

**ABU DHABI PORTS COMPANY PJSC**

**Review report and condensed  
consolidated financial information  
for the three-month period ended  
31 March 2023**

## **ABU DHABI PORTS COMPANY PJSC**

### **Review report and condensed consolidated financial information for the three-month period ended 31 March 2023**

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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 31 March 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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.

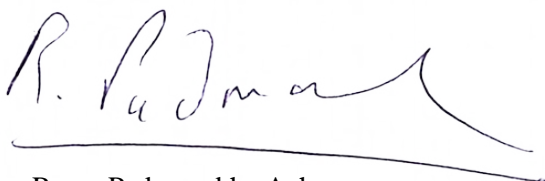
### *Scope of Review*

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.)



Rama Padmanabha Acharya  
Registration No. 701  
15 May 2023  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 31 March 2023**

	Notes	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	22,502,169	21,789,636
Investment properties	6	7,497,395	4,481,935
Intangible assets and goodwill	7	1,286,234	946,902
Right-of-use assets		807,269	799,838
Investment in joint ventures	8	575,309	612,241
Investment in an associate	9	1,289,554	1,280,325
Financial asset at fair value through other comprehensive income	10	1,886,988	2,078,388
Trade and other receivables	12	2,193,529	2,113,729
Prepayments and advances	13	53,239	48,600
Term deposit	14	50,000	-
Derivative financial asset	28.1	28,974	-
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>38,170,660</b>	34,151,594
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		59,114	50,772
Financial asset at fair value through profit or loss	11	87,901	-
Trade and other receivables	12	3,369,697	2,922,064
Prepayments and advances	13	743,131	596,739
Cash and bank balances	14	885,535	790,822
		<hr/>	<hr/>
<b>Total current assets</b>		<b>5,145,378</b>	4,360,397
		<hr/>	<hr/>
<b>Total assets</b>		<b>43,316,038</b>	38,511,991
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	5,090,000	5,090,000
Share premium	15	2,750,000	2,750,000
Statutory reserve		504,696	504,696
Assets distribution reserve		(22,063)	(22,063)
Cash flow hedge reserve		(49,863)	(41,154)
Investment revaluation reserve		737,542	928,942
Foreign currency translation reserve		(21,786)	(21,786)
Merger reserve		1,319,288	1,319,288
Retained earnings		4,603,088	4,272,152
Shareholder's contribution	23	4,467,655	4,467,655
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>19,378,557</b>	19,247,730
		<hr/>	<hr/>
Non-controlling interests		<b>2,859,911</b>	387,403
		<hr/>	<hr/>
<b>Total equity</b>		<b>22,238,468</b>	19,635,133
		<hr/> <hr/>	<hr/> <hr/>

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

**Condensed consolidated statement of financial position  
as at 31 March 2023 (continued)**

	Notes	31 March 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred government grants	16	6,526,645	6,561,872
Provision for employees' end of service benefits		165,470	157,308
Lease liabilities		831,417	845,078
Payable to the project companies	17	2,136,976	2,139,765
Bond payable	18	3,592,219	3,589,954
Bank borrowings	19	962,732	80,795
Trade and other payables	20	560,083	506,288
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>14,775,542</b>	<b>13,881,060</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Deferred government grants	16	279,740	279,740
Payable to the project companies	17	281,470	278,681
Lease liabilities		68,187	70,249
Bank borrowings	19	2,260,478	1,395,698
Trade and other payables	20	3,412,153	2,971,430
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>6,302,028</b>	<b>4,995,798</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>21,077,570</b>	<b>18,876,858</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>43,316,038</b>	<b>38,511,991</b>
		<hr/> <hr/>	<hr/> <hr/>

To the best of our knowledge, the condensed consolidated interim 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 Ahabbi**  
Chairman



**Mohamed Al Shamisi**  
Group Chief Executive Officer  
and Managing Director



**Martin Aarup**  
Group Chief Financial Officer

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

**Condensed consolidated statement of profit or loss  
for the three-month period ended 31 March 2023**

	Notes	Three-month ended 31 March	
		2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Revenue	21	1,816,903	1,047,365
Direct costs	22	(1,102,311)	(561,071)
<b>Gross profit</b>		<b>714,592</b>	486,294
General and administrative expenses		(265,899)	(192,518)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	12	(31,672)	(6,632)
Selling and marketing expenses		(9,087)	(11,039)
Share of profit from joint ventures	8	62,667	39,262
Share of profit from an associate	9	9,229	10,558
Finance costs		(121,641)	(93,105)
Finance income		4,067	347
Gain on disposal of a property held for sale	29	-	73,000
Other income		548	53
Fair value gain on investments at FVTPL	11	346	-
<b>Profit before tax</b>		<b>363,150</b>	306,220
Income tax on foreign operations		(521)	-
<b>Profit for the period</b>		<b>362,629</b>	306,220
<b>Attributable to:</b>			
Owners of the Company		330,936	304,927
Non-controlling interests		31,693	1,293
		<b>362,629</b>	306,220
<b>Basic and diluted earnings per share (AED)</b>	24	<b>0.07</b>	0.07
<b>Adjusted EBITDA</b>	25	<b>698,873</b>	524,492

**Condensed consolidated statement of comprehensive income  
for the three-month period ended 31 March 2023**

	<b>Three-month ended 31 March</b>	
	<b>2023</b> <b>AED'000</b> <b>(unaudited)</b>	<b>2022</b> <b>AED'000</b> <b>(unaudited)</b>
<b>Profit for the period</b>	<b>362,629</b>	306,220
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Fair value (loss) / gain on financial asset designated at FVTOCI	<b>10</b> <b>(191,400)</b>	217,800
Fair value gain on financial asset designated at FVTOCI- share of equity accounted investees	-	28
	<b>(191,400)</b>	217,828
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Net fair value loss on hedging instruments entered into for cash flow hedges	<b>28.1</b> <b>(9,533)</b>	-
Share of equity accounted joint venture	<b>8</b> <b>824</b>	22,743
Share of equity accounted associate	<b>9</b> <b>-</b>	(8,057)
	<b>(8,709)</b>	14,686
<b>Total other comprehensive (loss) / income</b>	<b>(200,109)</b>	232,514
<b>Total comprehensive income for the period</b>	<b>162,520</b>	538,734
<b>Attributable to:</b>		
Owners of the Company	<b>130,827</b>	537,441
Non-controlling interests	<b>31,693</b>	1,293
	<b>162,520</b>	538,734

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

**Condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2023**

	Share capital AED'000	Share premium AED'000	Statutory reserve AED'000	Assets distributio n 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	Shareholder's contribution AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
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	-	-	-	-	-	-	-	-	304,927	-	304,927	1,293	306,220
Other comprehensive income/(loss) for the period	-	-	-	-	22,743	217,828	(8,057)	-	-	-	232,514	-	232,514
Total comprehensive income/(loss) for the period	-	-	-	-	22,743	217,828	(8,057)	-	304,927	-	537,441	1,293	538,734
Shareholder's contribution (note 23)	-	-	-	-	-	-	-	-	-	2,397,945	2,397,945	-	2,397,945
New shares issued (note 15)	1,250,000	2,750,000	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000
Balance at 31 March 2022 (unaudited)	5,090,000	2,750,000	379,861	(22,063)	(74,296)	217,828	(8,057)	1,319,288	3,453,572	4,467,655	17,573,788	53,839	17,627,627

