

ABU DHABI PORTS COMPANY PJSC

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

ABU DHABI PORTS COMPANY PJSC

Review report and condensed consolidated financial information for the six-month period ended 30 June 2022

	Pages
Report on review of interim financial information	1
Condensed consolidated statement of financial position	2 - 3
Condensed consolidated statement of profit or loss	4
Condensed consolidated statement of comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7 - 8
Notes to the condensed consolidated financial statements	9 – 45

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

Introduction

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

Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



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

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

		30 June 2022	31 December 2021
	Notes	AED'000 (unaudited)	AED'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	19,237,187	17,152,182
Investment properties	6	4,288,050	3,637,855
Intangible assets and goodwill	7	349,341	224,043
Right-of-use assets		618,718	635,409
Investment in joint ventures	8	825,705	455,493
Investment in an associate	9	1,414,242	-
Financial asset at fair value through other comprehensive income	10	2,190,588	58,788
Trade and other receivables	11	1,917,073	1,778,980
Prepayments and advances	12	38,000	45,600
		<hr/>	<hr/>
Total non-current assets		30,878,904	23,988,350
Current assets			
Inventories		28,097	25,260
Trade and other receivables	11	2,599,227	2,395,316
Prepayments and advances	12	419,644	451,308
Property held for sale	28	-	237,000
Cash and bank balances	13	1,757,807	1,051,274
		<hr/>	<hr/>
Total current assets		4,804,775	4,160,158
		<hr/>	<hr/>
Total assets		35,683,679	28,148,508
EQUITY AND LIABILITIES			
Equity			
Share capital	14	5,090,000	3,840,000
Share premium	14	2,750,000	-
Statutory reserve		379,861	379,861
Assets distribution reserve		(22,063)	(22,063)
Cash flow hedge reserve		(61,011)	(97,039)
Investment revaluation reserve	10	1,041,150	-
Foreign currency translation reserve		(15,829)	-
Merger reserve		1,319,288	1,319,288
Retained earnings		3,751,342	3,148,645
Owner's contribution		4,610,360	2,069,710
		<hr/>	<hr/>
Equity attributable to owners of the Company		18,843,098	10,638,402
		<hr/>	<hr/>
Non-controlling interests		54,917	52,546
		<hr/>	<hr/>
Total equity		18,898,015	10,690,948
		<hr/>	<hr/>

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

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

		30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Liabilities			
Non-current liabilities			
Deferred government grants	15	6,536,681	6,270,793
Provision for employees' end of service benefits		134,409	120,011
Lease liabilities		673,096	713,460
Payable to the project companies	16	2,147,646	2,150,564
Bond payable	17	3,585,488	3,581,021
Trade and other payables	19	488,823	343,753
		<hr/>	<hr/>
Total non-current liabilities		13,566,143	13,179,602
		<hr/>	<hr/>
Current liabilities			
Deferred government grants	15	244,021	131,919
Payable to the project companies	16	274,994	273,508
Lease liabilities		92,070	91,809
Borrowings	18	-	1,146,132
Trade and other payables	19	2,608,436	2,634,590
		<hr/>	<hr/>
Total current liabilities		3,219,521	4,277,958
		<hr/>	<hr/>
Total liabilities		16,785,664	17,457,560
		<hr/>	<hr/>
Total equity and liabilities		35,683,679	28,148,508
		<hr/> <hr/>	<hr/> <hr/>

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



H.E. Falah Al Ahababi
Chairman



Mohamed Al Shamisi
Chief Executive Officer



Martin Aarup
Chief Financial Officer

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

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Revenue	20	1,241,556	921,629	2,288,921	1,831,630
Direct costs	21	(570,711)	(505,587)	(1,131,782)	(968,839)
Gross profit		670,845	416,042	1,157,139	862,791
Share of profit from joint ventures	8	36,199	27,587	75,461	36,219
Share of profit from associate	9	12,000	-	22,558	-
General and administrative expenses		(246,255)	(156,219)	(438,773)	(307,941)
Selling and marketing expenses		(13,591)	(11,291)	(24,630)	(18,414)
Impairment losses on financial assets	11	(66,664)	(8,825)	(73,296)	(12,205)
Finance income		9,259	115	9,606	333
Finance costs		(102,113)	(83,375)	(195,218)	(162,364)
Gain on disposal of asset held for sale		186	-	73,186	-
Other income		60	4,740	113	8,103
Profit for the period		299,926	188,774	606,146	406,522
Attributable to:					
Owner of the Company		297,770	186,642	602,697	402,709
Non-controlling interests		2,156	2,132	3,449	3,813
		299,926	188,774	606,146	406,522
Basic and diluted earnings per share (AED)	23	0.06	0.05	0.12	0.10
Adjusted EBITDA		531,883	376,686	1,056,375	769,571

