset at fair value through other comprehensive income (continued)

- (i) During the period, the parent undertaking of the Group, ADQ transferred 10% equity stake in National Marine Dredging Company PJSC (“NMDC”) as the shareholder’s contribution for no consideration. The Group recognised the transferred stake as a financial asset at FVTOCI and recorded the fair value of the security at the acquisition date.
- (ii) The Group holds 10% equity stake in CSP Abu Dhabi Terminal LLC, a container terminal operator operating from Khalifa Port. This investment in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Movement in the balance of financial assets at FVOCI is as follows:

	30 September 2022 AED’000 (unaudited)	31 December 2021 AED’000 (audited)
Balance at the beginning of the period/year	58,788	58,788
Transferred from parent entity during the period	1,090,650	-
Change in fair value recognised in other comprehensive income	938,850	-
	<hr/>	<hr/>
Balance at the end of the period/year	2,088,288	58,788
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

11 Trade and other receivables

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Un-billed lease receivables	2,238,136	2,010,283
Less: loss allowance	(204,063)	(231,303)
	<hr/>	<hr/>
	2,034,073	1,778,980
	<hr/>	<hr/>
Current portion		
Trade receivables	2,045,513	1,413,940
Due from related parties (note 22)	420,953	560,253
Accrued income	382,066	385,636
	<hr/>	<hr/>
	2,848,532	2,359,829
Less: loss allowance	(576,619)	(503,140)
	<hr/>	<hr/>
	2,271,913	1,856,689
Receivable for Fujairah Port development (note 5)	-	493,196
Staff receivables	30,719	31,764
Other receivables	127,180	13,667
	<hr/>	<hr/>
	2,429,812	2,395,316
	<hr/>	<hr/>

Movements in the expected credit loss allowance for trade and other receivables were as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	734,443	796,527
Net remeasurement of loss allowance during the period/year	88,859	20,508
Addition through business combination	584	-
Amounts written off during the period/year	(43,204)	(82,592)
	<hr/>	<hr/>
Balance at the end of the period/year	780,682	734,443
	<hr/>	<hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

12 Prepayments and advances

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Prepaid expenses	33,678	45,600
	<hr/>	<hr/>
Current portion		
Advance payments to contractors	531,849	363,869
Prepaid expenses	94,777	87,439
	<hr/>	<hr/>
	626,626	451,308
	<hr/>	<hr/>

13 Cash and bank balances

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents are comprised for the following:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash on hand	8,559	5,625
Fixed deposits and current accounts with banks	708,240	1,045,649
	<hr/>	<hr/>
Cash and bank balances	716,799	1,051,274
Less: deposits with an original maturity of more than three months	(15,655)	(15,471)
	<hr/>	<hr/>
Cash and cash equivalents	701,144	1,035,803
	<hr/>	<hr/>

Bank deposits carry an interest rate of 0.8% (31 December 2021: 0.6%) per annum.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

14 Share capital

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
<i>Authorised, issued, subscribed and paid up capital</i>		
5,090,000 ordinary shares of AED 1 each		
(2021: 384,000,000 ordinary shares of AED 10 each)	5,090,000	3,840,000
	<hr/> <hr/>	<hr/> <hr/>
Movement in the balance is as follows:		
	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	3,840,000	3,840,000
Additions during the period/year (1,250,000,000 shares issued of AED 1 each)	1,250,000	-
	<hr/> <hr/>	<hr/> <hr/>
Balance at the end of the period/year	5,090,000	3,840,000
	<hr/> <hr/>	<hr/> <hr/>

During the period, the Group made its first equity placement through a pre-listing private placement of 1,250 million of ordinary shares. Nominal value of a share is AED 1 and issued at a price of AED 3.20 per share. Total cash received from the share subscription was AED 4,000 million with a premium of AED 2,750 million. ADQ will remain as the majority shareholder with 75.42% stake in the Company's share capital.

15 Deferred government grants

Movement in the balance is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	6,402,712	6,460,688
Additions during the period/year (note 5)	500,000	94,941
Amount recognised as revenue during the period/year (note 21)	(182,924)	(131,919)
Transferred to a related party	-	(20,998)
	<hr/> <hr/>	<hr/> <hr/>
Balance at the end of the period/year	6,719,788	6,402,712
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

15 Deferred government grants (continued)

The current and non-current classification of deferred government grants is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Current liability	127,694	131,919
Non-current liability	6,592,094	6,270,793
	<hr/>	<hr/>
	6,719,788	6,402,712
	<hr/> <hr/>	<hr/> <hr/>

16 Payable to the project companies

The movement in balance is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	2,424,072	2,429,047
Interest charge for the period/year	190,711	250,174
Payments during the period/year	(192,143)	(255,149)
	<hr/>	<hr/>
Balance at the end of the period/year	2,422,640	2,424,072
	<hr/> <hr/>	<hr/> <hr/>