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



**Condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2023 (continued)**

	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	Shareholder's contribution AED'000	Equity attributable to owners of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2023 (audited)	5,090,000	2,750,000	504,696	(22,063)	(41,154)	928,942	(21,786)	1,319,288	4,272,152	4,467,655	19,247,730	387,403	19,635,133
Profit for the period	-	-	-	-	-	-	-	-	330,936	-	330,936	31,693	362,629
Other comprehensive income/(loss) for the period	-	-	-	-	(8,709)	(191,400)	-	-	-	-	(200,109)	-	(200,109)
Total comprehensive income/(loss) for the period	-	-	-	-	(8,709)	(191,400)	-	-	330,936	-	130,827	31,693	162,520
Acquisition of a new subsidiary (note 30)	-	-	-	-	-	-	-	-	-	-	-	2,440,815	2,440,815
<b>Balance at 31 March 2023 (unaudited)</b>	<b>5,090,000</b>	<b>2,750,000</b>	<b>504,696</b>	<b>(22,063)</b>	<b>(49,863)</b>	<b>737,542</b>	<b>(21,786)</b>	<b>1,319,288</b>	<b>4,603,088</b>	<b>4,467,655</b>	<b>19,378,557</b>	<b>2,859,911</b>	<b>22,238,468</b>

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

**Condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2023**

	<b>Three-month ended 31 March</b>	
	<b>2023</b> <b>AED'000</b> <b>(unaudited)</b>	<b>2022</b> <b>AED'000</b> <b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>362,629</b>	306,220
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment and investment properties	<b>226,807</b>	160,646
Amortisation of right-of-use assets	<b>12,778</b>	8,346
Amortisation of intangible assets	<b>24,044</b>	3,934
Share of profit from joint ventures	<b>(62,667)</b>	(39,262)
Share of profit from an associate	<b>(9,229)</b>	(10,558)
Provision for impairment on trade receivables, net	<b>31,672</b>	6,632
Provision for slow moving inventories	<b>480</b>	270
Amortisation of government grants	<b>(45,480)</b>	(47,412)
Provision for employees' end of service benefits	<b>9,000</b>	11,413
Finance costs	<b>121,641</b>	93,105
Interest income	<b>(4,067)</b>	(347)
Foreign exchange loss / (gain)	<b>1,269</b>	(500)
Gain on disposal of a property held for sale	<b>-</b>	(73,000)
Gain on fair value change in investment through FVTPL	<b>(346)</b>	-
<b>Operating cash flows before movements in working capital</b>	<b>668,531</b>	419,487
(Increase)/decrease in inventories	<b>(6,622)</b>	3,344
Increase in trade and other receivables	<b>(516,678)</b>	(342,365)
Increase in prepayments and advances	<b>(59,831)</b>	(20,585)
Increase in trade and other payables	<b>264,782</b>	540
<b>Cash generated from operations</b>	<b>350,182</b>	60,421
Employees' end of service benefits paid	<b>(3,256)</b>	(1,284)
Payment of short-term lease	<b>(7,342)</b>	(7,657)
Payment of low-value assets	<b>(4,929)</b>	(1,610)
<b>Net cash generated from operating activities</b>	<b>334,655</b>	49,870
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(981,591)</b>	(949,209)
Purchase of investment properties	<b>(34,423)</b>	(18,142)
Proceeds from merger of subsidiary (note 30)	<b>48,084</b>	-
Dividend received from a joint venture	<b>22,000</b>	3,565
Interest received	<b>4,067</b>	347
Proceeds from disposal of property, plant and equipment	<b>84</b>	-
Proceeds from reduction in investment in joint venture	<b>78,423</b>	-
Proceeds from disposal of a property held for sale	<b>-</b>	310,000
Investment in short term deposits	<b>(15,002)</b>	(2,000,000)
Purchase consideration paid to acquire new subsidiaries	<b>-</b>	(212,184)
<b>Net cash used in investing activities</b>	<b>(878,358)</b>	(2,865,623)

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

**Condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2022 (continued)**

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from financing activities</b>		
Proceeds from term loan drawdown	<b>1,101,732</b>	-
Term loan paid	<b>(351,345)</b>	(1,146,132)
Finance cost paid	<b>(17,766)</b>	(7,114)
Payment to project companies	<b>(63,024)</b>	(62,564)
Payment for principal portion of lease liabilities	<b>(37,232)</b>	(7,416)
Payment for interest portion of lease liabilities	<b>(8,951)</b>	(1,693)
New shares issued	-	4,000,000
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>623,414</b>	2,775,081
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>79,711</b>	(40,672)
Cash and cash equivalents at beginning of the period	<b>745,735</b>	1,035,803
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period (note 14)</b>	<b>825,446</b>	995,131
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Non-cash transactions</u></b>		
Investment in an associate received as a capital contribution	-	1,307,295
	<hr/> <hr/>	<hr/> <hr/>
Investment in FVTOCI received as a capital contribution	-	1,090,650
	<hr/> <hr/>	<hr/> <hr/>
Government grant received during the year	<b>10,253</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Purchase consideration for acquisition of subsidiary	<b>2,440,815</b>	-
	<hr/> <hr/>	<hr/> <hr/>

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

## Notes to the condensed consolidated financial statements for the three-month period ended 31 March 2023

### 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").

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, associate and joint ventures (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 ports in the Emirate of Abu Dhabi and operates terminals under concession arrangements in the UAE;
- **Economic Cities & Free Zones**, which principally operates Khalifa Industrial Zone Company LLC "KIZAD" and eight other industrial zones 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 services, as well as transshipment and offshore support services within and outside UAE, and
- **Digital**, which provide digital services to external customers through Maqta Gateway LLC as well as services to the Group's other clusters.

Refer to the consolidated financial statements of the Group as at and for the year ended 31 December 2022 for the details of principal activities, operations and ownership interest of the subsidiaries, joint ventures and associate.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)****2 Application of new and revised International Financial Reporting Standards (IFRS)****New and revised IFRSs applied with no material effect on the consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023:

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023)
- 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)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023)

**New and revised IFRS in issue but not yet effective and not early adopted by the Group**

The following new and revised IFRSs, that have been issued but are not yet effective:

- 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)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)

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

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (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 2022. In addition, results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Certain comparative figures have been reclassified to agree with the current year classification.