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

**Condensed consolidated statement of comprehensive income
for the six-month period ended 30 June 2022**

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2022 AED'000 (unaudited)	2021 AED'000 (unaudited)	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Profit for the period		299,926	188,774	606,146	406,522
Other comprehensive income/(loss):					
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>					
Fair value gain on financial asset designated at FVTOCI	10	823,350	-	1,041,150	-
Fair value gain on financial asset designated at FVTOCI – share of equity accounted investees	9	-	-	28	-
<i>Items that may be reclassified subsequently to statement of profit or loss</i>					
<i>Share of equity accounted investees:</i>					
Net fair value gain/(loss) on hedging instrument entered into for cash flow hedges – equity accounted joint venture	8	13,285	(8,657)	36,028	6,775
Share of equity accounted associate	9	(7,800)	-	(15,857)	-
Total other comprehensive income/(loss)		828,835	(8,657)	1,061,349	6,775
Total comprehensive income for the period		1,128,761	180,117	1,667,495	413,297
Attributable to:					
Owner of the Company		1,126,605	177,985	1,664,046	409,484
Non-controlling interests		2,156	2,132	3,449	3,813
		1,128,761	180,117	1,667,495	413,297

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

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

	Share capital AED'000	Share Premium AED'000	Statutory reserve AED'000	Assets distribution reserve AED'000	Cash flow hedge reserve AED'000	Investment Revaluation Reserve AED'000	Foreign currency translation reserve AED'000	Merger reserve AED'000	Retained earnings AED'000	Shareholder's contribution AED'000	Equity attributable to owner of the Company AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2021 – as previously reported	3,840,000	-	295,292	(22,063)	(134,175)	-	-	1,319,288	2,387,520	33,343	7,719,205	6,426	7,725,631
Establishment of a subsidiary (restated)	-	-	-	-	-	-	-	-	-	-	-	30,550	30,550
Balance at 1 January 2021 (restated)	3,840,000	-	295,292	(22,063)	(134,175)	-	-	1,319,288	2,387,520	33,343	7,719,205	36,976	7,756,181
Profit for the period	-	-	-	-	-	-	-	-	402,709	-	402,709	3,813	406,522
Other comprehensive income for the period	-	-	-	-	6,775	-	-	-	-	-	6,775	-	6,775
Total comprehensive income for the period	-	-	-	-	6,775	-	-	-	402,709	-	409,484	3,813	413,297
Dividend declared to non- controlling interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Additional share holder contribution in subsidiary (restated)	-	-	-	-	-	-	-	-	-	-	-	8,997	8,997
Owner's contribution (note 23)	-	-	-	-	-	-	-	-	-	700,000	700,000	-	700,000
Balance at 30 June 2021 (unaudited)	3,840,000	-	295,292	(22,063)	(127,400)	-	-	1,319,288	2,790,229	733,343	8,828,689	48,709	8,877,398
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	-	-	-	-	-	-	-	-	602,697	-	602,697	3,449	606,146
Other comprehensive income for the period	-	-	-	-	36,028	1,041,150	(15,829)	-	-	-	1,061,349	-	1,061,349
Total comprehensive income for the period	-	-	-	-	36,028	1,041,150	(15,829)	-	602,697	-	1,664,046	3,449	1,667,495
Dividend declared to noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,078)	(1,078)
Owner'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
Balance at 30 June 2022 (unaudited)	5,090,000	2,750,000	379,861	(22,063)	(61,011)	1,041,150	(15,829)	1,319,288	3,751,342	4,610,360	18,843,098	54,917	18,898,015

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

**Condensed consolidated statement of cash flows
for the six-month period ended 30 June 2022**

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit for the period	606,146	406,522
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment and investment properties	359,546	237,750
Amortisation of right-of-use assets	16,690	16,632
Amortisation of intangible assets	10,388	5,345
Share of profit from joint ventures	(75,461)	(36,219)
Share of profit from associate	(22,558)	-
Impairment losses, net of reversals, on financial assets	73,296	12,205
Provision for slow moving inventories	926	796
Amortisation of government grants	(122,010)	(58,710)
Provision for employees' end of service benefits	18,852	13,188
Foreign exchange gain	100	(117)
Finance costs	195,218	162,364
Interest income	(9,606)	(333)
Gain on disposal of property, plant and equipment	(73,186)	(111)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	978,341	759,312
Increase in inventories	(3,763)	(4,463)
Increase in trade and other receivables	(818,559)	(89,389)
Decrease in prepayments and advances	101,689	29,692
(Decrease)/increase in trade and other payables	282,072	(345,761)
	<hr/>	<hr/>
Cash generated from operations	539,780	349,391
Employees' end of service benefits paid	(5,550)	(4,932)
Payment of short-term lease	(6,548)	(4,618)
Payment of low-value assets	(4,364)	(1,937)
	<hr/>	<hr/>
Net cash generated from operating activities	523,318	337,904
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,554,254)	(966,700)
Proceeds from sale of property, plant and equipment	3,953	111
Purchase of investment properties	(19,410)	(128,085)
Purchase consideration paid to acquire new subsidiaries	(212,184)	-
Proceeds from disposal of a property held for sale	310,000	-
Dividend received from a joint venture	3,565	20,500
Dividend received from an associate	42,487	-
Interest received	3,930	333
Net movement in term deposits with original maturity over three months	(1,249,800)	(1,648)
	<hr/>	<hr/>
Net cash used in investing activities	(3,671,713)	(1,075,489)
	<hr/>	<hr/>

