

**ABU DHABI PORTS COMPANY PJSC**

**Review report and condensed  
consolidated financial information  
for the three-month period ended  
31 March 2022**

## **ABU DHABI PORTS COMPANY PJSC**

### **Review report and condensed consolidated financial information for the three-month period ended 31 March 2022**

	<b>Pages</b>
<b>Report on review of interim financial information</b>	<b>1</b>
<b>Condensed consolidated statement of financial position</b>	<b>2 - 3</b>
<b>Condensed consolidated statement of profit or loss</b>	<b>4</b>
<b>Condensed consolidated statement of comprehensive income</b>	<b>5</b>
<b>Condensed consolidated statement of changes in equity</b>	<b>6-7</b>
<b>Condensed consolidated statement of cash flows</b>	<b>8 - 9</b>
<b>Notes to the condensed consolidated financial statements</b>	<b>10 – 47</b>

## **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” or “Group”) as at 31 March 2022 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.

Deloitte & Touche (M.E.)



Obada Alkowitz  
Registration Number: 1056  
12 May 2022  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 31 March 2022**

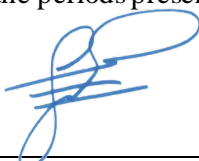
		<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	18,092,459	17,152,182
Investment properties	6	3,609,792	3,637,855
Intangible assets and goodwill	7	355,688	224,043
Right-of-use assets		627,063	635,409
Investment in joint ventures	8	513,933	455,493
Investment in an associate	9	1,452,529	-
Financial asset at fair value through other comprehensive income	10	1,367,238	58,788
Trade and other receivables	11	1,844,586	1,778,980
Prepayments and advances	12	41,800	45,600
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>27,905,088</b>	23,988,350
<b>Current assets</b>			
Inventories		21,646	25,260
Trade and other receivables	11	2,756,507	2,395,316
Prepayments and advances	12	390,776	451,308
Property held for sale	28	-	237,000
Cash and bank balances	13	3,010,602	1,051,274
		<hr/>	<hr/>
<b>Total current assets</b>		<b>6,179,531</b>	4,160,158
		<hr/>	<hr/>
<b>Total assets</b>		<b>34,084,619</b>	28,148,508
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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		(74,296)	(97,039)
Investment revaluation reserve		217,828	-
Foreign currency translation reserve		(8,057)	-
Merger reserve		1,319,288	1,319,288
Retained earnings		3,453,572	3,148,645
Shareholder's contribution	22	4,610,360	2,069,710
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>17,716,493</b>	10,638,402
		<hr/>	<hr/>
Non-controlling interests		<b>53,839</b>	52,546
		<hr/>	<hr/>
<b>Total equity</b>		<b>17,770,332</b>	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 31 March 2022 (continued)**

	Notes	31 March 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred government grants	15	6,165,645	6,270,793
Provision for employees' end of service benefits		131,235	120,011
Lease liabilities		706,262	713,460
Payable to the project companies	16	2,148,228	2,150,564
Bond payable	17	3,583,254	3,581,021
Trade and other payables	19	366,250	343,753
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>13,100,874</b>	<b>13,179,602</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Deferred government grants	15	189,655	131,919
Payable to the project companies	16	275,628	273,508
Lease liabilities		99,303	91,809
Borrowings	18	-	1,146,132
Trade and other payables	19	2,648,827	2,634,590
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>3,213,413</b>	<b>4,277,958</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>16,314,287</b>	<b>17,457,560</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>34,084,619</b>	<b>28,148,508</b>
		<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 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 2022**

	Notes	Three-month ended 31 March	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Revenue	20	1,047,365	910,001
Direct costs	21	(561,071)	(463,252)
<b>Gross profit</b>		<b>486,294</b>	<b>446,749</b>
General and administrative expenses		(192,518)	(151,722)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	11	(6,632)	(3,380)
Selling and marketing expenses		(11,039)	(7,123)
Share of profit from joint ventures	8	39,262	8,632
Share of profit from an associate	9	10,558	-
Finance costs		(93,105)	(78,989)
Finance income		347	218
Gain on disposal of a property held for sale	28	73,000	-
Other income		53	3,363
<b>Profit for the period</b>		<b>306,220</b>	<b>217,748</b>
<b>Attributable to:</b>			
Owners of the Company		304,927	216,067
Non-controlling interests		1,293	1,681
		<b>306,220</b>	<b>217,748</b>
<b>Basic and diluted earnings per share (AED)</b>	23	<b>0.07</b>	<b>0.06</b>
<b>Adjusted EBITDA</b>	24	<b>524,492</b>	<b>392,850</b>

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

**Condensed consolidated statement of comprehensive income  
for the three-month period ended 31 March 2022**

	<b>Three-month ended 31 March</b>	
	<b>2022</b> <b>AED'000</b> <b>(unaudited)</b>	<b>2021</b> <b>AED'000</b> <b>(unaudited)</b>
<b>Profit for the period</b>	<b>306,220</b>	217,748
<b>Other comprehensive income:</b>		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Fair value gain on financial asset designated at FVTOCI	<b>10</b> <b>217,800</b>	-
Fair value gain on financial asset designated at FVTOCI-share of equity accounted investees	<b>9</b> <b>28</b>	-
	<hr/>	<hr/>
	<b>217,828</b>	-
	<hr/>	<hr/>
<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 on hedging instruments entered into for cash flow hedges	<b>8</b> <b>22,743</b>	15,432
Exchange difference on translation of foreign operations-equity investees	<b>9</b> <b>(6,273)</b>	-
Impact of hyperinflation	<b>9</b> <b>(1,784)</b>	-
	<hr/>	<hr/>
	<b>14,686</b>	15,432
	<hr/>	<hr/>
<b>Total other comprehensive income</b>	<b>232,514</b>	15,432
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>538,734</b>	233,180
	<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>		
Owners of the Company	<b>537,441</b>	231,499
Non-controlling interests	<b>1,293</b>	1,681
	<hr/>	<hr/>
	<b>538,734</b>	233,180
	<hr/> <hr/>	<hr/> <hr/>

**Condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2022**

	Share capital AED'000	Share Premium AED'000	Statutor y 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 as 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	-	-	-	-	-	-	-	-	216,067	-	216,067	1,681	217,748
Other comprehensive income for the period	-	-	-	-	15,432	-	-	-	-	-	15,432	-	15,432
Total comprehensive income for the period	-	-	-	-	15,432	-	-	-	216,067	-	231,499	1,681	233,180
Dividend declared to noncontrolling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Additional share holder contribution in subsidiary (restated)	-	-	-	-	-	-	-	-	-	-	-	8,997	8,997
Shareholder's contribution	-	-	-	-	-	-	-	-	-	700,000	700,000	-	700,000
Balance at 31 March 2021 (unaudited) (restated)	3,840,000	-	295,292	(22,063)	(118,743)	-	-	1,319,288	2,603,587	733,343	8,650,704	46,577	8,697,281

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 2022 (continued)**

	Share capital AED'000	Share Premium AED'000	Statutor y 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 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 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
<b>Balance at 31 March 2022 (unaudited)</b>	<b>5,090,000</b>	<b>2,750,000</b>	<b>379,861</b>	<b>(22,063)</b>	<b>(74,296)</b>	<b>217,828</b>	<b>(8,057)</b>	<b>1,319,288</b>	<b>3,453,572</b>	<b>4,610,360</b>	<b>17,716,493</b>	<b>53,839</b>	<b>17,770,332</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 2022**

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	2021
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	<b>306,220</b>	217,748
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment and investment properties	<b>160,646</b>	112,274
Amortisation of right-of-use assets	<b>8,346</b>	8,316
Amortisation of intangible assets	<b>3,934</b>	2,673
Share of profit from joint ventures	<b>(39,262)</b>	(8,632)
Share of profit from an associate	<b>(10,558)</b>	-
Provision for impairment on trade receivables, net	<b>6,632</b>	3,380
Provision for slow moving inventories	<b>270</b>	565
Amortisation of government grants	<b>(47,412)</b>	(26,937)
Provision for employees' end of service benefits	<b>11,413</b>	6,931
Finance costs	<b>93,105</b>	78,989
Interest income	<b>(347)</b>	(218)
Foreign exchange (gain)/loss	<b>(500)</b>	248
Gain on disposal of a property held for sale	<b>(73,000)</b>	-
<b>Operating cash flows before movements in working capital</b>	<b>419,487</b>	395,337
Decrease/(increase) in inventories	<b>3,344</b>	(1,961)
Increase in trade and other receivables	<b>(342,365)</b>	(23,496)
(Increase)/decrease in prepayments and advances	<b>(20,585)</b>	58,494
Increase/ (decrease) in trade and other payables	<b>540</b>	(138,754)
<b>Cash generated from operations</b>	<b>60,421</b>	289,620
Employees' end of service benefits paid	<b>(1,284)</b>	(3,596)
Payment of short-term lease	<b>(7,657)</b>	(1,390)
Payment of low-value assets	<b>(1,610)</b>	(940)
<b>Net cash generated from operating activities</b>	<b>49,870</b>	283,694
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(949,209)</b>	(451,338)
Purchase of investment properties	<b>(18,142)</b>	(8,438)
Dividend received from a joint venture	<b>3,565</b>	20,500
Interest received	<b>347</b>	218
Proceeds from disposal of a property held for sale	<b>310,000</b>	-
Investment in joint venture	<b>-</b>	(22,033)
Investment in short term deposits	<b>(2,000,000)</b>	-
Purchase consideration paid to acquire new subsidiaries	<b>(212,184)</b>	-
<b>Net cash used in investing activities</b>	<b>(2,865,623)</b>	(461,091)

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>2022</b>	2021
	<b>AED'000</b>	AED'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from financing activities</b>		
Receipt of term loans	-	200,000
Term loan paid	<b>(1,146,132)</b>	(700,000)
Finance cost paid	<b>(7,114)</b>	(12,394)
Payment to project companies	<b>(62,564)</b>	(63,604)
Payment for principal portion of lease liabilities	<b>(7,416)</b>	(29,195)
Payment for interest portion of lease liabilities	<b>(1,693)</b>	(9,706)
Contributions received from shareholder	-	700,000
Dividend paid to non-controlling interests in subsidiaries	-	(1,077)
New shares issued	<b>4,000,000</b>	-
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>2,775,081</b>	84,024
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(40,672)</b>	(93,373)
Cash and cash equivalents at beginning of the period	<b>1,035,803</b>	262,046
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period (note 13)</b>	<b>995,131</b>	168,673
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Non-cash transactions</u></b>		
Investment in an associate received as a capital contribution	<b>1,450,000</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Investment in FVTOCI received as a capital contribution	<b>1,090,650</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Capital contribution received from non-controlling interest in the form of property, plant and equipment	-	8,997
	<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 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 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 valued added services, principally through MICCO Logistics Sole Proprietorship LLC "MICCO";
- **Maritime**, which provide a range of marine services, including feeder, transshipment, offshore support services and maritime training. Through Abu Dhabi Maritime, the Group is also the primary custodian of Abu Dhabi's waterways and regulator of the maritime sector in Abu Dhabi; 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 three-month period ended 31 March 2022, except the acquisition of subsidiaries 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 three-month period ended 31 March 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 June 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 three-month period ended 31 March 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 three-month period ended 31 March 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 three-month period ended 31 March 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 three-month period ended 31 March 2022 (continued)**

