2020

Annual Report

IHC
International
Holding Company
الشركة العالمية القابضة

IHC – At a Glance

Quick Facts

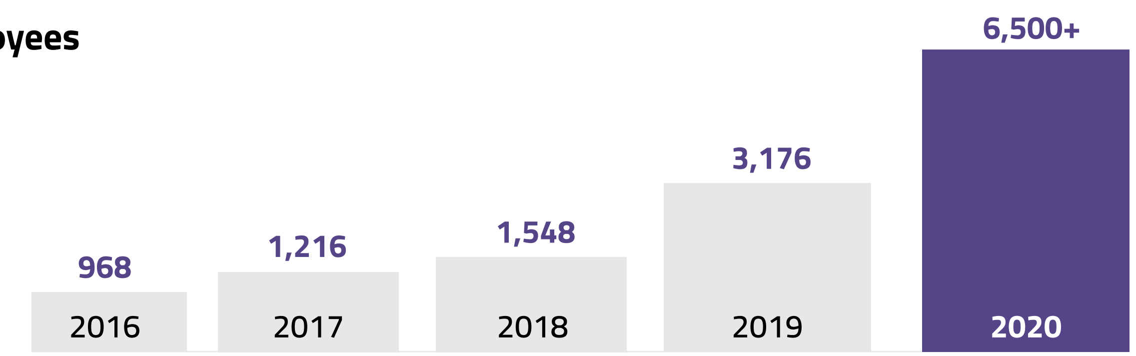
Verticals
6

Operating Assets
25

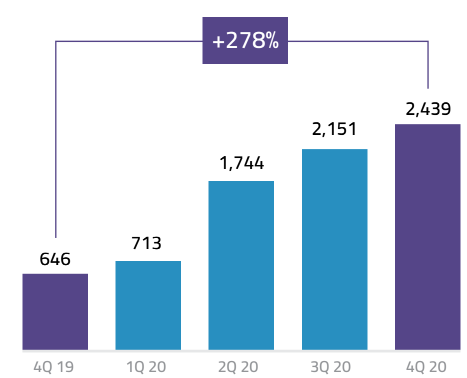
Earnings per share
1.58(x)

Stock Perfomance
up by 577%

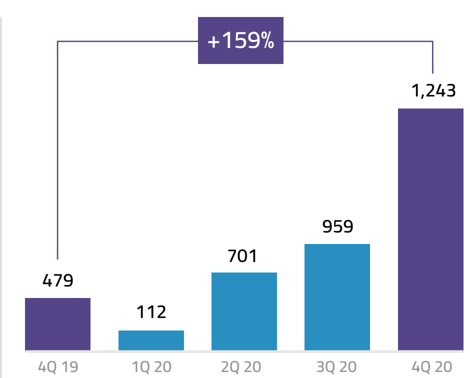
Number of Employees



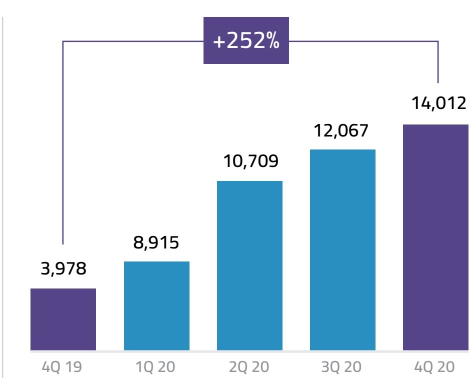
Key Highlights



Revenue AED 7,040 Mn
(Year ended 31st December 2020)



Net Profit AED 3,015 Mn
(Year ended 31st December 2020)