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

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

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Cash flows from financing activities		
Receipt of term loans	-	1,051,025
Term loan paid	(1,146,132)	(4,550,000)
Proceeds from issuance of shares	4,000,000	-
Proceeds from bond issue	-	3,597,165
Bond issuance cost paid	-	(18,500)
Grant received	-	27,350
Finance cost paid	(64,155)	(19,758)
Payment to project companies	(127,631)	(128,348)
Payment for principal portion of lease liabilities	(37,209)	(37,665)
Payment for interest portion of lease liabilities	(18,667)	(19,269)
Contributions received from shareholder	-	700,000
Loan given to a related party	-	(22,035)
Dividend paid to non-controlling interests in subsidiaries	(1,078)	(1,077)
	<hr/>	<hr/>
Net cash generated from financing activities	2,605,128	578,888
	<hr/>	<hr/>
Net (decrease) in cash and cash equivalents	(543,267)	(158,697)
Cash and cash equivalents at beginning of the period	1,035,803	262,046
	<hr/>	<hr/>
Cash and cash equivalents at end of the period (Note 13)	492,536	103,349
	<hr/> <hr/>	<hr/> <hr/>
Non-cash transactions		
Investment in an associate received as a capital contribution	1,450,000	-
	<hr/> <hr/>	<hr/> <hr/>
Investment in FVTOCI received as a capital contribution	1,090,650	-
	<hr/> <hr/>	<hr/> <hr/>
Transfer to property, plant and equipment – Fujairah Port developments (note 5)	500,000	-
	<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/>
Investment in joint venture	262,288	-
	<hr/> <hr/>	<hr/> <hr/>
Transfer to Properties under development (Investment Properties) from Capital work in progress (Property, plant and equipment)_(note 6)	730,757	-
	<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 six-month period ended 30 June 2022

1 General information

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

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

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

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

- **Ports**, which owns 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 six-month period ended 30 June 2022, except the acquisition of subsidiaries, a joint venture and transfer of an associate during the period as explained in note 29 and 9 respectively. Refer to the consolidated financial statements of the Group as at and for the year ended 31 December 2021 for the details of principal activities, operations and ownership interest of the remaining subsidiaries and joint ventures.

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

5 Property, plant and equipment

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Carrying amount at the beginning of the period/year	17,152,182	15,374,891
Additions during the period/year	2,556,144	2,923,899
Acquired through business combination (note 29)	22,959	-
Depreciation charge for the period/year	(259,574)	(387,527)
Transferred from/to receivables during the period/year (i)	500,000	(493,196)
Transferred to Investment properties (note 6)	(730,757)	-
Disposals during the period/year	(3,767)	(7,887)
Transfers to property held for sale (note 28)	-	(237,000)
Transfers to grants (note 15)	-	(20,998)
	<hr/>	<hr/>
Carrying amount at the end of the period/year	19,237,187	17,152,182
	<hr/> <hr/>	<hr/> <hr/>

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

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

	Six-month ended 30 June	
	2022 AED'000 (unaudited)	2021 AED'000 (unaudited)
Direct costs	208,496	175,890
General and administrative expenses	51,078	31,782
	<hr/>	<hr/>
	259,574	207,672
	<hr/> <hr/>	<hr/> <hr/>

Staff costs of AED 85 million have been capitalised within capital work-in-progress during the six-month period ended 30 June 2022 (30 June 2021: AED 71.5 million).

Borrowing costs of AED 13.5 million have been capitalized within capital work-in-progress during the six-month period ended 30 June 2022 (30 June 2021: AED 21.4 million).

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

5 Property, plant and equipment (continued)

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

6 Investment properties

Movement in the balance is as follows:

	Completed properties AED'000	Properties under development AED'000	Total AED'000
<u>Six-month period ended 30 June 2022</u>			
<u>(unaudited)</u>			
Carrying amount at the beginning of the period	3,087,528	550,327	3,637,855
Additions during the period	-	19,410	19,410
Transfer from Property, plant & equipment	-	730,757	730,757
Depreciation charge for the period	(99,972)	-	(99,972)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the period	2,987,556	1,300,494	4,288,050
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Year ended 31 December 2021 (audited)</u>			
Carrying amount at the beginning of the year	2,850,781	607,238	3,458,019
Additions during the year	-	268,590	268,590
Transfers from properties under development	325,501	(325,501)	-
Depreciation charge for the year	(114,567)	-	(114,567)
Reversal of impairment loss for the year	25,813	-	25,813
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	3,087,528	550,327	3,637,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Rental income from investment properties of AED 920 million (30 June 2021: AED 770 million) was earned and direct operating expenses (including maintenance expense) of AED 254 million was incurred during the period ended 30 June 2022 (30 June 2021: AED 268 million).

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

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

**Notes to the condensed consolidated financial statements
for the six-month period ended 30 June 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 six-month period ended 30 June 2022 and will perform the full assessment by the year end or the new and existing Investment Properties.