The current and non-current classification of payable to project companies is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Current liability	274,994	273,508
Non-current liability	2,147,646	2,150,564
	<hr/>	<hr/>
	2,422,640	2,424,072
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The interest rate charged on project payable companies is 10.57% per annum (31 December 2021:10.57%). These will mature between 25 October 2037 and 25 October 2039.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

17 Bond payable

The Company issued unsecured USD 1 billion 10-year bonds (“The Notes”) under a Euro Medium Term Note Programme (“EMTN Programme”), which was jointly listed on the London Stock Exchange (LSE) and Abu Dhabi Securities Exchange (ADX). The Notes will mature on 6 May 2031 and carry a coupon of 2.5% per annum. Proceeds of the Notes were used for general corporate purposes and debt refinancing. The settlement of the offering occurred on 6 May 2021 and the Group received cash of USD 979.2 million (AED 3,579.2 million). The par value of the bond was USD 1,000 million (AED 3,673.5 million) and was issued at a price below par resulting in net proceeds being lower by USD 20.8 million (AED 76.3 million).

The fair value of the bond payable as of 30 September 2022 is USD 812.5 million, which is equivalent to AED 2,984.7 million (31 December 2021: USD 1,000 and AED 3,673.5 million).

As of 30 September 2022, unamortised prepaid transaction cost for the bond is AED 18.9 million (31 December 2021: 20.6 million) and unamortised discount is AED 66.9 million (31 December 2021: AED 71.9 million).

18 Borrowings

	30 September 2022 AED’000 (unaudited)	31 December 2021 AED’000 (audited)
Loan facility	550,935	1,146,132
	<hr/>	<hr/>
Amount due for settlement within 12 months from the end of reporting period (classified under current liabilities)	550,935	1,146,132
	<hr/> <hr/>	<hr/> <hr/>

During 2021, the Group obtained an unsecured senior revolving credit facility with a credit limit of USD 1,000 million (AED 3,673.5 million) from a syndicate of local and international banks for the purpose of financing capital expenditure and general corporate purposes of the Group. The facility had a tenure of 3 years and an extension option of two years at one year increments. The facility carried an effective interest rate of 0.85% over LIBOR. During the period, the facility has been renewed for another year with the next extension due in 2023. The terms of the agreement required the Group to maintain a minimum tangible net worth of AED 6 billion. Total undrawn amount is USD 850 million (AED 3,122 million) as of the reporting date (31 December 2021: USD 688 million equivalent to AED 2,527 million).

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

18 Borrowings (continued)

Reconciliation of borrowings movement to the cash flows arising from financing activities is as follows:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	1,146,132	4,050,000
Loans drawdown during the period/year	550,935	2,600,841
Loans repaid during the period/year	(1,146,132)	(5,504,709)
	<hr/>	<hr/>
Balance at the end of the period/year	550,935	1,146,132
	<hr/> <hr/>	<hr/> <hr/>

19 Trade and other payables

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Deferred income	410,841	259,937
Customer deposits	95,292	83,816
Contingent and deferred consideration (note 29)	555	-
Due to related parties (note 22)	98,314	-
	<hr/>	<hr/>
	605,002	343,753
	<hr/> <hr/>	<hr/> <hr/>
Current portion		
Accrued expenses and construction related costs	1,178,615	1,190,830
Contractors and supplier payables	440,586	158,290
Deferred income	382,030	240,483
Due to related parties (note 22)	100,965	233,928
Customer advances	126,912	116,051
Retentions payable	68,660	147,380
Other payables	45,264	47,628
Contingent and deferred consideration (note 29)	4,745	-
Advances for Fujairah Port development project (note 5)	-	500,000
	<hr/>	<hr/>
	2,347,777	2,634,590
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

20 Revenue

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Revenue from contracts with customers (a)	1,047,952	534,707	2,377,862	1,554,257
Revenue from rental income (b)	418,175	424,680	1,377,186	1,236,761
	1,466,127	959,387	3,755,048	2,791,018

a) Disaggregation of revenue from contracts with customers:

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Services transferred at a point in time				
Maritime services	497,489	122,454	955,619	351,121
Logistics operations	129,648	148,057	388,885	424,202
Ports operations	160,341	146,422	360,056	431,857
Digital services	23,407	29,697	69,874	80,561
Other Economic Cities & Free Zones services	12,532	62,767	50,282	71,106
	823,417	509,397	1,824,716	1,358,847
Services transferred over time				
Maritime services	154,133	10,464	354,959	31,007
Economic Cities & Free Zones services related to lease contracts	70,402	14,846	198,187	164,403
	1,047,952	534,707	2,377,862	1,554,257

b) Disaggregation of revenue from rental income:

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Economic Cities & Free Zones leasing	280,700	297,064	980,888	873,432
Ports concessions and leasing	134,353	123,832	392,427	349,559
Other lease income	3,122	3,784	3,871	13,770
	418,175	424,680	1,377,186	1,236,761

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

21 Direct costs

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Depreciation of property, plant and equipment and investment properties (note 5 and 6)	179,391	106,678	487,859	312,617
Manpower costs	117,085	85,707	319,799	255,772
Warehousing and handling costs	127,150	38,096	247,994	108,780
Vessel operating costs	106,248	11,386	194,155	52,737
Fuel charges	90,967	24,372	184,472	62,608
Repairs and maintenance costs	46,469	77,459	168,233	220,410
Utility costs	53,443	53,159	167,989	156,020
Trucking and transportation costs	55,313	102,004	141,457	266,543
Non-vessel container carrier operating cost	39,108	-	50,514	-
Insurance and consultancy	16,731	7,322	35,206	21,796
Outsourcing and external manpower costs	8,853	14,695	31,592	39,960
Amortisation of right-of-use assets	10,809	8,316	27,500	24,978
Application license and maintenance costs	6,099	3,366	21,766	12,867
Amortisation of intangible assets	6,455	2,673	16,843	8,018
Foreign labor service charge	2,763	7,021	15,571	17,154
Other operating costs	5,608	5,072	10,966	12,676
Equipment hire	3,531	2,206	7,898	4,143
	876,023	549,532	2,129,814	1,577,079
Less: Government grants (note 15)	(60,915)	(32,939)	(182,924)	(91,649)
	815,108	516,593	1,946,890	1,485,430

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties

Related parties represent the shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties, where such parties have the ability to control or exercise significant influence in financial and operating decisions. Pricing policies and terms of these transactions are approved by the Company's management.

Terms and conditions of transactions with related parties

The services to and from related parties are made at normal market prices.

Balances with these related parties generally arise from commercial transactions in the normal course of business on arm's length basis. Balances with related parties reflected in the condensed consolidated statement of financial position at the reporting date comprised:

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Due from related parties (note 11):		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding ("ADQ")	4,581	-
	_____	_____
<i>Joint ventures</i>		
Abu Dhabi Terminals Company LLC	35,519	4,380
	_____	_____
<i>Entities under common control</i>		
Abu Dhabi Police	162,493	-
Abu Dhabi National Oil Company	66,230	20,053
Abu Dhabi Polymers Co. Ltd (Borouge)	26,251	86,388
Department of Municipalities and Transport	40,739	32,000
Emirates Steel Industries Co. PJSC	36,036	57,665
Department of Finance – Abu Dhabi	20,192	169,077
General Headquarter Armed Forces	6,945	10,319
Silal Food and Technology LLC	128	7,515
Rafed Healthcare Supplies LLC	-	19,849
Other entities under common control	21,839	153,007
	_____	_____
	380,853	555,873
	_____	_____
	420,953	560,253
	_____	_____

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties (continued)

Balances with related parties (continued)

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Accrued income (note 11)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (“ADQ”)	-	235,923
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	18,608	44,939
<i>Entities under common control</i>		
Abu Dhabi Police	17,727	-
Department of Municipalities and Transport	11,818	11,003
Emirates Steel Industries Co. PJSC	25,360	-
Abu Dhabi National Oil Company	7,277	18,500
Lulu International Holding Limited (Group)	-	4,880
Rafed Healthcare Supplies LLC	-	2,105
Other entities controlled by the Government of Abu Dhabi	159	395
	62,341	36,883
	80,949	317,745
Un-billed lease receivables (note 11)		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	280,427	262,901
<i>Entities under common control</i>		
Other entities controlled by the Government of Abu Dhabi	61,270	50,687
	341,697	313,588
Prepayments and advances (note 12)		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	49,400	60,800
<i>Entities under common control</i>		
National Health Insurance Company PJSC (Daman)	2,233	2,290
	51,633	63,090

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties (continued)

Balances with related parties (continued)

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash and bank balances (note 13)		
<i>Entity under common control</i>		
Banks controlled by the Government of Abu Dhabi	581,302	1,028,053
	=====	=====
Investment in joint ventures (note 8)	594,807	455,493
	=====	=====
Impairment loss on financial assets and unbilled lease receivable (note 11)	32,370	42,263
	=====	=====
Due to related parties (note 19)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (ADQ)	323	323
	-----	-----
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	8,479	7,876
	-----	-----
<i>Entities under common control</i>		
Department of Finance – Abu Dhabi	98,314	98,314
Abu Dhabi Retirement Pensions & Benefits Fund	5,616	3,019
Abu Dhabi National Oil Company	17,912	29,540
Other entities under common control	68,633	94,856
	-----	-----
	190,475	225,729
	-----	-----
	199,279	233,928
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties (continued)