**5 Property, plant and equipment**

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

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Carrying amount at the beginning of the period/year	<b>17,152,182</b>	15,374,891
Additions during the period/year	<b>1,031,759</b>	2,923,899
Acquired through business combination (note 29)	<b>22,959</b>	-
Depreciation charge for the period/year	<b>(114,441)</b>	(387,527)
Transferred to receivables during the period/year (note 11)	-	(493,196)
Disposals during the period/year	-	(7,887)
Transfers to property held for sale (note 28)	-	(237,000)
Transfers to grants (note 15)	-	(20,998)
	<hr/>	<hr/>
<b>Carrying amount at the end of the period/year</b>	<b>18,092,459</b>	17,152,182
	<hr/> <hr/>	<hr/> <hr/>

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>2022 AED'000 (unaudited)</b>	2021 AED'000 (unaudited)
Direct costs	<b>89,462</b>	73,619
General and administrative expenses	<b>24,979</b>	15,408
	<hr/>	<hr/>
	<b>114,441</b>	89,027
	<hr/> <hr/>	<hr/> <hr/>

Staff costs of AED 41.1 million have been capitalised within capital work-in-progress during the three-month period ended 31 March 2022 (31 March 2021: AED 34.7 million).

Borrowing costs of AED 7.5 million have been capitalised during the three-month period ended 31 March 2022 (31 March 2021: AED 7.5 million).



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**5 Property, plant and equipment (continued)**

No impairment indications were noted for property, plant and equipment as of and during the three-month period ended 31 March 2022.

**6 Investment properties**

Movement in the balance is as follows:

	Completed properties AED'000	Properties under development AED'000	Total AED'000
<b><u>Three-month period ended 31 March 2022</u></b>			
<b><u>(unaudited)</u></b>			
Carrying amount at the beginning of the period	3,087,528	550,327	3,637,855
Additions during the period	-	18,142	18,142
Depreciation charge for the period	(46,205)	-	(46,205)
	<hr/>	<hr/>	<hr/>
<b>Carrying amount at the end of the period</b>	<b>3,041,323</b>	<b>568,469</b>	<b>3,609,792</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><u>Year ended 31 December 2021 (audited)</u></b>			
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/>
<b>Carrying amount at the end of the year</b>	<b>3,087,528</b>	<b>550,327</b>	<b>3,637,855</b>
	<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 406.3 million (31 March 2021: 390.3 million) was earned and direct operating expenses (including maintenance expense) of AED 109.1million was incurred during the period ended 31 March 2022 (31 March 2021: AED 124.4 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 2022 (continued)**

**6 Investment properties (continued)**

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 three-month period ended 31 March 2022 and will perform the full assessment as of 31 December 2022.

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.

**7 Intangible assets and goodwill**

Movement in the balance is as follows:

	<b>Goodwill</b> <b>AED'000</b>	<b>Other intangible assets</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<b><u>Three-month period ended 31 March 2022</u></b>			
<b><u>(unaudited)</u></b>			
Carrying amount at the beginning of the period	54,534	169,509	224,043
Acquired through business combination (note 29)	34,179	101,400	135,579
Amortisation charge for the period	-	(3,934)	(3,934)
	<hr/>	<hr/>	<hr/>
<b>Carrying amount at the end of the period</b>	<b>88,713</b>	<b>266,975</b>	<b>355,688</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b><u>Year ended 31 December 2021 (audited)</u></b>			
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 logistic 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 8.2 million of goodwill from the acquisition of Alligator and AED 26.0 million of goodwill from the acquisition of Divetech as disclosed in note 29.

As of 31 December 2021, the recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU by 8% over an estimated useful live of 30 year. Management believes that there is no significant change in the recoverable amount of goodwill during the three-month period ended 31 March 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.



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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	
	Three-month ended 31 March		Three-month ended 31 March		Three-month ended 31 March	
	2022 (unaudited)	2021 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)
Revenue	65,228	69,931	49,551	32,743	62,348	62,569
Direct costs	(66,729)	(41,682)	(40,883)	(38,873)	-	-
Administrative expenses	(7,017)	(38,241)	(1,251)	(8,535)	(3,284)	(3,329)
Finance costs	(33,269)	(31,771)	(2,507)	(2,786)	14,510	983
Other income	209	686	31	(95)	11	22
<b>(Loss)/profit for the Period</b>	<b>(41,578)</b>	<b>(41,077)</b>	<b>4,941</b>	<b>(17,546)</b>	<b>73,585</b>	<b>60,245</b>
Group's share of profit/(loss)	-	-	2,470	(5,868)	36,792	30,123
<i>Other comprehensive income</i>	(24,354)	(3,172)	-	-	45,485	31,563
Share of other comprehensive income for the period	-	-	-	-	22,743	15,782
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>2,470</b>	<b>(5,868)</b>	<b>59,535</b>	<b>45,905</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	
	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)
Depreciation and amortisation	(31,955)	(30,264)	(6,075)	(7,314)	-	-
Interest income	-	-	-	-	11	22
Interest expense	(33,269)	(31,771)	(2,507)	(2,786)	14,510	983
The unrecognised share of loss of a joint venture for the period	(21,205)	(20,949)	-	(8,778)	-	-
Cumulative share of unrecognised losses	(131,295)	(48,440)	-	(24,040)	-	-