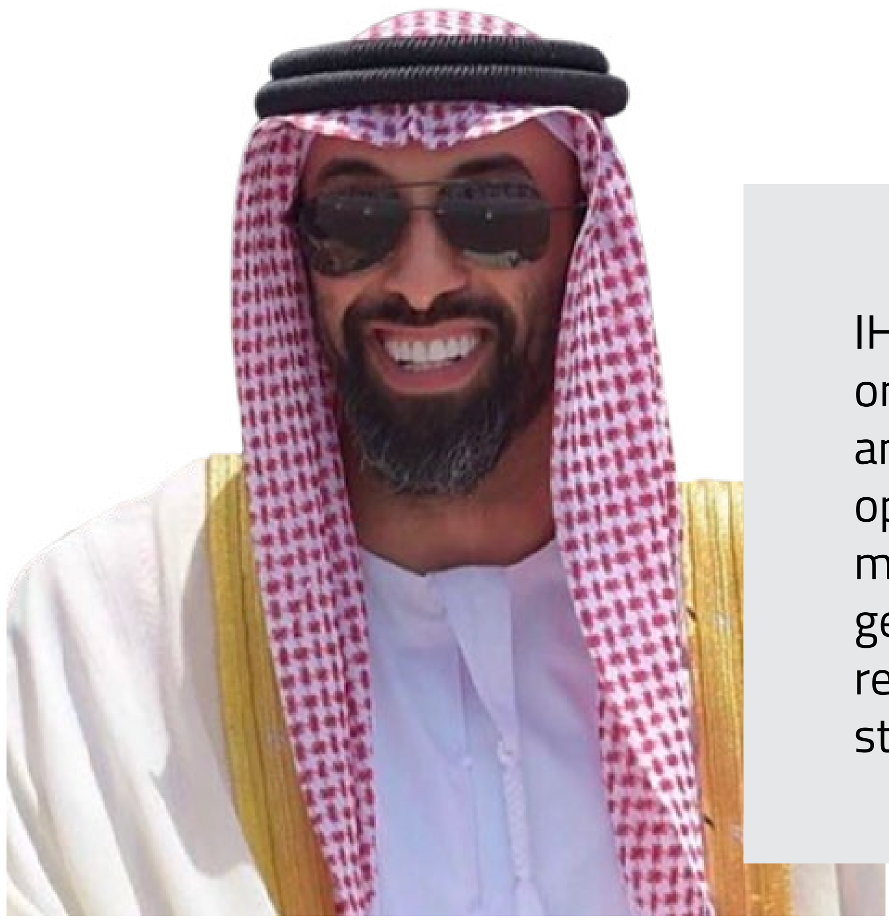


Total Assets AED 14,012 Mn
(Year ended 31st December 2020)

Contents

1.0 Our Leadership

1.1 Chairman's Statement



"IHC will focus on diversification and growth, new opportunities, risk mitigation and generation of solid returns for all our stakeholders"

In times of challenge, great companies weather the storm and emerge stronger. The pandemic and the resulting market uncertainty tested IHC and its ability to be agile and innovative, and the company responded with resilience and a relentless focus on effective execution of its strategy.

In 2021, we look forward to a bright future, confident in our team's potential of upholding IHC's core values and long-term goals and assured that we are strategically placed to face global challenges and continuously grow businesses in the UAE and internationally.

We draw our optimism from the great strides taken by the UAE through the pandemic: the nation's reliable and resilient response to crisis is very much the inspiring model for IHC's ambitions.

IHC has grown strategically into a global ecosystem of diverse sectors, promoting growth opportunities, creating relevant and innovative solutions and ensuring sustainable returns.

We have achieved growth through strategic partnerships, acquisitions, mergers and investments. As a result, we have strengthened our portfolio despite the uncertain financial climate and generated a group net profit of AED 3 Bn. This portfolio expansion, combined with organic growth, boosted the company's balance sheet and profitability, positioning it well to continue to generate strong shareholder value in 2021 and beyond.

We are grateful to our shareholders, our team, our partners and the communities in which we operate, for their trust and collaboration, which have always been the driving force behind our mission.

As the global economy is projected to rebound and re-emerge, IHC will focus on diversification and growth, new opportunities, risk mitigation and generation of solid returns for all our stakeholders. The year 2021 marks the 50th anniversary of the founding of our nation, a momentous anniversary that fills us with pride. We will persevere with our steadfast vision to prosper as we embark into the next 50 years of our story.

Tahnoon bin Zayed
Al Nahyan
Chairman

1.2 Board of Directors

Syed Basar Shueb

Board Member, Chief Executive Officer & Managing Director
Chairman – Insider Trading Committee

Syed Basar Shueb was appointed as a Board Member, Chief Executive Officer and Managing Director of IHC in July 2019. Prior to his tenure at IHC, Basar held the position of Group Chief Executive Officer of Pal Group of Companies from 2000.

An accomplished Senior Executive, Basar has substantial and diversified experience in the processing, manufacturing, construction, and service industries. He is known to be a decisive and pragmatic leader, creating cohesive and focused business units that grow profitable bottom lines. He is the founder of 'District Cooling' established in 2006, and today one of the key players in the UAE's utilities services sector.