**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 2022, except for the adoption of new standards and interpretations effective 1 January 2023 as stated in Note 2.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**5 Property, plant and equipment**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Carrying amount at the beginning of the period/year	<b>21,789,636</b>	17,152,182
Additions during the period/year	<b>893,380</b>	5,122,681
Acquired through business combination (note 30)	<b>2,386</b>	229,187
Depreciation charge for the period/year	<b>(183,149)</b>	(585,121)
Transferred from receivables during the period/year (note 11)	-	500,000
Transferred from right-of-use asset	-	112,007
Transferred to investment properties (note 6)	-	(730,936)
Disposals during the period/year	<b>(84)</b>	(10,364)
	<hr/>	<hr/>
<b>Carrying amount at the end of the period/year</b>	<b>22,502,169</b>	21,789,636
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The depreciation charge has been allocated in the condensed consolidated statement of profit or loss as follows:

	<b>Three-month ended 31 March</b>	
	<b>2023 AED'000 (unaudited)</b>	2022 AED'000 (unaudited)
Direct costs	<b>157,617</b>	89,462
General and administrative expenses	<b>25,532</b>	24,979
	<hr/>	<hr/>
	<b>183,149</b>	114,441
	<hr/> <hr/>	<hr/> <hr/>

Staff costs of AED 44.7 million have been capitalised within capital work-in-progress during the three-month period ended 31 March 2023 (31 March 2022: AED 41.1 million).

Borrowing costs of AED 18.7 million have been capitalised during the three-month period ended 31 March 2023 (31 March 2022: AED 7.5 million).

No impairment indications were noted for property, plant and equipment as of and during the three-month period ended 31 March 2023.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**6 Investment properties**

Movement in the balance is as follows:

	<b>Completed properties AED'000</b>	<b>Properties under development AED'000</b>	<b>Total AED'000</b>
<b><u>Three-month period ended 31 March 2023</u></b>			
<b><u>(unaudited)</u></b>			
Carrying amount at the beginning of the period	2,991,287	1,490,648	4,481,935
Additions during the period	-	34,423	34,423
Acquired through business combination (note 30)	3,024,696	-	3,024,696
Depreciation charge for the period	(43,659)	-	(43,659)
	<hr/>	<hr/>	<hr/>
<b>Carrying amount at the end of the period</b>	<b>5,972,324</b>	<b>1,525,071</b>	<b>7,497,395</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><u>Year ended 31 December 2022 (audited)</u></b>			
Carrying amount at the beginning of the year	3,087,528	550,327	3,637,855
Additions during the year	-	321,629	321,629
Transfers from properties under development	78,099	(78,099)	-
Transfers from property, plant and equipment (note 5)	-	730,936	730,936
Depreciation charge for the year	(203,932)	-	(203,932)
Reversal of impairment loss for the year	29,592	(34,145)	(4,553)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	2,991,287	1,490,648	4,481,935
	<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 453.5 million (31 March 2022: AED 406.3 million) was earned and direct operating expenses (including maintenance expense) of AED 172.2 million was incurred during the period ended 31 March 2023 (31 March 2022: AED 109.1 million).

Investment properties under development mainly comprises the costs relating to warehouses and Razeen workers residential cities in industrial zones.



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**6 Investment properties (continued)**

Management believes that there is no significant change in the fair value of investment properties during the three-month period ended 31 March 2023.

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.

Some of the Group's investment properties have been recognised at cost of AED 1, as the nominal value at which these properties were granted from the Government of Abu Dhabi as disclosed in note 16. These investment properties include warehouses relating to Khalifa Industrial Zone Company LLC, Zayed Port, and Industrial City of Abu Dhabi.

**7 Intangible assets and goodwill**

Movement in the balance is as follows:

	<b>Goodwill</b> <b>AED'000</b>	<b>Other</b> <b>intangible</b> <b>assets</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<b><u>Three-month period ended 31 March 2023</u></b>			
<b><u>(unaudited)</u></b>			
Carrying amount at the beginning of the period	<b>344,524</b>	<b>602,378</b>	<b>946,902</b>
Acquired through business combination (i)	<b>363,376</b>	<b>-</b>	<b>363,376</b>
Amortisation charge for the period	<b>-</b>	<b>(24,044)</b>	<b>(24,044)</b>
	<hr/>	<hr/>	<hr/>
<b>Carrying amount at the end of the period</b>	<b>707,900</b>	<b>578,334</b>	<b>1,286,234</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><u>Year ended 31 December 2022 (audited)</u></b>			
Carrying amount at the beginning of the year	54,534	169,509	224,043
Acquired through business combination	289,990	486,029	776,019
Amortisation charge for the year	-	(53,160)	(53,160)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	344,524	602,378	946,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**7 Intangible assets and goodwill (continued)**

***Goodwill***

The carrying amount of goodwill has been allocated to CGUs as follows:

	<b>31 March 2023 (unaudited) AED'000</b>	31 December 2022 (audited) AED'000
Logistics cluster - Abu Dhabi Terminals LLC	<b>32,824</b>	32,824
Logistics cluster - MICCO Logistics	<b>21,710</b>	21,710
Maritime cluster - Divetech Marine Engineering Services LLC	<b>26,100</b>	26,100
Maritime cluster - Alligator Shipping Container Line LLC (i)	<b>18,526</b>	10,826
Maritime cluster - Safeen Diving and Subsea Services LLC	<b>92,572</b>	92,572
Maritime cluster - Transmar International shipping company	<b>148,704</b>	148,704
Ports cluster - Transcargo International	<b>11,788</b>	11,788
Economic Cities and Free Zone cluster – Al Eskan Al Jamae LLC (i)	<b>355,676</b>	-
	<b>707,900</b>	344,524

- (i) During the period, the Group has finalized purchase price allocation of Alligator Shipping Container Line LLC (ASCL) and accordingly recognized the difference between the identifiable net assets acquired and the consideration as goodwill. The initial accounting for acquisition of ASCL was incomplete as at 31 December 2022 and provisional purchase price allocation was recorded. This has resulted in an additional goodwill of AED 7.70 million which is recognized in this year.

In addition, the Group has recognized a goodwill of AED 355.7 million on merger of Al Eskan Al Jamae LLC with Kizad Communities Development & Services Company (a subsidiary of the Group) (Refer note 30).



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (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	
	Three-month ended 31 March		Three-month ended 31 March		Three-month ended 31 March	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Revenue	73,463	65,228	14,261	49,551	61,681	62,348
Direct costs	(68,096)	(66,729)	(17,432)	(40,883)	-	-
Administrative expenses	(6,718)	(7,017)	(2,223)	(1,251)	(436)	(3,284)
Finance costs	(37,615)	(33,269)	(1,268)	(2,507)	(19,986)	14,510
Other income	493	209	90,726	31	10	11
<b>(Loss)/profit for the period</b>	<b>(38,473)</b>	<b>(41,578)</b>	<b>84,064</b>	<b>4,941</b>	<b>41,269</b>	<b>73,585</b>
Group's share of (loss)/profit	-	-	42,032	2,470	20,635	36,792
<i>Other comprehensive income</i>	-	(24,354)	-	-	1,648	45,485
Share of other comprehensive income for the period	-	-	-	-	824	22,743
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,470</b>	<b>21,459</b>	<b>59,535</b>

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

	ADT		Joint ventures with LDPL		ZIF	
	Three-month ended 31 March		Three-month ended 31 March		Three-month ended 31 March	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Depreciation and amortisation	(29,499)	(31,955)	(937)	(6,075)	-	-
Interest income	-	-	-	-	10	11
Interest expense	(37,615)	(33,269)	(1,268)	(2,507)	(23,724)	(14,510)
The unrecognised share of loss of a joint venture for the period	(19,237)	(21,205)	-	-	-	-
Cumulative share of unrecognised losses	(131,295)	(131,295)	-	-	-	-

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**9 Investment in an associate**

During 2022, the parent undertaking of the Group, ADQ transferred 22.32% of equity stake of Aramex PJSC as the shareholder's contribution for no consideration. 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 transferred ownership at fair value of investment in associate at the acquisition date.