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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. 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. Group recorded at 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:

	<b>31 March 2022 AED'000 (unaudited)</b>
Balance at the beginning of the period	-
Transferred from parent entity during the period (note 26)	1,450,000
Share of profit for the period	10,558
Share of other comprehensive loss for the period	(8,029)
	<hr/>
<b>Balance at the end of the period</b>	<b>1,452,529</b>
	<hr/> <hr/>

Summary of the statements of financial position of the associate is set out below:

	<b>31 March 2022 AED'000 (unaudited)</b>
Current assets	2,243,980
Non-current assets	3,083,015
Current liabilities	(1,089,853)
Non-current liabilities	(1,549,593)
Non- controlling interest	(10,634)
	<hr/>
Net assets	2,676,915
Group's share of net assets on the basis of ownership interest	597,488
Goodwill	855,041
	<hr/>
Carrying amount of investment in associates	<b>1,452,529</b>
	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**9 Investment in an associate (continued)**

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

	<b>Three-month ended 31 March 2022 AED'000 (unaudited)</b>
Revenue	<b>1,448,932</b>
Profit for the period	<b>47,785</b>
Group's share of profit for the period	<b>10,558</b>
Other comprehensive loss for the period	<b>(36,238)</b>
Group's share of other comprehensive loss for the period	<b>(8,029)</b>
Total other comprehensive income for the period	<b>11,547</b>
Group's share of total other comprehensive income for the period	<b>2,529</b>

**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:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Quoted equity security (i)	<b>1,308,450</b>	-
Unquoted debt and equity security (ii)	<b>58,788</b>	58,788
	<hr/> <b>1,367,238</b> <hr/>	<hr/> 58,788 <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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. Group recognised the transferred stake as a financial asset at FVTOCI and recorded at the fair value of the security at the acquisition date.
- (ii) The Group holds 10% equity stake and also has provided a loan to CSP Abu Dhabi Terminal LLC, a container terminal operating entity, amounting to AED 58.8 million. The loan is interest free and does not have a fixed maturity. 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:

	<b>31 March 2022 AED’000 (unaudited)</b>	31 December 2021 AED’000 (audited)
Balance at the beginning of the period/year	<b>58,788</b>	58,788
Transferred from parent entity during the period (note 26)	<b>1,090,650</b>	-
Change in fair value recognised in other comprehensive income	<b>217,800</b>	-
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>1,367,238</b>	58,788
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**11 Trade and other receivables**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Non-current portion</b>		
Un-billed lease receivables	<b>2,052,181</b>	2,010,283
Less: loss allowance	<b>(207,595)</b>	(231,303)
	<b>1,844,586</b>	1,778,980
<b>Current portion</b>		
Trade receivables	<b>1,740,660</b>	1,413,940
Due from related parties (note 22)	<b>479,462</b>	560,253
Accrued income	<b>489,989</b>	385,636
	<b>2,710,111</b>	2,359,829
Less: loss allowance	<b>(502,549)</b>	(503,140)
	<b>2,207,562</b>	1,856,689
Receivable for Fujairah Port development (note 5)	<b>496,228</b>	493,196
Staff receivables	<b>32,073</b>	31,764
Other receivables	<b>20,644</b>	13,667
	<b>2,756,507</b>	2,395,316

(i) The Group has constructed improvements to Fujairah Port Infrastructure totaling to AED 496.2 million as of 31 March 2022 (31 December 2021: AED 493.2 million). The assets developed are funded by Ministry of Presidential Affairs and is disclosed under advances for port developments amounted to AED 500 million (note 19). The Group is in the process of handing over the assets to Authorities in UAE. Upon handover, the receivable balance will be netted against the advance for port developments.

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

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	<b>734,443</b>	796,527
Net remeasurement of loss allowance during the period/year	<b>6,632</b>	20,508
Amounts written off during the period/year	<b>(30,931)</b>	(82,592)
	<b>710,144</b>	734,443



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**12 Prepayments and advances**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Non-current portion</b>		
Prepaid expenses	<b>41,800</b>	45,600
	<hr/>	<hr/>
<b>Current portion</b>		
Advance payments to contractors	<b>310,090</b>	363,869
Prepaid expenses	<b>80,686</b>	87,439
	<hr/>	<hr/>
	<b>390,776</b>	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:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Cash on hand	<b>7,889</b>	5,625
Fixed deposits and current accounts with banks	<b>3,002,713</b>	1,045,649
	<hr/>	<hr/>
Cash and bank balances	<b>3,010,602</b>	1,051,274
Less: deposits with an original maturity of more than three months	<b>(2,015,471)</b>	(15,471)
	<hr/>	<hr/>
<b>Cash and cash equivalents</b>	<b>995,131</b>	1,035,803
	<hr/>	<hr/>

Bank deposits carry an interest rate of 0.6% - 1.25% (31 December 2021: 0.6%) per annum.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**14 Share capital**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<i>Authorised, issued, subscribed and paid up capital</i>		
5,090,000,000 ordinary shares of AED 1 each		
(2021: 3,840,000,000 ordinary shares of AED 1 each)	<b>5,090,000</b>	3,840,000