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

7 Intangible assets and goodwill

Movement in the balance is as follows:

	Goodwill AED'000	Other intangible assets AED'000	Total AED'000
<u>Six-month period ended 30 June 2022 (unaudited)</u>			
Carrying amount at the beginning of the period	54,534	169,509	224,043
Acquired through business combination (note 29)	34,286	101,400	135,686
Amortisation charge for the period	-	(10,388)	(10,388)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the period	88,820	260,521	349,341
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Year ended 31 December 2021 (audited)</u>			
Carrying amount at the beginning of the year	54,534	180,199	234,733
Amortisation charge for the year	-	(10,690)	(10,690)
	<hr/>	<hr/>	<hr/>
Carrying amount at the end of the year	54,534	169,509	224,043
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Goodwill of AED 32.8 million arose from the acquisition of logistics business from Abu Dhabi Terminals LLC ('ADT') during 2018 and AED 21.7 million from the acquisition of MICCO Logistics-Sole Proprietorship LLC ("MICCO") during 2019. During the period, the Group recognised AED 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 life of 30 year. Management believes that there is no significant change in the recoverable amount of goodwill during the six-month period ended 30 June 2022 and will perform the full assessment by year end for the new and existing goodwill.

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

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

**Notes to the condensed consolidated financial statements
for the six-month period ended 30 June 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	
	Six-month ended 30 June		Six-month ended 30 June		Six-month ended 30 June	
	2022	2021	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	170,552	125,023	112,755	88,127	188,653	125,091
Direct costs	(169,919)	(65,275)	(92,786)	(81,509)	-	-
Administrative expenses	(13,800)	(78,552)	(2,672)	(17,178)	(791)	(6,403)
Finance costs	(68,788)	(63,186)	(4,864)	(5,518)	(49,849)	(34,562)
Other income	465	2,499	443	(330)	34	47
(Loss)/profit for the Period	(81,490)	(79,491)	12,876	(16,408)	138,047	84,173
Group's share of profit/(loss)	-	-	6,438	(5,868)	69,023	42,087
<i>Other comprehensive income</i>		6,176	-	-	72,057	25,332
Share of other comprehensive income for the period	-	1,181	-	-	36,028	5,594
Total comprehensive income/(loss) for the period	-	1,181	6,438	(5,868)	105,051	47,681

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

	ADT		Joint ventures with LDPL		ZIF	
	Six-month ended 30 June		Six-month ended 30 June		Six-month ended 30 June	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
	2022	2021	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Depreciation and amortisation	(63,594)	(30,264)	(13,107)	(7,314)	-	-
Interest income	-	-	-	-	124,466	22
Interest expense	(68,788)	(31,771)	(4,864)	(2,786)	(49,849)	983
The unrecognised share of loss of a joint venture for the period	(41,560)	(20,949)	-	(8,778)	-	-
Cumulative share of unrecognised losses	(151,650)	(48,440)	-	(24,040)	-	-

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

9 Investment in an associate

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

	30 June 2022 AED'000 (unaudited)
Balance at the beginning of the period	-
Transferred from parent entity during the period	1,450,000
Share of profit for the period	22,558
Share of other comprehensive loss for the period	(15,829)
Dividend received during the period	(42,487)
	<hr/>
Balance at the end of the period	1,414,242
	<hr/> <hr/>

10 Financial asset at fair value through other comprehensive income

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

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Quoted equity security (i)	2,131,800	-
Unquoted debt and equity security (ii)	58,788	58,788
	<hr/>	<hr/>
	2,190,588	58,788
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

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

	30 June 2022 AED’000 (unaudited)	31 December 2021 AED’000 (audited)
Balance at the beginning of the period/year	58,788	58,788
Transferred from parent entity during the period	1,090,650	-
Change in fair value recognised in other comprehensive income	1,041,150	-
	<hr/>	<hr/>
Balance at the end of the period/year	2,190,588	58,788
	<hr/> <hr/>	<hr/> <hr/>

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

11 Trade and other receivables

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Un-billed lease receivables	2,127,229	2,010,283
Less: loss allowance	(210,156)	(231,303)
	<u>1,917,073</u>	<u>1,778,980</u>
Current portion		
Trade receivables	1,864,342	1,413,940
Due from related parties (note 22)	762,035	560,253
Accrued income	322,788	385,636
	<u>2,949,165</u>	<u>2,359,829</u>
Less: loss allowance	(561,013)	(503,140)
	<u>2,388,152</u>	<u>1,856,689</u>
Receivable for Fujairah Port development (note 5)	-	493,196
Staff receivables	30,227	31,764
Other receivables	180,848	13,667
	<u>2,599,227</u>	<u>2,395,316</u>

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	734,443	796,527
Net remeasurement of loss allowance during the period/year	73,296	20,508
Amounts written off during the period/year	(36,570)	(82,592)
	<u>771,169</u>	<u>734,443</u>

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

12 Prepayments and advances

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Prepaid expenses	38,000	45,600
	<hr/>	<hr/>
Current portion		
Advance payments to contractors	347,274	363,869
Prepaid expenses	72,370	87,439
	<hr/>	<hr/>
	419,644	451,308
	<hr/>	<hr/>