Balances with related parties (continued)

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Payable to the project companies (note 16)		
<i>Joint venture</i>		
ZonesCorp Infrastructure Fund	2,422,640	2,424,072
	=====	=====
Deferred government grants (note 15)		
<i>Ultimate controlling undertaking</i>		
Government of Abu Dhabi	6,462,460	6,064,640
	=====	=====
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (ADQ)	257,327	338,072
	=====	=====
	6,719,788	6,402,712
	=====	=====
Borrowings (note 18)		
<i>Entities under common control</i>		
First Abu Dhabi Bank	110,187	229,226
	=====	=====
Accrued expenses, customers deposits and advances and other payables (note 19)		
<i>Entities under common control</i>		
Abu Dhabi National Oil Company	25,039	10,170
Other entities controlled by the Government of Abu Dhabi	-	8,841
	=====	=====
	25,039	19,011
	=====	=====
Shareholders' contribution		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (ADQ)	4,610,360	2,069,710
	=====	=====

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties (continued)

Significant transactions with related parties are as follows:

	Nine-month ended 30 September	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Revenue (Note 20)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (ADQ)	14,976	182,410
	<hr/>	<hr/>
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	121,759	100,841
	<hr/>	<hr/>
<i>Entities under common control</i>		
Abu Dhabi Police	183,925	-
Emirates Steel Industries Co. PJSC	135,501	122,022
Abu Dhabi National Oil Company	249,058	60,758
Department of Municipalities and Transport	77,240	3,969
Abu Dhabi Polymers Co. Ltd (Borouge)	62,885	247,659
Silal Food and Technology LLC	4,261	45,192
General Headquarter Armed Forces	1,569	5,920
Department of Finance – Abu Dhabi	1,062	12,051
Other entities under common control	47,391	412,232
	<hr/>	<hr/>
	762,893	909,803
	<hr/>	<hr/>
	899,627	1,193,054
	<hr/>	<hr/>
Transactions with Joint Ventures (note 8)		
Dividend income from ZonesCorp Infrastructure Fund	27,065	43,000
	<hr/>	<hr/>
Share of profit	112,336	33,729
	<hr/>	<hr/>
Share of other comprehensive income/(loss)	54,043	31,115
	<hr/>	<hr/>
Impairment of goodwill of Abu Dhabi Terminals Company LLC	-	(17,850)
	<hr/>	<hr/>
Investments placed	-	22,035
	<hr/>	<hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

22 Related parties (continued)

Significant transactions with related parties (continued)

	Nine-month ended 30 September	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Borrowings (Note 18)		
Loan repayments to banks controlled by the Government of Abu Dhabi	(229,226)	(5,504,938)
Loan drawdowns from banks controlled by the Government of Abu Dhabi	110,187	1,822,248
Finance costs on loans obtained from banks controlled by the Government of Abu Dhabi	10,582	21,972
Shareholder's contribution received		
Abu Dhabi Developmental Holding (ADQ)	2,540,640	1,400,000
Key management compensation		
Short term benefits	42,577	34,998
Long term benefits	784	2,971
	43,361	37,969

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

23 Basic and diluted earnings per share

Basic earning per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earning per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Company is given below.

	Three-month ended 30 September		Nine-month ended 30 September	
	2022 (unaudited)	2021 (unaudited)	2022 (unaudited)	2021 (unaudited)
<i>Earnings (AED'000)</i>				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Group)	314,362	187,337	917,059	590,047
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Weighted average number of share ('000)				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,090,000	3,840,000	4,916,007	3,840,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted earnings per share attributable to owners of the Group in AED	0.06	0.05	0.19	0.15
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During the period, the equity shares of the Company were split / sub-divided such that each equity share having face value of AED 10/- fully paid-up, was sub-divided into ten (10) equity shares having face value of AED 1/- each, fully paid-up with effect from January 2022. The Earnings Per Share (EPS) figures of the current period and all comparative periods presented above have been restated to give effect of the share split.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****24 Segment information**