Movement in the balance is as follows:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	<b>3,840,000</b>	3,840,000
1,250,000,000 shares issued of AED 1 each	<b>1,250,000</b>	-
Balance at the end of the period/year	<b>5,090,000</b>	3,840,000

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:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	<b>6,402,712</b>	6,460,688
Additions during the period/year	-	94,941
Amount recognised as revenue during the period/year	<b>(47,412)</b>	(131,919)
Transferred to a related party	-	(20,998)
<b>Balance at the end of the period/year</b>	<b>6,355,300</b>	6,402,712

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**15 Deferred government grants (continued)**

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

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Current liability	<b>189,655</b>	131,919
Non-current liability	<b>6,165,645</b>	6,270,793
	<hr/>	<hr/>
	<b>6,355,300</b>	6,402,712
	<hr/> <hr/>	<hr/> <hr/>

**16 Payable to the project companies**

The movement in balance is as follows:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	<b>2,424,072</b>	2,429,047
Interest charge for the period/year	<b>62,348</b>	250,174
Payments during the period/year	<b>(62,564)</b>	(255,149)
	<hr/>	<hr/>
<b>Balance at the end of the period/year</b>	<b>2,423,856</b>	2,424,072
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Current liability	<b>275,628</b>	273,508
Non-current liability	<b>2,148,228</b>	2,150,564
	<hr/>	<hr/>
	<b>2,423,856</b>	2,424,072
	<hr/> <hr/>	<hr/> <hr/>

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 three-month period ended 31 March 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 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 2022 is USD 925.4 million, which equivalents to AED 3,400.3 million (31 December 2021: USD 1,000 and AED 3,673.5 million).

As of 31 March 2022, unamortised prepaid transaction cost for the bond is AED 19.1 million (31 December 2021: 20.6 million) and unamortised discount is AED 70.2 million (31 December 2021: AED 71.9 million).

**18 Borrowings**

	<b>31 March 2022 AED’000 (unaudited)</b>	31 December 2021 AED’000 (audited)
Loan facility 1	-	1,146,132
	<hr/>	<hr/>
Amount due for settlement within 12 months from the end of reporting period (classified under current liabilities)	-	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% - 1.00% over LIBOR depending on the facility utilisation. The terms of the agreement required the Group to maintain a minimum tangible net worth of AED 6 billion. During the period, the Group fully settled the outstanding balance of the facility and total undrawn amount is USD 1,000 million (AED 3,673.5 million) as of the reporting date (31 December 2021: USD and AED Nil).

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**18 Borrowings (continued)**

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

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

**19 Trade and other payables**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Non-current portion</b>		
Deferred income	<b>281,847</b>	259,937
Customer deposits	<b>82,203</b>	83,816
Contingent and deferred consideration (note 29)	<b>2,200</b>	-
	<hr/>	<hr/>
	<b>366,250</b>	343,753
	<hr/> <hr/>	<hr/> <hr/>
<b>Current portion</b>		
Accrued expenses and construction related costs	<b>952,105</b>	1,190,830
Advances for Fujairah Port development project (note 11)	<b>500,000</b>	500,000
Contractors and supplier payables	<b>404,082</b>	158,290
Deferred income	<b>369,106</b>	240,483
Due to related parties (note 22)	<b>201,551</b>	233,928
Retentions payable	<b>85,418</b>	147,380
Customer advances	<b>84,814</b>	116,051
Contingent and deferred consideration (note 29)	<b>5,466</b>	-
Other payables	<b>46,285</b>	47,628
	<hr/>	<hr/>
	<b>2,648,827</b>	2,634,590
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**20 Revenue**

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue from contracts with customers (a)	<b>607,664</b>	478,219
Revenue from rental income (b)	<b>439,701</b>	431,782
	<hr/>	<hr/>
	<b>1,047,365</b>	910,001
	<hr/> <hr/>	<hr/> <hr/>

a) Disaggregation of revenue from contracts with customers:

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</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>267,898</b>	126,713
Logistics operations	<b>140,032</b>	139,546
Ports operations	<b>104,636</b>	118,027
Digital services	<b>26,967</b>	26,073
Other Economic Cities & Free Zones services	<b>4,570</b>	13,763
	<hr/>	<hr/>
	<b>544,103</b>	424,122
	<hr/> <hr/>	<hr/> <hr/>
<b>Services transferred over-time</b>		
Other Economic Cities & Free Zones services related to lease contracts	<b>63,561</b>	54,097
	<hr/> <hr/>	<hr/> <hr/>
<b>Total revenue from contracts with customers</b>	<b>607,664</b>	478,219
	<hr/> <hr/>	<hr/> <hr/>

b) Disaggregation of revenue from rental income:

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Economic Cities & Free Zones leasing	<b>309,999</b>	309,657
Ports concessions and leasing	<b>129,344</b>	120,745
Other lease income	<b>358</b>	1,380
	<hr/>	<hr/>
	<b>439,701</b>	431,782
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**21 Direct costs**