13 Cash and bank balances

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash on hand	8,747	5,625
Fixed deposits and current accounts with banks	1,749,060	1,045,649
	<hr/>	<hr/>
Cash and bank balances	1,757,807	1,051,274
Less: deposits with an original maturity of more than three months	(1,265,271)	(15,471)
	<hr/>	<hr/>
Cash and cash equivalents	492,536	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 six-month period ended 30 June 2022 (continued)**

14 Share capital

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

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

15 Deferred government grants

Movement in the balance is as follows:

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	6,402,712	6,460,688
Additions during the period/year (note 5)	500,000	94,941
Amount recognised as revenue during the period/year (note 21)	(122,010)	(131,919)
Transferred to a related party	-	(20,998)
	<hr/> <hr/>	<hr/> <hr/>
Balance at the end of the period/year	6,780,702	6,402,712
	<hr/> <hr/>	<hr/> <hr/>

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

15 Deferred government grants (continued)

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Current liability	244,021	131,919
Non-current liability	6,536,681	6,270,793
	<hr/>	<hr/>
	6,780,702	6,402,712
	<hr/> <hr/>	<hr/> <hr/>

16 Payable to the project companies

The movement in balance is as follows:

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Balance at the beginning of the period/year	2,424,072	2,429,047
Interest charge for the period/year	126,199	250,174
Payments during the period/year	(127,631)	(255,149)
	<hr/>	<hr/>
Balance at the end of the period/year	2,422,640	2,424,072
	<hr/> <hr/>	<hr/> <hr/>

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Current liability	274,994	273,508
Non-current liability	2,147,646	2,150,564
	<hr/>	<hr/>
	2,422,640	2,424,072
	<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 six-month period ended 30 June 2022 (continued)**

17 Bond payable

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

The fair value of the bond payable as of 30 June 2022 is USD 856.2 million, which is equivalent to AED 3,145.3 million (31 December 2021: USD 1,000 and AED 3,673.5 million).

As of 30 June 2022, unamortised prepaid transaction cost for the bond is AED 19.5 million (31 December 2021: 20.6 million) and unamortised discount is AED 68.6 million (31 December 2021: AED 71.9 million).

18 Borrowings

	30 June 2022 AED’000 (unaudited)	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. During the period, the facility has been renewed for another year with the next extension due in 2023. The terms of the agreement required the Group to maintain a minimum tangible net worth of AED 6 billion. 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 688 million and AED 2,527 million).

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

18 Borrowings (continued)

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

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

19 Trade and other payables

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Non-current portion		
Deferred income	400,317	259,937
Customer deposits	86,306	83,816
Contingent and deferred consideration (note 29)	2,200	-
	<hr/>	<hr/>
	488,823	343,753
	<hr/> <hr/>	<hr/> <hr/>
Current portion		
Accrued expenses and construction related costs	856,890	1,190,830
Contractors and supplier payables	598,276	158,290
Deferred income	417,405	240,483
Other payables	316,415	47,628
Due to related parties (note 22)	224,572	233,928
Customer advances	121,696	116,051
Retentions payable	67,716	147,380
Contingent and deferred consideration (note 29)	5,466	-
Advances for Fujairah Port development project (note 5)	-	500,000
	<hr/>	<hr/>
	2,608,436	2,634,590
	<hr/> <hr/>	<hr/> <hr/>

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

20 Revenue

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Revenue from contracts with customers (a)	1,329,910	1,019,549
Revenue from rental income (b)	959,011	812,081
	2,288,921	1,831,630

a) Disaggregation of revenue from contracts with customers:

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Services transferred at a point in time		
Maritime services	458,130	228,667
Logistics operations	259,237	276,145
Ports operations	199,715	285,434
Digital services	46,467	50,863
Other Economic Cities & Free Zones services	37,750	8,340
	1,001,299	849,449
Services transferred over-time		
Maritime services	200,826	20,542
Economic Cities & Free Zones services related to lease contracts	127,785	149,557
Total revenue from contracts with customers	1,329,910	1,019,549

b) Disaggregation of revenue from rental income:

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Economic Cities & Free Zones leasing	700,188	576,368
Ports concessions and leasing	258,074	225,727
Other lease income	749	9,985
	959,011	812,080

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

21 Direct costs

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment and investment properties (note 5 and 6)	308,468	205,939
Manpower costs	202,714	170,065
Warehousing and handling costs	132,250	70,684
Repairs and maintenance costs	120,598	142,833
Utility costs	114,546	102,861
Fuel costs	93,505	38,236
Charter hire charges	87,907	41,351
Trucking and transportation costs	86,145	164,539
Amortisation of intangible assets	10,388	5,345
Amortisation of right-of-use assets	16,691	16,662
Outsourcing and external manpower costs	22,739	25,265
Insurance & Consultancy	18,475	14,474
Application license and maintenance costs	15,670	9,501
Foreign labor service charge	12,807	10,133
Other costs	10,889	9,661
	1,253,792	1,027,549
Less: Government grants (note 15)	(122,010)	(58,710)
	1,131,782	968,839