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Group is currently organised into six major operating segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- **Ports**, which owns or operates ports and terminals in the region. Ports cluster mainly derives its revenue from general cargo operations, container terminal concessions and port infrastructure leases.
- **Economic Cities & Free Zones (EC&FZ)**, which principally operates KEZAD and other industrial cities following the integration of ZonesCorp in 2020. Economic Cities & Free Zones mainly derives its revenue from lease of land, warehouses, and other utility services.
- **Logistics**, which provides a range of logistical services, such as transportation, warehouse, freight forwarding, supply chain services and cargo handling services along with other value added services. Logistics mainly derives its revenue from warehouse management, freight forwarding and cargo services.
- **Maritime**, which provides a range of marine services, including feeder, as well as transshipment and offshore support services within and outside UAE. Maritime mainly derives its revenue from port side service fees, feeder, offshore services, vessel chartering, underwater surveys and other general marine services. Maritime also operate international container shipping lines from Egypt that primarily operates in the Middle East, the Red sea regions,
- **Digital**, which provides digital services to external customers through Maqta Gateway as well as services to the Group's other segments. Digital mainly derives its revenue from digitalisation of transactional services, software development and other support services.
- **Corporate**, responsible for managing investments held by the Group, development of infrastructure assets for other segments, management of administrative activities for the segments and general coordination of the Group's activities.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance management. Segment performance is measured based on adjusted EBITDA. Adjusted EBITDA is calculated by adjusting net profit for the period from continuing operations by excluding the impact of taxation, net finance costs, depreciation, amortisation, revenue from government grant amortisation and impairment related to goodwill, intangible assets, property and plant and equipment and investment properties. The Group's management reporting process allocates intra-Group profit on a product sale to the market in which that sale is recorded.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

24 Segment information (continued)

Information regarding these segments is presented below:

	Ports AED*000	EC&FZ AED*000	Logistics AED*000	Maritime AED*000	Digital AED*000	Corporate AED*000	Eliminations AED*000	Total AED*000
30 September 2022 (unaudited)								
External revenue	754,812	1,233,186	388,863	1,308,141	69,874	172	-	3,755,048
Inter segment revenue	28,576	7,783	8,617	178	215,031	-	(260,185)	-
Total revenue	783,388	1,240,969	397,480	1,308,319	284,905	172	(260,185)	3,755,048
Direct costs	(281,742)	(418,128)	(347,145)	(846,911)	(56,248)	(137,315)	140,599	(1,946,890)
Gross profit/(loss)	501,646	822,841	50,335	461,408	228,657	(137,143)	(119,586)	1,808,158
Share of profit from joint ventures	-	103,535	-	8,801	-	-	-	112,336
Share of profit from an associate	-	-	32,626	-	-	-	-	32,626
General and administrative expenses	(186,475)	(67,821)	(28,860)	(123,312)	(76,737)	(241,726)	58,580	(666,351)
Selling and marketing expenses	(3,096)	(9,966)	(1,229)	(2,853)	(651)	(32,158)	-	(49,953)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	(2,096)	(86,815)	1,226	(1,077)	(97)	-	-	(88,859)
Gain on disposal of a property held for sale	450	25	73,000	1,994	-	60	-	75,529
Finance income	91	146	(871)	179	-	12,970	-	12,515
Finance costs	(22,230)	(203,833)	(2,417)	(1,125)	(1)	(66,829)	1,710	(294,725)
Other income	-	30	105	-	-	-	-	135
Foreign tax	-	-	-	(836)	-	-	-	(836)
Profit/(loss) for the period	288,290	558,142	123,915	343,179	151,171	(464,826)	(59,296)	940,575
Adjustment for:								
Finance costs	22,230	203,833	2,417	1,125	1	66,829	(1,710)	294,725
Finance income	(91)	(146)	871	(179)	-	(12,970)	-	(12,515)
Amortisation of right-of-use assets and intangible assets	10,361	15,268	8,086	11,215	-	-	(587)	44,343
Depreciation of property, plant and equipment, investment properties	204,976	173,943	32,706	115,828	8,943	28,583	-	564,979
Government grants	(92,794)	(81,010)	-	(9,120)	-	-	-	(182,924)
Foreign income tax	-	-	-	836	-	-	-	836
Adjusted EBITDA	432,972	870,030	167,995	462,884	160,115	(382,384)	(61,593)	1,650,019