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

	<b>31 March 2023 AED'000 (unaudited)</b>	<b>31 December 2022 AED'000 (audited)</b>
Balance at the beginning of the period/year	<b>1,280,325</b>	-
Transferred from parent entity during the period/year (note 23)	-	1,307,295
Share of profit for the period/year	<b>9,229</b>	36,913
Share of other comprehensive loss for the period/year	-	(21,398)
Dividend received during the period/year	-	(42,485)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>1,289,554</b>	1,280,325
	<hr/> <hr/>	<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. These investments 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 FVOCI 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.

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

	<b>31 March 2023 AED'000 (unaudited)</b>	<b>31 December 2022 AED'000 (audited)</b>
Quoted equity security (i)	<b>1,828,200</b>	2,019,600
Unquoted debt and equity security (ii)	<b>58,788</b>	58,788
	<hr/>	<hr/>
	<b>1,886,988</b>	2,078,388
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

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

- (i) During 2022, the parent undertaking of the Group, ADQ transferred 10% ownership in National Marine Dredging Company PJSC (“NMDC”) as the shareholder’s contribution for no consideration. The Group recognised the transferred ownership as a financial asset at FVTOCI and recorded the fair value of the security at the acquisition date.
- (ii) The Group holds 10% ownership in CSP Abu Dhabi Terminal LLC, a container terminal operator operating from Khalifa Port.

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

	<b>31 March 2023 AED’000 (unaudited)</b>	31 December 2022 AED’000 (audited)
Balance at the beginning of the period/year	<b>2,078,388</b>	58,788
Transferred from parent entity during the period (note 23)	-	1,090,650
Change in fair value recognised in other comprehensive income	<b>(191,400)</b>	928,950
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>1,886,988</b>	2,078,388
	<hr/> <hr/>	<hr/> <hr/>

**11 Financial asset at fair value through profit or loss**

Financial assets at fair value through profit or loss (FVTPL) include investment in quoted shares within UAE. Movement during the year is as follows:

	<b>31 March 2023 AED’000 (unaudited)</b>
Balance at the start of the period	-
Acquired through business combination (note 30)	<b>87,555</b>
Change in fair value	<b>346</b>
	<hr/>
<b>Balance at the end of the period</b>	<b>87,901</b>
	<hr/> <hr/>

For fair value measurement and hierarchy of financial assets at fair value through profit or loss (FVTPL) is disclosed in the note 28.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**12 Trade and other receivables**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Non-current portion</b>		
Un-billed lease receivables	<b>2,397,065</b>	2,309,214
Less: loss allowance	<b>(203,536)</b>	(195,485)
	<b>2,193,529</b>	2,113,729
<b>Current portion</b>		
Trade receivables	<b>2,497,913</b>	2,318,949
Due from related parties (note 23)	<b>541,759</b>	414,268
Accrued income	<b>798,213</b>	623,931
	<b>3,837,885</b>	3,357,148
Less: loss allowance	<b>(642,834)</b>	(598,561)
	<b>3,195,051</b>	2,758,587
Staff receivables	<b>29,711</b>	28,984
Other receivables	<b>144,935</b>	134,493
	<b>3,369,697</b>	2,922,064

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**12 Trade and other receivables (continued)**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	<b>794,046</b>	734,443
Net remeasurement of loss allowance during the period/year	<b>31,672</b>	142,313
Amounts written off during the period/year	-	(82,710)
Acquired through business combination (note 30)	<b>20,652</b>	-
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>846,370</b>	794,046
	<hr/> <hr/>	<hr/> <hr/>

**13 Prepayments and advances**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Non-current portion</b>		
Prepaid expenses	<b>53,239</b>	48,600
	<hr/>	<hr/>
<b>Current portion</b>		
Advance payments to contractors	<b>563,313</b>	470,614
Prepaid expenses	<b>179,818</b>	126,125
	<hr/>	<hr/>
	<b>743,131</b>	596,739
	<hr/> <hr/>	<hr/> <hr/>



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**14 Cash and bank balances**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Non-current portion</b>		
Term deposit with maturity of more than one year	<b>50,000</b>	-
<b>Current portion</b>		
Cash on hand	<b>6,065</b>	4,255
Bank balances	<b>819,381</b>	741,480
Term deposits with an original maturity of more than three months but less than one year	<b>60,089</b>	45,087
Cash and bank balances	<b>885,535</b>	790,822
Less: term deposits with an original maturity of more than three months but less than one year	<b>(60,089)</b>	(45,087)
<b>Cash and cash equivalents</b>	<b>825,446</b>	745,735

Bank deposits carry an interest rate of 4.6% (31 December 2022: 0.81%) per annum.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**15 Share capital**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<i>Authorised, issued, subscribed and paid up capital</i>		
5,090,000,000 ordinary shares of AED 1 each		
(2022: 5,090,000,000 ordinary shares of AED 1 each)	<b>5,090,000</b>	5,090,000

Movement in the balance is as follows:

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	<b>5,090,000</b>	3,840,000
1,250,000,000 shares issued of AED 1 each	-	1,250,000
Balance at the end of the period/year	<b>5,090,000</b>	5,090,000

During 2022, 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 remained as the majority shareholder with 75.42% stake in the Company's share capital.

**16 Deferred government grants**

Movement in the balance is as follows:

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	<b>6,841,612</b>	6,402,712
Additions during the period/year	<b>10,253</b>	821,942
Amount recognised as revenue during the period/year	<b>(45,480)</b>	(383,042)
<b>Balance at the end of the period/year</b>	<b>6,806,385</b>	6,841,612

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**16 Deferred government grants (continued)**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Current liability	<b>279,740</b>	279,740
Non-current liability	<b>6,526,645</b>	6,561,872
	<hr/> <b>6,806,385</b> <hr/>	<hr/> 6,841,612 <hr/>

**17 Payable to the project companies**

The movement in balance is as follows:

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	<b>2,418,446</b>	2,424,072
Interest charge for the period/year	<b>63,024</b>	248,307
Payments during the period/year	<b>(63,024)</b>	(253,933)
	<hr/> <b>2,418,446</b> <hr/>	<hr/> 2,418,446 <hr/>

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Current liability	<b>281,470</b>	278,681
Non-current liability	<b>2,136,976</b>	2,139,765
	<hr/> <b>2,418,446</b> <hr/>	<hr/> 2,418,446 <hr/>

The interest rate charged on project payable companies is 9%-12% per annum (31 December 2022: 9%-12%). These will mature between 25 October 2037 and 25 October 2039.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**18 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 was occurred on 6 May 2022 and the Group received cash 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 31 March 2023 is USD 848.75 million, which equivalents to AED 3,117 million (31 December 2022: USD 829.16 million and AED 3,046 million).