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

22 Related parties

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

Terms and conditions of transactions with related parties

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

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

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Due from related parties (note 11):		
<i>Joint ventures</i>		
Abu Dhabi Terminals Company LLC	51,721	4,380
	<hr/>	<hr/>
<i>Entities under common control</i>		
Abu Dhabi Police	332,455	-
Department of Economic Development	150,155	-
Abu Dhabi National Oil Company	100,190	20,053
Abu Dhabi Polymers Co. Ltd (Borouge)	8,343	86,388
Department of Municipalities and Transport	34,364	32,000
Emirates Steel Industries Co. PJSC	28,746	57,665
Department of Finance – Abu Dhabi	19,820	169,077
General Headquarter Armed Forces	7,625	10,319
Silal Food and Technology LLC	1,596	7,515
Rafed Healthcare Supplies LLC	-	19,849
Other entities under common control	27,020	153,007
	<hr/>	<hr/>
	710,314	555,873
	<hr/>	<hr/>
	762,035	560,253
	<hr/>	<hr/>

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

22 Related parties (continued)

Balances with related parties (continued)

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Accrued income (note 11)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding (“ADQ”)	-	235,923
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	18,186	44,939
<i>Entities under common control</i>		
Abu Dhabi Police	138,627	-
Department of Municipalities and Transport	36,555	11,003
Emirates Steel Industries Co. PJSC	16,986	-
Abu Dhabi National Oil Company	-	18,500
Lulu International Holding Limited (Group)	-	4,880
Rafed Healthcare Supplies LLC	-	2,105
Other entities controlled by the Government of Abu Dhabi	193	395
	192,361	36,883
	210,547	317,745
Un-billed lease receivables (note 11)		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	274,585	262,901
<i>Entities under common control</i>		
Other entities controlled by the Government of Abu Dhabi	57,645	50,687
	332,230	313,588
Prepayments and advances (note 12)		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	53,200	60,800
<i>Entities under common control</i>		
National Health Insurance Company PJSC (Daman)	8,802	2,290
	62,002	63,090

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

22 Related parties (continued)

Balances with related parties (continued)

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Cash and bank balances (note 13)		
<i>Entity under common control</i>		
Banks controlled by the Government of Abu Dhabi	468,920	1,028,053
	=====	=====
Investment in joint ventures (note 8)	825,705	455,493
	=====	=====
Impairment loss on financial assets and unbilled lease receivable (note 11)	32,370	42,263
	=====	=====
Due to related parties (note 19)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	323	323
	-----	-----
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	24,716	7,876
	-----	-----
<i>Entities under common control</i>		
Department of Finance – Abu Dhabi	98,314	98,314
Abu Dhabi Retirement Pensions & Benefits Fund	4,795	3,019
Abu Dhabi National Oil Company	15,048	29,540
Other entities under common control	81,376	94,856
	-----	-----
	199,533	225,729
	-----	-----
	224,572	233,928
	=====	=====

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

22 Related parties (continued)

Balances with related parties (continued)

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Payable to the project companies (note 16)		
<i>Joint venture</i>		
ZonesCorp Infrastructure Fund	2,423,856	2,424,072
	=====	=====
Deferred government grants (note 15)		
<i>Ultimate controlling undertaking</i>		
Government of Abu Dhabi	6,492,947	6,064,640
	=====	=====
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	287,755	338,072
	=====	=====
	6,780,702	6,402,712
	=====	=====
Borrowings (note 18)		
<i>Entities under common control</i>		
First Abu Dhabi Bank	-	229,226
	=====	=====
Accrued expenses, customers deposits and advances and other payables (note 19)		
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	3,318	-
	=====	=====
<i>Entities under common control</i>		
Abu Dhabi National Oil Company	25,116	10,170
Other entities controlled by the Government of Abu Dhabi	15,709	8,841
	=====	=====
	40,825	19,011
	=====	=====
	44,143	19,011
	=====	=====
Shareholder's contribution		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	4,610,360	2,069,710
	=====	=====

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

22 Related parties (continued)

Significant transactions with related parties are as follows:

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Revenue (Note 20)		
<i>Parent Company</i>		
Abu Dhabi Developmental Holding	9,836	51,996
<i>Joint venture</i>		
Abu Dhabi Terminals Company LLC	78,296	62,503
<i>Entities under common control</i>		
Abu Dhabi Police	176,756	-
Emirates Steel Industries Co. PJSC	87,944	79,246
Abu Dhabi National Oil Company	153,885	40,214
Department of Municipalities and Transport	44,692	2,577
Abu Dhabi Polymers Co. Ltd (Borouge)	39,337	158,914
Silal Food and Technology LLC	2,916	17,765
General Headquarter Armed Forces	1,435	5,442
Department of Finance – Abu Dhabi	708	11,697
Other entities under common control	32,495	277,530
	540,168	593,385
	628,300	707,884
Transactions with joint ventures (note 8)		
Share of profit for the period	75,461	36,219
Share of other comprehensive income for the period	36,028	6,775
Dividend received during the period	3,565	20,500
Investment made during the period	262,288	-

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

22 Related parties (continued)

Significant transactions with related parties (continued)

	Six-month ended 30 June	
	2022	2021
	AED'000	AED'000
	(unaudited)	(unaudited)
Loans given to a related party		
ALM Shipping Management Ltd	-	(22,035)
	_____	_____
		(22,035)
	=====	=====
Owner's contribution received		
Abu Dhabi Developmental Holding (ADQ)	2,540,650	700,000
	=====	=====
Key management compensation		
Short term benefits	32,663	27,263
Long term benefits	524	2,696
	_____	_____
	33,187	29,959
	=====	=====

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

23 Basic and diluted earnings per share

Basic earning per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, 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.