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

24 Segment information (continued)

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
30 September 2021 (unaudited)								
External revenue	781,388	1,121,122	425,772	382,128	80,561	47	-	2,791,018
Inter segment revenue	23,941	9,945	10,493	1,167	103,922	-	(149,468)	-
Total revenue	805,329	1,131,067	436,265	383,295	184,483	47	(149,468)	2,791,018
Direct costs	(339,788)	(472,294)	(304,612)	(309,267)	(53,218)	(102,688)	96,437	(1,485,430)
Gross profit/(loss)	465,541	658,773	131,653	74,028	131,265	(102,641)	(53,031)	1,305,586
Share of profit/(loss) from joint ventures	-	66,786	-	(33,057)	-	-	-	33,729
General and administrative expenses	(114,743)	(38,675)	(17,636)	(50,947)	(58,337)	(199,435)	-	(479,773)
Selling and marketing expenses	(41)	(2,716)	(4,939)	(910)	(68)	(20,493)	-	(29,167)
(Provision)/reversals for impairment losses on financial assets	7,364	12,643	1,714	(5,057)	(1,078)	-	-	15,586
Impairment of investments in equity accounted investees	(17,850)	-	-	-	-	-	-	(17,850)
Finance income	-	34	1,553	10	-	(1,120)	-	477
Finance costs	(20,554)	(196,926)	(2,589)	(17)	(1)	(28,245)	2,048	(246,284)
Other income	462	-	341	12,581	-	1	-	13,385
Profit/(loss) for the period	320,179	499,919	110,097	(3,369)	71,781	(351,933)	(50,983)	595,691
Adjustment for:								
Finance costs	20,554	196,926	2,589	17	1	28,245	(2,048)	246,284
Finance income	-	(34)	(1,553)	(10)	-	1,120	-	(477)
Depreciation	168,767	102,461	31,748	33,680	5,688	18,428	(719)	360,053
Amortisation	9,682	15,268	1,001	-	-	7,014	-	32,965
Government grant	(74,994)	(13,775)	-	(2,880)	-	-	-	(91,649)
Impairment of investments on equity accounted investees	17,850	-	-	-	-	-	-	17,850
Adjusted EBITDA	462,038	800,765	143,882	27,438	77,470	(297,126)	(53,750)	1,160,717

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

24 Segment information (continued)

The segment assets and liabilities and capital expenditures are as follows:

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
<u>30 September 2022</u>								
Total assets	22,804,787	10,427,026	4,444,851	9,400,739	1,186,966	36,665,677	(48,272,436)	36,657,610
Total liabilities	21,367,345	7,572,005	4,065,659	7,569,267	898,856	24,039,571	(48,137,959)	17,374,744
Capital expenditures*	-	-	-	-	-	3,871,881	-	3,871,881
<u>31 December 2021</u>								
Total assets	12,542,051	6,883,366	1,036,794	1,716,190	261,877	12,807,989	(7,099,759)	28,148,508
Total liabilities	11,263,311	4,513,383	699,080	1,210,613	36,357	6,759,394	(7,024,578)	17,457,560
Capital expenditures*	-	-	-	-	-	2,923,899	-	2,923,899

Capital expenditures

*Capital expenditure is incurred by the corporate on behalf of other segments and assets are transferred to the segments upon completion.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

24 Segment information (continued)

Geographical information

The Group is principally operating in two geographical segments, i.e., United Arab Emirates and Egypt:

	Nine-month ended 30 September	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Revenue (Note 20)		
United Arab Emirates	3,708,129	2,791,018
Egypt	46,919	-
	<hr/>	<hr/>
Total revenue	3,755,048	2,791,018
	<hr/> <hr/>	<hr/> <hr/>
Assets		
United Arab Emirates	36,342,003	26,234,220
Egypt	494,253	-
	<hr/>	<hr/>
Total assets	36,836,256	26,234,220
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
United Arab Emirates	17,112,746	16,482,860
Egypt	261,998	-
	<hr/>	<hr/>
Total liabilities	17,374,744	16,482,860
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

25 Seasonality of results

No significant income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the nine-month period ended 30 September 2022 and 2021.

26 Contingencies and commitments

Contingent liabilities

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Bank guarantees	166,043	89,805
Financial guarantees	367,500	508,793

The Group's policy is to provide financial guarantees for subsidiaries' and joint ventures' liabilities. The Group has the following guarantees in effect as at the reporting date.

- i) The Group issued guarantee in 2019 to Abu Dhabi Commercial Bank PJSC in respect of credit facility granted to its joint venture ADT, equal to 50% of the principal amount of the facility then outstanding, such aggregate amount shall not exceed AED 367.5 million, which is the maximum amount the Group is exposed to.
- ii) The Group issued guarantee in 2019 to Societe Generale in respect of credit facility granted to its joint venture K Shipping Investments Ltd, equal to 50% of the principal amount of the facility then outstanding, such aggregate amount not to be exceeding USD 38.4 million, which is the maximum amount the Group was exposed to. Societe Generale released the Group from the guarantee related obligations on 5th July 2022.