As of 31 March 2023, unamortised prepaid transaction cost for the bond is AED 17.8 million (31 December 2022: AED 18.4 million) and unamortised discount is AED 63.5 million (31 December 2022: AED 65.1 million).

**19 Bank borrowings**

	<b>31 March 2023 AED’000 (unaudited)</b>	31 December 2022 AED’000 (audited)
<b>Non-current</b>		
Term loan I (ii)	76,042	80,795
Term loan II (iii)	886,690	-
	<hr/>	<hr/>
	962,732	80,795
<b>Current</b>		
Loan facility (i)	2,166,925	1,395,698
Current portion of term loan I (ii)	4,753	-
Current portion of term loan II (iii)	88,800	-
	<hr/>	<hr/>
	2,260,478	1,395,698
	<hr/>	<hr/>
<b>Total bank borrowings</b>	<b>3,223,210</b>	<b>1,476,493</b>
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**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**19 Bank borrowings (continued)**

**(i) Loan facility**

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 has a tenure of 3 years and an extension option of two years at one year increments and carries an effective interest rate of 0.85% over LIBOR depending on the facility utilisation. The terms of the agreement require the Group to maintain a minimum tangible net worth of AED 6 billion. As of the reporting date, the Group is in compliance with this financial covenant.

**(ii) Term loan I**

During 2022, a subsidiary of the Group obtained a secured medium-term loan with a value of USD 22 million (AED 80.8 million) from a local bank in Egypt for the purpose of early settlement of lease liabilities and subsequent capitalization of a vessel that was previously recorded as a right of use asset under IFRS 16. The loan carries an interest rate of 5.88%. The loan is repayable in quarterly instalments, with the first instalment commencing fifteen months after the loan draw down date.

**(iii) Term loan II**

During the period, the Group completed a transaction to merge 100% of Al Eskan Al Jamae LLC (EAJ) with Kizad Communities Development & Services Company (KC), a 100% owned subsidiary of the Group. As part of business combination, the Group recognised a loan facility of EAJ of AED 725 million which was entered on 24 June 2020 with a local bank to finance the settlement of loan used to construct Phase II of ICAD Residential City. The loan bears an interest at 3 Month EIBOR + 2.35% per annum and is repayable over 7 years through 28 quarterly installments which commenced on 24 October 2020.

On 24 June 2022, EAJ entered into a loan facility agreement of AED 453.49 million with a local bank to refinance part of the facility. The loan bears an interest at 3 Month EIBOR + 3% per annum and is repayable over 7 years through 28 quarterly instalments which will commence on 24 January 2024.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**19 Bank borrowings (continued)**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	<b>1,476,493</b>	1,146,132
Loans drawdown during the period/year	<b>1,101,732</b>	1,476,493
Acquired through business combination (note 30)	<b>996,330</b>	-
Loans repaid during the period/year	<b>(351,345)</b>	(1,146,132)
	<hr/>	<hr/>
<b>Balance at the ending of the period/year</b>	<b>3,223,210</b>	1,476,493
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**20 Trade and other payables**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Non-current portion</b>		
Deferred income	<b>424,159</b>	405,973
Customer deposits	<b>135,924</b>	100,315
	<hr/>	<hr/>
	<b>560,083</b>	506,288
	<hr/> <hr/>	<hr/> <hr/>
<b>Current portion</b>		
Accrued expenses and construction related costs	<b>1,522,600</b>	1,392,102
Contractors and supplier payables	<b>758,139</b>	572,630
Deferred income	<b>499,365</b>	475,116
Customer advances	<b>263,921</b>	180,312
Due to related parties (note 23)	<b>217,515</b>	227,667
Unearned revenue	<b>62,884</b>	8,442
Retentions payable	<b>55,006</b>	61,861
Other payables	<b>19,723</b>	48,000
Deferred consideration	<b>13,000</b>	5,300
	<hr/>	<hr/>
	<b>3,412,153</b>	2,971,430
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**21 Revenue**

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue from contracts with customers (a)	<b>1,330,525</b>	607,664
Revenue from rental income (b)	<b>486,378</b>	439,701
	<b>1,816,903</b>	1,047,365

*a) Disaggregation of revenue from contracts with customers:*

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Services transferred at a point in time</b>		
Maritime services	<b>918,234</b>	267,898
Logistics operations	<b>134,938</b>	140,032
Ports operations	<b>173,311</b>	104,636
Digital services	<b>28,301</b>	26,967
Other Economic Cities & Free Zones services	<b>8,549</b>	4,570
	<b>1,263,333</b>	544,103
<b>Services transferred over - time</b>		
Other Economic Cities & Free Zones services related to lease contracts	<b>67,192</b>	63,561
<b>Total revenue from contracts with customers</b>	<b>1,330,525</b>	607,664

*b) Disaggregation of revenue from rental income:*

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Economic Cities & Free Zones leasing	<b>352,283</b>	309,999
Ports concessions and leasing	<b>133,678</b>	129,344
Other lease income	<b>417</b>	358
	<b>486,378</b>	439,701

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**22 Direct costs**

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Depreciation of property, plant and equipment and investment properties (note 5 and 6)	<b>201,276</b>	135,667
Vessel operating costs	<b>189,881</b>	37,543
Staff cost	<b>110,332</b>	92,004
Warehousing and handling costs	<b>91,159</b>	37,744
Fuel costs	<b>86,707</b>	30,563
Marine port costs	<b>73,810</b>	-
Equipment hire cost	<b>65,589</b>	1,610
Repair & maintenance cost	<b>64,499</b>	81,841
Utility cost	<b>64,178</b>	64,702
Other operating cost	<b>58,620</b>	2,697
Trucking & transportation cost	<b>43,294</b>	60,876
Amortization of intangibles (note 7)	<b>24,044</b>	3,933
Insurance & consultancy cost	<b>20,831</b>	5,597
Outsourcing and external manpower cost	<b>16,159</b>	11,476
Non-vessel container carrier operating cost	<b>14,675</b>	17,020
Amortization of right-of-use assets	<b>12,778</b>	8,346
Application license and maintenance costs	<b>5,288</b>	8,682
Foreign labor service cost	<b>4,671</b>	8,182
	<b>1,147,791</b>	608,483
Less: amortization of government grants (note 16)	<b>(45,480)</b>	(47,412)
	<b>1,102,311</b>	561,071



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 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:

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Due from related parties (note 12):</b>		
<i>Joint ventures</i>		
Abu Dhabi Terminals Company LLC	<b>28,407</b>	46,418
	<hr/>	<hr/>
<i>Entities under common control</i>		
Department of Finance – Abu Dhabi	<b>20,467</b>	20,564
Abu Dhabi Police	<b>77,547</b>	8,562
Abu Dhabi Polymers Co. Ltd (Borouge)	<b>26,716</b>	27,252
Emirates Steel Industries Co. PJSC	<b>49,408</b>	64,323
Department of Municipalities and Transport	<b>1,009</b>	11,018
Abu Dhabi National Oil Company	<b>195,029</b>	111,249
Rafed Healthcare Supplies LLC	<b>11,987</b>	10,435
CMA Terminal Khalifa LLC	<b>47,686</b>	47,712
General Headquarter Armed Forces	<b>2,652</b>	3,485
Other entities controlled by the Government of Abu Dhabi	<b>80,851</b>	63,250
	<hr/>	<hr/>
	<b>513,352</b>	367,850
	<hr/>	<hr/>
	<b>541,759</b>	414,268
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Accrued income (note 12)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (“ADQ”)	<b>2,466</b>	2,466
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>22,437</b>	26,504
<i>Entities under common control</i>		
Department of Municipalities and Transport	<b>44,133</b>	31,764
Abu Dhabi National Oil Company	<b>15,629</b>	513
Abu Dhabi Police	<b>18,647</b>	119,450
Rafed Healthcare Supplies LLC	<b>2,060</b>	1,516
Other entities controlled by the Government of Abu Dhabi	<b>5,873</b>	12,526
	<b>86,342</b>	165,769
	<b>111,245</b>	194,739
<b>Un-billed lease receivables (note 12)</b>		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>291,620</b>	286,269
<i>Entities under common control</i>		
Other entities controlled by the Government of Abu Dhabi	<b>94,718</b>	71,546
	<b>386,338</b>	357,815
<b>Prepayments and advances (note 13)</b>		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>30,400</b>	48,600
<i>Entities under common control</i>		
National Health Insurance Company PJSC (Daman)	<b>20,123</b>	3,544
	<b>50,523</b>	52,144

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Cash and bank balances (note 14)</b>		
<i>Entity under common control</i>		
Banks controlled by the Government of Abu Dhabi	<b>597,836</b>	573,387
	=====	=====
<b>Investment in joint ventures (note 8)</b>	<b>575,309</b>	612,241
	=====	=====
<b>Impairment loss on financial assets and unbilled lease receivable (note 12)</b>	<b>20,214</b>	32,382
	=====	=====
<b>Due to related parties (note 20)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	-	646
	-----	-----
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>815</b>	9,228
	-----	-----
<i>Entities under common control</i>		
Department of Finance – Abu Dhabi	<b>98,314</b>	98,314
Abu Dhabi Retirement Pensions & Benefits Fund	<b>14,830</b>	7,674
Abu Dhabi National Oil Company	<b>34,663</b>	30,551
Other entities under common control	<b>68,893</b>	81,254
	-----	-----
	<b>216,700</b>	217,793
	-----	-----
	<b>217,515</b>	227,667
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Payable to the project companies (note 17)</b>		
<i>Joint venture</i>		
ZonesCorp Infrastructure Fund	<b>2,418,446</b>	2,418,446
	=====	=====
<b>Deferred government grants (note 16)</b>		
<i>Ultimate controlling undertaking</i>		
Government of Abu Dhabi	<b>6,613,977</b>	6,648,395
	-----	-----
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>192,408</b>	193,217
	-----	-----
	<b>6,806,385</b>	6,841,612
	=====	=====
<b>Borrowings (note 19)</b>		
<i>Entities under common control</i>		
First Abu Dhabi Bank	<b>1,408,875</b>	279,140
	=====	=====
<b>Accrued expenses, customers deposits and advances and other payables (note 20)</b>		
<i>Entities under common control</i>		
Abu Dhabi National Oil Company	<b>16,354</b>	22,745
Other entities controlled by the Government of Abu Dhabi	<b>21,318</b>	10,409
	-----	-----
	<b>37,672</b>	33,154
	=====	=====
<b>Shareholder's contribution</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>4,467,655</b>	4,467,655
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Significant transactions with related parties are as follows:

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(unaudited)
<b>Revenue (Note 21)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	-	61,267
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>34,562</b>	36,272
<i>Entities under common control</i>		
Emirates Steel Industries Co. PJSC	<b>41,437</b>	42,098
Abu Dhabi Police	<b>43,543</b>	-
Abu Dhabi National Oil Company	<b>94,747</b>	63,114
Department of Municipalities and Transport	<b>12,369</b>	17,261
Abu Dhabi Polymers Co. Ltd (Borouge)	<b>5,066</b>	10,700
General Headquarter Armed Forces	<b>1,043</b>	992
Department of Finance – Abu Dhabi	<b>354</b>	354
Rafed Healthcare suppliers LLC	<b>4,981</b>	-
Silal Food and Technology LLC	<b>1,901</b>	-
Aramex PJSC	<b>94</b>	-
CMA Terminals Khalifa LLC	<b>12</b>	-
Other entities under common control	<b>17,038</b>	19,104
	<b>222,585</b>	153,623
	<b>257,147</b>	251,162
<b>Transactions with joint ventures (note 8)</b>		
Share of profit for the period	<b>62,667</b>	39,262
Share of other comprehensive income for the period	<b>824</b>	22,743
Dividend received during the period	<b>22,000</b>	3,565

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Significant transactions with related parties (continued)

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Shareholder's contributions received</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (note 9 and 10)	-	2,540,650
	=====	=====
<b>Deferred government grant (note 22)</b>		
Amount recognised during the period	<b>45,480</b>	47,412
	=====	=====
<b>Project payable related transactions with a joint venture- ZonesCorp Infrastructure Fund (note 17)</b>		
Finance cost during the period	<b>63,024</b>	62,348
	=====	=====
Payments made during the period	<b>63,024</b>	62,564
	=====	=====
<b>Bank borrowing related transactions with bank controlled by the Government of Abu Dhabi (note 19)</b>		
Loan drawdown during the period	<b>154,246</b>	-
	=====	=====
Repayments during the period	-	229,226
	=====	=====
Finance costs during the period	<b>4,455</b>	1,173
	=====	=====
Finance income	-	273
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**23 Related parties (continued)**

Significant transactions with related parties (continued)

	<b>Three-month ended 31 March</b>	
	<b>2023</b>	2022
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(unaudited)
<b>Key management compensation</b>		
Short term employee benefits	<b>26,463</b>	22,834
Long term employee benefits	<b>239</b>	270
	<hr/>	<hr/>
	<b>26,702</b>	23,104
	<hr/> <hr/>	<hr/> <hr/>

**24 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.

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	2022
	<b>(unaudited)</b>	(unaudited)
<b><i>Earnings (AED'000)</i></b>		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Group)	<b>330,936</b>	304,927
	<hr/>	<hr/>
<b>Weighted average number of share ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>5,090,000</b>	4,562,222
	<hr/>	<hr/>
<b>Basic and diluted earnings per share attributable to owners of the Group in AED</b>	<b>0.07</b>	0.07
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)****25 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 three-month period ended 31 March 2023 (continued)**