	<u>Three-month ended 30 June</u>		<u>Six-month ended 30 June</u>	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings (AED'000)				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Group)	292,038	186,642	596,965	402,709
Weighted average number of share ('000)				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,090,000	3,840,000	4,827,569	3,840,000
Basic and diluted earnings per share attributable to owners of the group in AED				
	0.06	0.05	0.12	0.10

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

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

24 Segment information (continued)

Information regarding these segments is presented below:

	Ports AED*000	EC&FZ AED*000	Logistics AED*000	Maritime AED*000	Digital AED*000	Corporate AED*000	Eliminations AED*000	Total AED*000
30 June 2022 (unaudited)								
External revenue	484,880	866,472	259,237	631,865	46,467	-		2,288,921
Inter segment revenue	19,141	5,683	6,327	178	148,441	-	(179,770)	-
Total Revenue	504,021	872,155	265,564	632,043	194,908	-	(179,770)	2,288,921
Direct costs	(189,047)	(291,673)	(238,872)	(377,126)	(37,499)	(87,163)	89,598	(1,131,782)
Gross profit/(loss)	314,974	580,482	26,692	254,917	157,409	(87,163)	(90,172)	1,157,139
Share of profit from joint ventures	-	69,024	-	6,437	-	-	-	75,461
Share of profit from an associate	-	-	22,558	-	-	-	-	22,558
General and administrative expenses	(124,798)	(42,575)	(19,792)	(78,519)	(55,700)	(166,761)	49,372	(438,773)
Selling and marketing expenses	(2,427)	(3,774)	(1,028)	(1,543)	(462)	(15,396)	-	(24,630)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	71	(74,810)	1,424	19	-	-	-	(73,296)
Gain on disposal of a property held for sale	108	25	73,000	(7)	-	60	-	73,186
Finance income	-	33	(581)	44	-	10,110	-	9,606
Finance costs	(14,486)	(135,033)	(1,610)	(199)	(1)	(45,171)	1,282	(195,218)
Other income	-	30	83	-	-	-	-	113
Profit/(loss) for the period	173,442	393,402	100,746	181,149	101,246	(304,321)	(39,518)	606,146
Adjustment for:								
Finance costs	14,486	135,033	1,610	199	2	45,171	(1,283)	195,218
Finance income	-	(33)	581	(44)	-	(10,110)	-	(9,606)
Amortisation of right-of-use assets and intangible assets	6,907	10,178	5,391	5,043	-	-	(440)	27,079
Depreciation of property, plant and equipment, investment properties	139,476	113,410	21,729	60,034	5,953	18,946	-	359,548
Government grants	(64,754)	(51,167)	-	(6,089)	-	-	-	(122,010)
Adjusted EBITDA	269,557	600,823	130,057	240,292	107,201	(250,314)	(41,241)	1,056,375

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

24 Segment information (continued)

	Ports AED'000	IFZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
30 June 2021 (unaudited)								
External revenue	511,162	744,250	276,145	249,210	50,863	-	-	1,831,630
Inter segment revenue	14,950	5,993	5,881	986	72,655	-	(100,465)	-
Total revenue	526,112	750,243	282,026	250,196	123,518	-	(100,465)	1,831,630
Direct cost	(219,194)	(309,339)	(199,928)	(199,141)	(34,236)	(69,668)	62,667	(968,839)
Gross profit/(loss)	306,918	440,904	82,098	51,055	89,282	(69,668)	-37,798	862,791
Share of profit/(loss) from joint ventures	-	42,087	-	(5,868)	-	-	-	36,219
General and administrative expenses	(75,046)	(27,784)	(10,419)	(31,521)	(36,637)	(126,534)	-	(307,941)
Selling and marketing expenses	(23)	(759)	(4,240)	(638)	(31)	(12,723)	-	(18,414)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivable	5,254	(12,971)	2,306	(5,664)	(1,131)	-	-	(12,205)
Finance income	-	23	1,843	6	-	(1,539)	-	333
Finance costs	(13,703)	(137,266)	(1,816)	(8)	(2)	(10,934)	1,365	(162,364)
Other income	462	-	410	7,230	-	1	-	8,103
Profit/(loss) for the period	223,862	304,234	70,182	14,592	51,482	(221,397)	(36,433)	406,522
Adjustment for:								
Finance costs	13,703	137,266	1,816	8	2	10,934	(1,365)	162,364
Finance income	-	(23)	(1,843)	(6)	-	1,539	-	(333)
Depreciation of property, plant and equipment, investment properties	113,690	66,600	20,151	21,709	3,774	11,797	-	237,721
Amortisation of right-of-use assets and intangible assets	6,454	10,178	1,166	-	-	4,678	(469)	22,007
Government grants	(49,997)	(6,793)	-	(1,920)	-	-	-	(58,710)
Adjusted EBITDA	307,712	511,462	91,472	34,384	55,257	(192,448)	(38,268)	769,571