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</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>135,667</b>	96,866
Manpower costs	<b>92,004</b>	85,937
Repairs and maintenance costs	<b>81,582</b>	70,530
Utility costs	<b>64,702</b>	51,506
Charter hire charges	<b>51,551</b>	32,769
Warehousing and handling costs	<b>48,988</b>	31,922
Trucking and transportation costs	<b>47,414</b>	61,050
Fuel costs	<b>30,563</b>	16,297
Outsourcing and external manpower costs	<b>11,476</b>	10,557
Application license and maintenance costs	<b>8,682</b>	4,550
Amortisation of right-of-use assets	<b>8,346</b>	8,316
Foreign labor service charge	<b>8,185</b>	6,624
Insurance and consultancy costs	<b>5,597</b>	6,483
Amortisation of intangible assets (note 7)	<b>3,934</b>	2,673
Other costs	<b>9,792</b>	4,109
	<b>608,483</b>	490,189
Less: Government grants (note 15)	<b>(47,412)</b>	(26,937)
	<b>561,071</b>	463,252

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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:

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Due from related parties (note 11):</b>		
<i>Joint ventures</i>		
Abu Dhabi Terminals Company LLC	<b>23,463</b>	4,380
	<hr/>	<hr/>
<i>Entities under common control</i>		
Abu Dhabi Investment Office	<b>157,500</b>	-
Abu Dhabi National Oil Company	<b>111,908</b>	20,053
Abu Dhabi Polymers Co. Ltd (Borouge)	<b>74,461</b>	86,388
Department of Municipalities and Transport	<b>32,132</b>	32,000
Emirates Steel Industries Co. PJSC	<b>25,309</b>	57,665
Department of Finance – Abu Dhabi	<b>19,448</b>	169,077
General Headquarter Armed Forces	<b>8,570</b>	10,319
Silal Food and Technology LLC	<b>2,061</b>	7,515
Rafed Healthcare Supplies LLC	-	19,849
Other entities under common control	<b>24,610</b>	153,007
	<hr/>	<hr/>
	<b>455,999</b>	555,873
	<hr/>	<hr/>
	<b>479,462</b>	560,253
	<hr/> <hr/>	<hr/> <hr/>



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Accrued income (note 11)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (“ADQ”)	<b>297,191</b>	235,923
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>12,602</b>	44,939
<i>Entities under common control</i>		
Department of Municipalities and Transport	<b>28,318</b>	11,003
Abu Dhabi National Oil Company	<b>18,000</b>	18,500
Lulu International Holding Limited (Group)	-	4,880
Rafed Healthcare Supplies LLC	-	2,105
Other entities controlled by the Government of Abu Dhabi	<b>102</b>	395
	<b>46,420</b>	36,883
	<b>356,213</b>	317,745
<b>Un-billed lease receivables (note 11)</b>		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>268,743</b>	262,901
<i>Entities under common control</i>		
Other entities controlled by the Government of Abu Dhabi	<b>53,836</b>	50,687
	<b>322,579</b>	313,588
<b>Prepayments and advances (note 12)</b>		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>57,000</b>	60,800
<i>Entities under common control</i>		
National Health Insurance Company PJSC (Daman)	<b>13,969</b>	2,290
	<b>70,969</b>	63,090

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Cash and bank balances (note 13)</b>		
<i>Entity under common control</i>		
Banks controlled by the Government of Abu Dhabi	<b>234,145</b>	1,028,053
	=====	=====
<b>Investment in joint ventures (note 8)</b>	<b>513,933</b>	455,493
	=====	=====
<b>Impairment loss on financial assets and unbilled lease receivable (note 11)</b>	<b>32,370</b>	42,263
	=====	=====
<b>Due to related parties (note 19)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>323</b>	323
	-----	-----
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>9,280</b>	7,876
	-----	-----
<i>Entities under common control</i>		
Department of Finance – Abu Dhabi	<b>98,314</b>	98,314
Abu Dhabi Retirement Pensions & Benefits Fund	<b>7,969</b>	3,019
Abu Dhabi National Oil Company	<b>508</b>	29,540
Other entities under common control	<b>85,157</b>	94,856
	-----	-----
	<b>191,948</b>	225,729
	-----	-----
	<b>201,551</b>	233,928
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Balances with related parties (continued)

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
<b>Payable to the project companies (note 16)</b>		
<i>Joint venture</i>		
ZonesCorp Infrastructure Fund	<b>2,423,856</b>	2,424,072
	=====	=====
<b>Deferred government grants (note 15)</b>		
<i>Ultimate controlling undertaking</i>		
Government of Abu Dhabi	<b>6,038,304</b>	6,064,640
	-----	-----
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>316,996</b>	338,072
	-----	-----
	<b>6,355,300</b>	6,402,712
	=====	=====
<b>Borrowings (note 18)</b>		
<i>Entities under common control</i>		
First Abu Dhabi Bank	-	229,226
	-----	-----
<b>Accrued expenses, customers deposits and advances and other payables (note 19)</b>		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>3,318</b>	-
	-----	-----
<i>Entities under common control</i>		
Abu Dhabi National Oil Company	<b>41,675</b>	10,170
Other entities controlled by the Government of Abu Dhabi	<b>15,709</b>	8,841
	-----	-----
	<b>57,384</b>	19,011
	-----	-----
	<b>60,702</b>	19,011
	=====	=====
<b>Shareholder's contribution</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>4,610,360</b>	2,069,710
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Significant transactions with related parties are as follows:

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue (Note 20)</b>		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	<b>61,267</b>	55,909
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	<b>36,272</b>	35,752
<i>Entities under common control</i>		
Emirates Steel Industries Co. PJSC	<b>42,098</b>	39,901
Abu Dhabi National Oil Company	<b>63,114</b>	12,461
Department of Municipalities and Transport	<b>17,261</b>	2,143
Abu Dhabi Polymers Co. Ltd (Borouge)	<b>10,700</b>	81,452
General Headquarter Armed Forces	<b>992</b>	4,775
Department of Finance – Abu Dhabi	<b>354</b>	11,343
Other entities under common control	<b>19,104</b>	122,299
	<b>153,623</b>	274,374
	<b>251,162</b>	310,126
<b>Transactions with joint ventures (note 8)</b>		
Investments made during the period	-	22,035
Share of profit for the period	<b>39,262</b>	8,632
Share of other comprehensive income/(loss) for the period	<b>22,743</b>	15,432
Dividend received during the period	<b>3,565</b>	20,500

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Significant transactions with related parties (continued)

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</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)	<b>2,540,650</b>	700,000
	=====	=====
<b>Deferred government grant (note 15)</b>		
Amount recognised during the period	<b>47,412</b>	26,937
	=====	=====
<b>Project payable related transactions with a joint venture- ZonesCorp Infrastructure Fund (note 16)</b>		
Finance cost during the period	<b>62,348</b>	63,605
	=====	=====
Payments made during the period	<b>62,564</b>	63,605
	=====	=====
<b>Bank borrowing related transactions with bank controlled by the Government of Abu Dhabi (note 18)</b>		
Loan drawdown during the period	-	200,000
	=====	=====
Repayments during the period	<b>229,226</b>	700,000
	=====	=====
Finance costs during the period	<b>1,173</b>	11,068
	=====	=====
Finance income	<b>273</b>	525
	=====	=====

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**22 Related parties (continued)**

Significant transactions with related parties (continued)

	<b>Three-month ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Key management compensation</b>		
Short term employee benefits	22,834	11,560
Long term employee benefits	270	257
	<u>23,104</u>	<u>11,817</u>

**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, basis 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>	<b>2021</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings (AED'000)</b>		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Group)	<u>304,927</u>	<u>216,067</u>
<b>Weighted average number of share ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>4,562,222</u>	<u>3,840,000</u>
<b>Basic and diluted earnings per share attributable to owners of the Group in AED</b>	<u>0.07</u>	<u>0.06</u>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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 10 ports and terminals in the UAE. 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 KIZAD and eight other industrial zones 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 valued 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. Through Abu Dhabi Maritime, Maritime is also the primary custodian of Abu Dhabi's waterways and regulator of the maritime sector in Abu Dhabi. Maritime mainly derives its revenue from port side service fees, feeder, offshore services, vessel chartering and other general marine services.
- **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 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
<b>31 March 2022 (unaudited)</b>								
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>
Share of profit from joint ventures	-	36,792	-	2,470	-	-	-	39,262
Share of profit from an associate	-	-	10,558	-	-	-	-	10,558
General and administrative expenses	(60,719)	(17,064)	(8,970)	(31,092)	(26,568)	(67,949)	19,844	(192,518)
Selling and marketing expenses	(1,459)	(2,079)	(741)	(565)	-	(6,195)	-	(11,039)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	-	(6,644)	-	12	-	-	-	(6,632)
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>
<b>Adjustment for:</b>								
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 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
<u>31 March 2021 (unaudited)</u>								
External revenue	243,714	377,518	140,926	121,771	26,072	-	-	910,001
Inter segment revenue	6,016	1,568	2,579	551	17,719	-	(28,433)	-
<b>Total Revenue</b>	<b>249,730</b>	<b>379,086</b>	<b>143,505</b>	<b>122,322</b>	<b>43,791</b>	<b>-</b>	<b>(28,433)</b>	<b>910,001</b>
Direct cost	(97,892)	(149,005)	(108,220)	(87,096)	(15,100)	(34,097)	28,158	(463,252)
<b>Gross profit/(loss)</b>	<b>151,838</b>	<b>230,081</b>	<b>35,285</b>	<b>35,226</b>	<b>28,691</b>	<b>(34,097)</b>	<b>(275)</b>	<b>446,749</b>
Share of profit/(loss) from joint ventures	-	14,500	-	(5,868)	-	-	-	8,632
General and administrative expenses	(38,460)	(15,172)	(4,688)	(15,329)	(19,724)	(58,349)	-	(151,722)
Selling and marketing expenses	(20)	(249)	(1,051)	(5)	(20)	(5,778)	-	(7,123)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivable	695	(2,639)	(939)	(410)	(87)	-	-	(3,380)
Finance income	-	10	100	2	-	106	-	218
Finance costs	(6,851)	(68,277)	(895)	(2)	(1)	(3,646)	683	(78,989)
Other income	9	-	16	3,337	-	1	-	3,363
<b>Profit/(loss) for the period</b>	<b>107,211</b>	<b>158,254</b>	<b>27,828</b>	<b>16,951</b>	<b>8,859</b>	<b>(101,763)</b>	<b>408</b>	<b>217,748</b>
Adjustment for:								
Finance costs	6,851	68,277	895	2	1	3,646	(683)	78,989
Finance income	-	(10)	(100)	(2)	-	(106)	-	(218)
Depreciation of property, plant and equipment, investment properties	56,512	29,852	9,902	8,817	1,860	5,586	(249)	112,280
Amortisation of right-of-use assets and intangible assets	3,227	5,089	334	-	-	2,338	-	10,988
Government grants	(24,998)	(979)	-	(960)	-	-	-	(26,937)
<b>Adjusted EBITDA</b>	<b>148,803</b>	<b>260,483</b>	<b>38,859</b>	<b>24,808</b>	<b>10,720</b>	<b>(90,299)</b>	<b>(524)</b>	<b>392,850</b>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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
<b><u>31 March 2022</u></b>								
Total assets	12,682,060	7,002,579	2,620,828	3,889,147	202,646	18,600,370	(10,913,011)	34,084,619
Total liabilities	11,473,284	4,603,836	2,287,905	3,180,773	29,437	5,556,941	(10,817,889)	16,314,287
Capital expenditures*	-	-	-	-	-	1,031,759	-	1,031,759
<b><u>31 December 2021</u></b>								
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.