**25 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
<b>31 March 2023 (unaudited)</b>								
External revenue	306,731	428,024	134,938	915,153	28,301	3,756	(85,227)	1,731,676
Inter segment revenue	7,136	1,420	4,443	(35)	72,229	34	-	85,227
<b>Total revenue</b>	<b>313,867</b>	<b>429,444</b>	<b>139,381</b>	<b>915,118</b>	<b>100,530</b>	<b>3,790</b>	<b>(85,227)</b>	<b>1,816,903</b>
Direct costs	(95,198)	(159,819)	(121,151)	(707,888)	(18,410)	(18,254)	18,409	(1,102,311)
<b>Gross profit/(loss)</b>	<b>218,669</b>	<b>269,625</b>	<b>18,230</b>	<b>207,230</b>	<b>82,120</b>	<b>(14,464)</b>	<b>(66,818)</b>	<b>714,592</b>
General and administrative expenses	(64,304)	(34,384)	(9,575)	(55,937)	(26,301)	(121,358)	45,960	(265,899)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	(8,598)	(12,996)	75	(11,323)	995	175	-	(31,672)
Selling and marketing expenses	(3,207)	(2,253)	(100)	(334)	(900)	(2,293)	-	(9,087)
Share of profit from joint ventures	-	20,635	-	42,032	-	-	-	62,667
Share of profit from an associate	-	-	9,229	-	-	-	-	9,229
Finance income	123	134	(266)	1,302	-	2,774	-	4,067
Finance costs	(7,684)	(81,564)	(846)	(3,099)	-	(29,090)	642	(121,641)
Other income	-	-	(10)	-	-	558	-	548
Fair value gain on investments at FVTPL	-	346	-	-	-	-	-	346
Income tax on foreign operations	56	-	-	(577)	-	-	-	(521)
<b>Profit/(loss) for the period</b>	<b>135,055</b>	<b>159,543</b>	<b>16,737</b>	<b>179,294</b>	<b>55,914</b>	<b>(163,698)</b>	<b>(20,216)</b>	<b>362,629</b>
<b>Adjustment for:</b>								
Finance costs	7,684	81,564	846	3,099	-	29,090	(642)	121,641
Finance income	(123)	(134)	266	(1,302)	-	(2,774)	-	(4,067)
Amortisation of right-of-use assets and intangible assets	4,182	5,089	2,696	25,075	-	-	(220)	36,822
Depreciation of property, plant and equipment, investment properties	67,507	49,603	11,123	85,800	2,604	10,170	-	226,807
Government grants	(41,187)	(1,264)	-	(3,029)	-	-	-	(45,480)
Income tax on foreign operations	(56)	-	-	577	-	-	-	521
<b>Adjusted EBITDA</b>	<b>173,062</b>	<b>294,401</b>	<b>31,668</b>	<b>289,514</b>	<b>58,518</b>	<b>(127,212)</b>	<b>(21,078)</b>	<b>698,873</b>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**25 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
<u>31 March 2022 (unaudited)</u>								
External revenue	247,049	378,130	140,390	254,829	26,967	-	-	1,047,365
Inter segment revenue	5,646	2,831	2,690	124	75,458	-	(86,749)	-
<b>Total revenue</b>	<b>252,695</b>	<b>380,961</b>	<b>143,080</b>	<b>254,953</b>	<b>102,425</b>	<b>-</b>	<b>(86,749)</b>	<b>1,047,365</b>
Direct costs	(98,908)	(165,079)	(130,825)	(143,520)	(21,155)	(47,904)	46,320	(561,071)
<b>Gross profit/(loss)</b>	<b>153,787</b>	<b>215,882</b>	<b>12,255</b>	<b>111,433</b>	<b>81,270</b>	<b>(47,904)</b>	<b>(40,429)</b>	<b>486,294</b>
General and administrative expenses	(60,719)	(17,064)	(8,970)	(31,092)	(26,568)	(67,949)	19,844	(192,518)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	-	(6,644)	-	12	-	-	-	(6,632)
Selling and marketing expenses	(1,459)	(2,079)	(741)	(565)	-	(6,195)	-	(11,039)
Share of profit from joint ventures	-	36,792	-	2,470	-	-	-	39,262
Share of profit from an associate	-	-	10,558	-	-	-	-	10,558
Gain on disposal of a property held for sale	-	-	73,000	-	-	-	-	73,000
Finance income	-	9	(291)	7	-	622	-	347
Finance costs	(6,766)	(66,800)	(805)	(305)	-	(19,070)	641	(93,105)
Other income	-	-	53	-	-	-	-	53
<b>Profit/(loss) for the period</b>	<b>84,843</b>	<b>160,096</b>	<b>85,059</b>	<b>81,960</b>	<b>54,702</b>	<b>(140,496)</b>	<b>(19,944)</b>	<b>306,220</b>
Adjustment for:								
Finance costs	6,766	66,800	805	305	-	19,070	(641)	93,105
Finance income	-	(9)	291	(7)	-	(622)	-	(347)
Amortisation of right-of-use assets and intangible assets	3,454	5,089	2,696	1,261	-	-	(220)	12,280
Depreciation of property, plant and equipment, investment properties	59,741	52,850	10,825	25,137	2,895	9,198	-	160,646
Government grants	(24,951)	(21,501)	-	(960)	-	-	-	(47,412)
<b>Adjusted EBITDA</b>	<b>129,853</b>	<b>263,325</b>	<b>99,676</b>	<b>107,696</b>	<b>57,597</b>	<b>(112,850)</b>	<b>(20,805)</b>	<b>524,492</b>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**25 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
<b><u>31 March 2023</u></b>								
Total assets	26,082,062	15,084,891	4,467,692	12,057,490	1,777,261	40,710,471	(56,863,829)	43,316,038
Total liabilities	24,491,343	9,494,167	4,145,196	10,091,992	1,482,427	28,062,225	(56,689,780)	21,077,570
Capital expenditures*	-	-	-	-	-	930,197	-	930,197
<b><u>31 December 2022</u></b>								
Total assets	25,767,734	13,377,006	4,405,348	11,261,583	1,749,354	39,158,850	(57,207,884)	38,511,991
Total liabilities	24,315,459	10,374,429	4,099,515	9,327,521	1,493,793	26,320,667	(57,054,526)	18,876,858
Capital expenditures*	-	-	-	-	-	5,291,829	-	5,291,829

**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 three-month period ended 31 March 2023 (continued)**

**25 Segment information (Continued)**

**Geographical information**

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

	<b>31 March 2023 AED'000 (unaudited)</b>	31 March 2022 AED'000 (unaudited)
<b>Revenue (Note 21)</b>		
United Arab Emirates	1,739,238	1,047,365
Egypt	77,665	-
	<hr/>	<hr/>
<b>Total revenue</b>	<b>1,816,903</b>	1,047,365
	<hr/> <hr/>	<hr/> <hr/>
	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<b>Assets</b>		
United Arab Emirates	42,369,371	37,565,159
Egypt	946,667	946,832
	<hr/>	<hr/>
<b>Total assets</b>	<b>43,316,038</b>	38,511,991
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
United Arab Emirates	20,797,958	18,584,852
Egypt	279,612	292,006
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>21,077,570</b>	18,876,858
	<hr/> <hr/>	<hr/> <hr/>

**26 Seasonality of results**

No significant income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2023 and 2022.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**27 Contingencies and commitments**

**Contingent liabilities**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Bank guarantees	<b>103,956</b>	157,802
Financial guarantees	<b>367,500</b>	367,500

The Group's policy is to provide financial guarantees for subsidiaries' and joint ventures' liabilities. The Group has 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.