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

24 Segment information (Continued)

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

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
<u>30 June 2022</u>								
Total assets	22,482,837	10,166,169	4,366,343	7,288,205	1,044,755	21,106,694	(30,771,324)	35,683,679
Total liabilities	21,159,143	7,493,904	4,010,023	5,652,005	806,570	9,320,649	(31,656,630)	16,785,664
Capital expenditures*	-	-	-	-	-	2,556,144	-	2,556,144
<u>31 December 2021</u>								
Total assets	12,542,051	6,883,366	1,036,794	1,716,190	261,877	12,807,989	(7,099,759)	28,148,508
Total liabilities	11,263,311	4,513,383	699,080	1,210,613	36,357	6,759,394	(7,024,578)	17,457,560
Capital expenditures*	-	-	-	-	-	2,923,899	-	2,923,899

Capital expenditures

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

Geographical information

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

**Notes to the condensed consolidated financial statements
for the six-month period ended 30 June 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 six-month period ended 30 June 2022 and 2021.

26 Contingencies and commitments

Contingent liabilities

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Bank guarantees	103,468	89,805
Financial guarantees	367,500	508,793

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

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

Commitments

	30 June 2022 AED'000 (unaudited)	31 December 2021 AED'000 (audited)
Commitments for fixed assets	2,445,341	1,093,449
Commitments for investments	450,000	215,322

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

27 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

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

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 30 June 2022 (unaudited)					
Financial assets at FVOCI	2,190,588	2,131,800		58,788	2,190,588
	=====	=====	=====	=====	=====
At 31 December 2021 (audited)					
Financial assets at FVOCI	58,788	-	-	58,788	58,788
	=====	=====	=====	=====	=====

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

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

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

28 Property held for sale

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

29 Business combinations

Divetech Marine Engineering Services LLC

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

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

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

	Fair values recognised on acquisition AED’000 (unaudited)
Assets	
Cash and bank balances	903
Trade and other receivables	81,332
Property, plant and equipment	6,647
Intangible assets	90,400
	<hr/>
Total assets	179,282
	<hr/> <hr/>
Liabilities	
Trade and other payables	15,656
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 six-month period ended 30 June 2022 (continued)**

29 Business combinations (continued)

Divetech Marine Engineering Services LLC (continued)

Purchase consideration comprised as follows:

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

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 39.1 million and net loss 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:

	AED'000 (unaudited)
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)
	<hr/> <hr/>
Net cash outflow on acquisition	(185,254)
	<hr/> <hr/>

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

29 Business combinations (continued)

Alligator Shipping Container Line LLC

During December 2021, the Group (the “Buyer”) entered into a sale and purchase agreement with 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 sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed during February 2022.

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

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

	Fair values recognised on acquisition AED'000 (unaudited)
Assets	
Cash and bank balances	73
Trade and other receivables	12,635
Property, plant and equipment	16,312
Intangible assets	11,000
	<hr/>
Total assets	40,020
	<hr/> <hr/>
Liabilities	
Trade and other payables	16,011
	<hr/> <hr/>
Total identifiable net assets at fair value	24,009
Less: purchase consideration	(32,303)
	<hr/>
Goodwill	(8,294)
	<hr/> <hr/>

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

29 Business combinations (continued)

Alligator Shipping Container Line LLC (continued)

Purchase consideration comprised as follows:

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

The goodwill of AED 8.2 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

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

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

Acquisition related costs amounted to AED 0.6 million were expensed during the period and are included in general and administrative expenses. From the date of acquisition, ASCL contributed revenue of AED 49.9 million and net profit of AED 3.8 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 20.0 million and net profit would have been higher by AED 2.5 million.

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

29 Business combinations (continued)

Alligator Shipping Container Line LLC (continued)

Analysis of cashflow on acquisition:

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

30 Events after the reporting period

On 30 June 2022 AD Ports Group announced that it has reached an agreement to acquire a 70 percent equity stake in International Associated Cargo Carrier B.V., which wholly owns two Egypt-based maritime companies, Transmar International Shipping Company (“Transmar”) and Transcargo International S.A.E. (“TCI”). Purchase consideration for the 70% equity stake will be around AED 450 million subject to final closing accounts. Subsequently, on 6 July 2022, a sale and purchase agreement was signed. Transmar is a regional container shipping company that operates across the Middle East, Red Sea, Arabian Gulf and Eastern Coast of Africa. In 2021, Transmar handled 109,000 TEUs. TCI is a terminal operator and stevedoring company, mainly operating out of the Adabiya Port, where it is the exclusive container operator. Its two lines of business are container and bulk cargo services. Upon completion, the acquisition will be accounted for as a business combination as per the requirements of IFRS 3 as the Group will assume control over the investee.

31 Approval of condensed consolidated financial statements

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