Commitments

	30 September 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Commitments for fixed assets	1,910,307	1,093,449
Commitments for investments	-	215,322

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

27 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 30 September 2022 (unaudited)					
Financial assets at FVOCI	2,088,288	2,029,500	-	58,788	2,088,288
	=====	=====	=====	=====	=====
At 31 December 2021 (audited)					
Financial assets at FVOCI	58,788	-	-	58,788	58,788
	=====	=====	=====	=====	=====

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of those financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

28 Property held for sale

During December 2021, the Group entered into a sale and purchase agreement with a related party (the "Buyer"), per which one of the Group's warehouse property to be sold to the related party at an agreed price. This was classified as a property held for sale as of 31 December 2021, considering the fact that sales conditions as specified in the sale and purchase agreement were not satisfied and the rights and obligations attached to the property was not transferred to the buyer as of that date. These conditions were met during the nine-month period ended 30 September 2022. Accordingly, sale of property for a total consideration of AED 310 million was recognised during the current period with a gain of AED 73 million.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations

Divetech Marine Engineering Services LLC

During December 2021, the Group (the “Buyer”) entered into a sale and purchase agreement with Innovation Management Services FZC (the “Seller”) to acquire 100% stake of Divetech Marine Engineering Services LLC (“Divetech”) for a total consideration of AED 188.5 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed during February 2022.

Divetech Marine Engineering Services LLC is a UAE-based limited liability company that is a topside-subsea solutions provider that offers a range of services including installation, inspection, repair and maintenance for ports and other maritime organisations. The business acquired qualifies as a business combination under IFRS 3.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The condensed consolidated financial statements include the results of Divetech for the seven-month period from the acquisition date.

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Fair values recognised on acquisition AED’000 (unaudited)
Assets	
Cash and bank balances	903
Trade and other receivables	81,332
Property, plant and equipment	6,647
Intangible assets	90,400
	<hr/>
Total assets	179,282
	<hr/> <hr/>
Liabilities	
Trade and other payables	15,764
Employees’ end of service benefits	1,095
	<hr/>
Total liabilities	16,859
	<hr/> <hr/>
Total identifiable net assets at fair value	162,423
Less: purchase consideration	(188,523)
	<hr/>
Goodwill	(26,100)
	<hr/> <hr/>

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

Divetech Marine Engineering Services LLC (continued)

Purchase consideration comprised as follows:

	AED'000 (unaudited)
Aggregate cash consideration	188,523
	<hr/>
Total consideration	188,523
	<hr/> <hr/>

The goodwill of AED 26.1 million arising from the acquisition consists of qualified and trained work force, established processes etc. that do not qualify for separate recognition.

Intangible assets include customer relationship, brand name, backlogs, non-compete contracts and licenses acquired as part of business combination and have historically contributed to revenue and generating independent cash flows and have been valued using multi-period excess earning method, Relief from Royalty Method, With and Without Method.

Acquisition related costs amounted to AED 0.8 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Divetech contributed revenue of AED 71.3 million and net loss of AED 1.5 million towards the operations of the Group. If the acquisition had taken place at the beginning of the period, revenue of the Group would have been higher by AED 19.3 million and net profit would have been higher by AED 3.7 million.

Analysis of cashflow on acquisition:

	AED'000 (unaudited)
Cash paid for the acquisition	(188,523)
Net cash acquired on business combination	903
	<hr/>
Net cash outflows on acquisition (included in cash flows from investing activities)	(187,620)
	<hr/> <hr/>
Net cash outflow on acquisition	(187,620)
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

Alligator Shipping Container Line LLC

During December 2021, the Group (the “Buyer”) entered into a sale and purchase agreement with two individuals (the “Sellers”) to acquire 100% stake of Alligator Shipping Container Line LLC (“ASCL”) for a total consideration of AED 34.9 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed during February 2022.

Alligator Shipping Container Line LLC is a UAE-based limited liability company engaged in global shipping and logistics service provider. The business acquired qualifies as a business combination under IFRS 3.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The condensed consolidated financial statements include the results of ACSL for the seven-month period from the acquisition date.

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Fair values recognised on acquisition AED’000 (unaudited)
Assets	
Cash and bank balances	73
Trade and other receivables	12,635
Property, plant and equipment	16,312
Intangible assets	11,000
	<hr/>
Total assets	40,020
	<hr/> <hr/>
Liabilities	
Trade and other payables	15,903
	<hr/> <hr/>
Total identifiable net assets at fair value	24,117
Less: purchase consideration	(34,943)
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Goodwill	(10,826)
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

Alligator Shipping Container Line LLC (continued)

Purchase consideration comprised as follows:

	AED'000 (unaudited)
Aggregate cash consideration	29,643
Contingent and deferred consideration arrangements	5,300
	<hr/>
Total consideration	34,943
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The goodwill of AED 10.8 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

Intangible assets include trademark and non-compete contracts acquired as part of business combination and have historically contributed to revenue and generating independent cash flows and have been valued using relief from royalty method and with and without method.

The contingent consideration arrangement requires actual EBITDA in a financial year to exceed the targeted EBITDA for financial year FY22 and FY23. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between nil and AED 13.0 million. The fair value of the contingent consideration arrangement of AED 5.3 million was estimated by discounting the EBITDA projected in the business for FY22 and FY23 by 6.9%.