**Commitments**

	<b>31 March 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
Commitments for fixed assets	<b>1,292,312</b>	1,467,320
Commitments for investments	<b>5,400,000</b>	5,400,000

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**28 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	
<b>At 31 March 2023 (unaudited)</b>					
Financial assets at FVOCI	1,915,962	1,828,200	28,974	58,788	1,915,962
Financial assets at FVTPL	87,901	87,901	-	-	87,901
<b>At 31 December 2022 (audited)</b>					
Financial assets at FVOCI	2,078,388	2,019,600	-	58,788	2,078,388

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.

**28.1 Derivative financial instrument**

As part of business combination (note 30), the Group acquired the derivative financial asset of EAJ which was entered as an Interest Rate Swap Agreement (“IRS Agreement”) with a local bank for a pay fixed interest rate of 3.75% p.a. and receive floating AED EIBOR interest rate swap on its bank borrowing. The notional amount of the swap is AED 975.49 million at the end of the reporting period. Fixed and floating rates are payable/receivable every 24th of January, April, July and October until the termination date on 1 July 2030.

Eligibility of hedged item and hedging instrument

The hedged item i.e., bank borrowing with a local bank, is an identifiable liability which can be reliably measured (see note 19 (iii)). The hedging instrument, i.e., interest rate swap, meets the definition of a derivative under IFRS 9 since it does not have any net written option. Hence, the hedged item and hedging instrument can be considered eligible for the purpose of applying hedge accounting under IFRS 9.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)****28 Fair value of financial instruments (continued)****28.1 Derivative financial instrument (continued)**Economic relationship between the hedged item and hedging instrument

The entity's exposure is to the loss in interest suffered during the period when market interest rates are higher than the targeted cost of borrowing. This exposure is being swapped into a fixed rate exposure by entering into a pay fixed and receive floating interest rate swap calibrated to AED-EIBOR. The facility issued and the notional amount of the swap are both denominated in AED and the benchmark index for both is the 3-month AED EIBOR. The fixed rate of discount amortised in each period nullifies the variable rate of interest receivable under the swap; thus, it can be concluded that the hedging instrument and hedged item have values that generally move in the opposite direction because of the same hedged risk. Hence, there is an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in response to movements.

Hedge ratio

EAJ established a hedge ratio based on the relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting.

Measurement of hedge effectiveness

To test the hedge effectiveness, EAJ used the hypothetical derivative method and compared the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument;
- Differences in timing of cash flows of the hedged item and hedging instrument; and
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

Based on the hedge effectiveness test, the Group recognised the effective portion of the fair value within the other comprehensive income statement a loss of AED 9.5 million.

**29 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 facts 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 three-month period ended 31 March 2022. Accordingly, sale of property for a total consideration of AED 310 million was recognised during the prior period with a gain of AED 73 million.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)****30 Business combinations****Al Eskan Al Jamae LLC**

During December 2022, the Group (the “Buyer”) entered into a sale and purchase agreement with the shareholders of Al Eskan Al Jamae LLC (EAJ) to merge 100% of EAJ with Kizad Communities Development & Services Company (KC), a 100% owned subsidiary of the Group. The merger was effective 1st January 2023 and, as part of the merger, the shareholders of EAJ were issued 47.8% share of KC.

EAJ, a leading staff accommodation owner and operator in Abu Dhabi, is a real estate development and management company that owns and operates ICAD Residential City in Mussafah, Abu Dhabi. The residential city has circa. 58k beds along with support amenities. EAJ also operates fully owned subsidiaries offering support services, including Khadamat, a facilities management company, EJRC, a property management company and Your Laundry.

The transaction qualifies as a business combination under IFRS 3 and will support the Group’s wider growth targets in expanding business mass group accommodations and management of workers residential cities.

The transaction has been accounted for using the acquisition method of accounting, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective provisional fair values.

The condensed consolidated financial statements include the results of EAJ for the three-month period from the month of January 2023. For the non-controlling interests in the resulting entity, the Group elected to recognise the non-controlling interests at its proportionate share of the combined assets and liabilities.



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)**

**30 Business combinations (continued)**

**Al Eskan Al Jamae LLC (continued)**

The amounts recognised in respect of the provisional 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:

	<b>Fair values recognised on acquisition AED'000 (unaudited)</b>
<b>Assets</b>	
Cash and bank balances	48,084
Term deposit with maturity of more than one year	50,000
Trade and other receivables	29,476
Prepayment and advances	7,609
Derivative financial asset	38,508
Property, plant and equipment	2,388
Investment properties	3,024,696
Financial asset at fair value through profit or loss	87,555
Inventory	2,199
	<hr/>
Total assets	3,290,515
	<hr/> <hr/>
<b>Liabilities</b>	
End of service benefit	2,418
Bank borrowings	996,330
Trade and other payables	206,628
	<hr/>
Total liabilities	1,205,376
	<hr/> <hr/>
Total identifiable net assets at fair value	2,085,139
Add: goodwill	355,676
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Total purchase consideration	2,440,815
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The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 31 March 2023 therefore the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the goodwill is recognised as difference between the identifiable net assets acquired and the consideration paid being the value of the shares swapped of KC.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2023 (continued)****30 Business combinations (continued)****Al Eskan Al Jamae LLC (continued)**

The goodwill of AED 355.7 million arising from the acquisition consists of assembled work-force, processes mainly in wholly owned subsidiaries of EAJ that do not qualify for separate recognition under IAS 38.

Acquisition related costs amounting to AED 1.2 million were expensed during the period and are included in general and administrative expenses.

**31 Events after reporting date**

- (i) On 3 April 2023, the Group signed a General Corporate Facility (GCF) agreement with a syndicate of 13 regional and international banks. The multi-currency facility, equivalent to around USD 2 billion includes three tranches amounting to EUR 600 million, USD 600 million and AED 2,800 million with a tenure of up to 2.5 years with initial terms of 1.5 years extendable by up to 12 months at the Group's discretion.
- (ii) On 24 April 2023, the Group announced that it had signed an agreement to acquire 100% ownership of TTEK Inc. (TTEK). Purchase consideration for the acquisition is USD 26.7 million with an upfront payment of USD 17.1 million and the balance through an earn-out mechanism subject to meeting pre-agreed operating performance over a period of two years. The transaction is subject to fulfilment of certain conditions precedents in the agreement. TTEK is a developer of border control solutions and customs systems and use more than 1.5 million risk indicators and AI predictive modelling to establish more reliable border security controls. Upon completion, the acquisition will be accounted for as a business combination under IFRS 3 as the Group will assume control over the investee.

**32 Corporate Income Tax**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

**33 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 15 March 2023.