**Geographical information**

The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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 three-month period ended 31 March 2022 and 2021.

**26 Contingencies and commitments**

**Contingent liabilities**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Bank guarantees	<b>86,537</b>	89,805
Financial guarantees	<b>508,562</b>	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 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.
- ii) The Group has 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 shall not exceed USD 38.4 million, which is the maximum amount the Group is exposed to.

**Commitments**

	<b>31 March 2022 AED'000 (unaudited)</b>	31 December 2021 AED'000 (audited)
Commitments for fixed assets	<b>2,384,586</b>	<b>1,093,449</b>
Commitments for investments	<b>-</b>	<b>215,322</b>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 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	
<b>At 31 March 2022 (unaudited)</b>					
Financial assets at FVOCI	1,367,238	1,308,450	-	58,788	1,367,238
	=====	=====	=====	=====	=====
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 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 current period with a gain of AED 73 million.

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**29 Business combinations**

**Divetech Marine Engineering Services LLC**

During December 2021, the Group (the “buyer”) entered into a sales 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 sales 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 one-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:

	<b>Fair values recognised on acquisition AED’000 (unaudited)</b>
<b>Assets</b>	
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/>
<b>Liabilities</b>	
Trade and other payables	15,656
Employees’ end of service benefits	1,095
	<hr/>
Total liabilities	16,751
	<hr/> <hr/>
Total identifiable net assets at fair value	162,531
Less: purchase consideration	(188,523)
	<hr/>
Goodwill	(25,992)
	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**29 Business combinations (continued)**

**Divetech Marine Engineering Services LLC (continued)**

Purchase consideration comprised as follows:

	<b>AED'000 (unaudited)</b>
Aggregate cash consideration	<b>186,157</b>
Deferred consideration arrangements	<b>2,366</b>
	<hr/>
<b>Total consideration</b>	<b>188,523</b>
	<hr/> <hr/>

The goodwill of AED 26.0 million arising from the acquisition consists of qualified and trained work force, established processes etc. that do not qualify for separate recognition. None of the goodwill is expected to be deductible for income tax purposes.

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 9.7 million and net profit of AED 1.8 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:*

	<b>AED'000 (unaudited)</b>
Cash paid for the acquisition	(186,157)
Net cash acquired on business combination	903
	<hr/>
Net cash outflows on acquisition (included in cash flows from investing activities)	(185,254)
Transaction costs of the acquisition (included in cash flows from operating activities)	-
	<hr/> <hr/>
<b>Net cash outflow on acquisition</b>	<b>(185,254)</b>
	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**29 Business combinations (continued)**

**Alligator Shipping Container Line LLC**

During December 2021, the Group (the “buyer”) entered into a sales and purchase agreement with a two individuals (the “sellers”) to acquire 100% stake of Alligator Shipping Container Line LLC (“ASCL”) for a total consideration of AED 32.3 million. The sales 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 one-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:

	<b>Fair values recognised on acquisition AED'000 (unaudited)</b>
<b>Assets</b>	
Cash and bank balances	73
Trade and other receivables	12,635
Property, plant and equipment	16,312
Intangible assets	11,000
	<hr/>
Total assets	<b>40,020</b>
	<hr/> <hr/>
<b>Liabilities</b>	
Trade and other payables	15,904
	<hr/> <hr/>
Total identifiable net assets at fair value	24,116
Less: purchase consideration	(32,303)
	<hr/>
Goodwill	<b>(8,187)</b>
	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**29 Business combinations (continued)**

**Alligator Shipping Container Line LLC (continued)**

Purchase consideration comprised as follows:

	<b>AED'000 (unaudited)</b>
Aggregate cash consideration	<b>27,003</b>
Contingent and deferred consideration arrangements	<b>5,300</b>
	<hr/>
<b>Total consideration</b>	<b>32,303</b>
	<hr/> <hr/>

The goodwill of AED 8.1 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38. None of the goodwill is expected to be deductible for income tax purposes.

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 10.2 million and net profit of AED 0.6 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.



**Notes to the condensed consolidated financial statements  
for the three-month period ended 31 March 2022 (continued)**

**29 Business combinations (continued)**

**Alligator Shipping Container Line LLC (continued)**

*Analysis of cashflow on acquisition:*

	<b>AED'000 (unaudited)</b>
Cash paid for the acquisition	<b>(27,003)</b>
Net cash acquired on business combination	<b>73</b>
	<hr/>
Net cash outflows on acquisition (included in cash flows from investing activities)	<b>(26,930)</b>
Transaction costs of the acquisition (included in cash flows from operating activities)	<b>-</b>
	<hr/> <hr/>
<b>Net cash outflow on acquisition</b>	<b>(26,930)</b>
	<hr/> <hr/>

**30 Approval of condensed consolidated financial statements**

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 May 2022.