Acquisition related costs amounted to AED 0.6 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, ASCL contributed revenue of AED 127.8 million and net profit of AED 10.2 million towards the operations of the Group. If the acquisition had taken place at the beginning of the period, revenue of the Group would have been higher by AED 20.0 million and net profit would have been higher by AED 2.5 million.

Analysis of cashflow on acquisition:

	AED'000 (unaudited)
Cash paid for the acquisition	(29,643)
Net cash acquired on business combination	73
	<hr/>
Net cash outflows on acquisition (included in cash flows from investing activities)	(29,570)
	<hr/>
Net cash outflow on acquisition	(29,570)
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

International Associated Cargo Carrier B.V:

During July 2022, the Group (the “Buyer”) entered into a sale and purchase agreement with Leocorp B.V (the “Seller”) to acquire 70% stake of International Associated Cargo Carrier B.V. (“IACC”) for a total consideration of AED 483 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction were completed during September 2022.

International Associated Cargo Carrier B.V. is a private limited liability company duly established and existing under the laws of the Netherlands having operations in Egypt. The company wholly owns Transmar, a leading regional container line and Transcargo International (TCI) specialized in stevedoring, warehousing and port services. The business acquired qualifies as a business combination under IFRS 3.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. The condensed consolidated financial statements include the results of IACC for the one-month period from for the month of September 2022.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED’000 (unaudited)
Assets	
Cash and bank balances	81,739
Inventory	1,540
Prepayments	8,320
Trade and other receivables	57,502
Property, plant and equipment	55,719
Right of use asset	266,301
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Total assets	471,121
	<hr/> <hr/>
Liabilities	
Trade and other payables	34,707
Lease liabilities	229,125
	<hr/>
Total liabilities	263,832
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Total identifiable net assets at fair value	207,289
Less: Non-controlling Interest	(62,187)
Less: purchase consideration	(482,974)
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Goodwill	(337,872)
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

International Associated Cargo Carrier B.V (continued):

Purchase consideration comprised as follows:

	AED'000 (unaudited)
Aggregate cash consideration	482,974
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Total consideration	482,974
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The goodwill of AED 338 million arising from the acquisition consists of intangible assets, qualified and trained work force and established processes.

Acquisition related costs amounted to AED 1.2 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, IACC contributed revenue of AED 47 million and net profit of AED 25 million towards the operations of the Group. If the acquisition had taken place at the beginning of the period, revenue of the Group would have been higher by AED 318 million and net profit would have been higher by AED 122 million.

Analysis of cashflow on acquisition:

	AED'000 (unaudited)
Cash paid for the acquisition	(482,974)
Net cash acquired on business combination	81,739
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Net cash outflows on acquisition (included in cash flows from investing activities)	(401,235)
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Net cash outflow on acquisition	(401,235)
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**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)**

29 Business combinations (continued)

Safeen Diving and Subsea Services LLC:

During June 2022, the Group entered into a shareholders agreement with National Marine Dredging Company (NMDC) relating to establishing a new subsidiary company under the name Safeen Diving and Subsea Services LLC (Subsea). The Group holds 51% shares in Seabsea and consolidate the financial results of the entity as the Group exercises control over the subsidiary. The conditions specified in the agreement were satisfied during July 2022.

Safeen Diving and Subsea Services LLC (Subsea) has been incorporated for deep sea diving and underwater survey activities. The condensed consolidated financial statements include the results of Subsea for the period from July to September 2022.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000 (unaudited)
Assets	
Property, plant and equipment	149,707
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Total assets	149,707
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Total identifiable net assets at fair value	149,707
Less: Non-Controlling Interest	(73,356)
Less: purchase consideration	(262,288)
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Goodwill	(185,937)
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The goodwill of AED 185.9 million arising from the acquisition consists of intangible assets, qualified and trained work force and established processes.

Acquisition related costs amounted to AED 0.1 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, Safeen Subsea contributed revenue of AED 109.3 million and net profit of AED 15.4 million towards the operations of the Group.

**Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2022 (continued)****30 Events after the reporting period**

On 3rd November 2022, the Group announced the acquisition of 80 percent equity stake in Dubai-based Global Feeder Shipping company “Delanord Investments Limited” (GFS Group), a global container shipping company, to expand the Group’s feeder and Non-Vessel Owning Common Carrier (NVOCC) services. The total purchase consideration for the 80% stake amounts to AED 2.9 billion (US\$ 800 million), implying a 100% Enterprise Value of AED 3.7 billion (US\$ 1.0 billion), with the acquisition being fully funded through a new acquisition loan. The deal remains subject to regulatory approvals, expected to be completed early in Q1 2023. Accordingly, at the date of issuance of these condensed consolidated financial statements, the initial acquisition accounting of this transaction is not complete.

31 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 November 2022.