Beyond IHC, he holds leadership positions on several companies such as Reem Finance PJSC, Chimera Investments, Keyhole TIG (K-TIG) Limited and PAL Group of Companies.

Basar holds a bachelor's degree in Computer Engineering from Near East University, Nicosia, Turkish Republic of Northern Cyprus.

Dr. Mhd Somar Ajalyaqin

Vice Chairman, Independent/Non-Executive
Chairman – Nomination & Remuneration Committee
Member – Audit Committee

Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020 bringing almost two decades of business experience in various advisory roles in the UAE.

Dr. Somar's solid corporate knowledge and expertise, with a focus on M&A strategy and strategic growth of companies, has been integral to the successful performance of IHC.

During his tenure at IHC, he has at board level, been instrumental in all matters relating to business acquisitions and investments opportunities.

Dr. Somar was a Board Member of PAL Group of companies and Royal Group. He holds a degree in DAA from Syria.

Mohammed Nasser Al Shamsi

Board Member, Independent/Non-Executive
Member – Audit Committee
Member – Nomination & Remuneration Committee
Member – Insider Trading Committee

Mohammed Nasser Al Shamsi is an International Affairs Specialist at the Presidential Level in the Ministry of Presidential Affairs. His role involves managing strategic relationships with foreign governments, diplomatic missions and international institutions.

He began his professional career in 2010 at Abu Dhabi Police where he held several posts before moving to the Supreme Council for National Security where he played an active role in international relations.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates University.

Sofia Abdellatif Lasky

Board Member, Independent/Non-Executive
Chairwoman – Audit Committee
Member – Nomination & Remuneration Committee

Sofia Lasky has been with IHC since April 2020, and brings experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring.

She has overseen the acquisition of numerous companies during her 16-year tenure at Royal Group in various industries such as real estate, contracting, food, preventive healthcare, and capital investments. Her contribution towards the growth of all Royal Group companies has been invaluable.

Sofia served as a Board Member of Macquarie Capital Middle East LLC and hold a bachelor's degree in business information technology.

1.3 Managing Director & Chief Executive Officer's Message

"Our past year's performance is an indicator of our resilience and readiness to transform adversity into opportunity"

As COVID-19 continues to impact business, commerce and communities across the world, we at International Holding Company have taken a proactive approach in responding to the pandemic. Our priorities were set from the start: safeguarding our employees' health and wellbeing while keeping consistent communication channels with our customers and continuing to drive the business, as the Group consolidated and transformed into the modern holding company we are today.

In 2020, a year of transformation for IHC, we have scaled the business to achieve three broad strategic aims: improve governance; increase agility and competitiveness; and achieve economies of scale.

IHC has maintained its unaltered strategic objective: to create a global holding company which enables businesses under its portfolio to thrive and prosper, generating value and benefits for shareholders, staff, stakeholders and society.

To support the UAE's efforts to combat the pandemic, portfolio companies have contributed to the implementation of COVID-19 resilience initiatives such as supporting the redeployment of frontline staff resources and the development of field hospitals across Abu Dhabi, as well as conducting studies and trials related to COVID-19 patients. Additionally, the Group successfully implemented a digitised platform to facilitate automated consolidation of financials across companies and to achieve stronger operational governance.

IHC has succeeded in increasing total assets to AED14 Bn from AED 4 Bn by completing several strategic partnerships, investments and acquisitions. The Group's successful businesses have driven significant growth through diversification and sustainable organic growth of IHC's existing portfolio of companies, which contributed revenues of AED 7 Bn and net profit of AED 3 Bn in 2020.

A key highlight of 2020 saw the listing of three of our businesses on the Abu Dhabi Securities Exhange's (ADX) Second Market. The new publicly-listed status of EasyLease, Palms Sports and Zee Stores will drive their future growth and be a potential channel of asset monetization and opportunity for the IHC Group.

Our investment strategy continues to focus on industries with high-growth potential, and tech-driven companies, which foster disruptive innovation. We specifically aim to target value-based industries following global megatrends in healthcare, agriculture and technology.

Reflecting on 2020 makes us even more confident in our vision of success for the years ahead. We are a dynamic, profitable and future-oriented group, and our past year's performance is an indicator of our resilience and readiness to transform adversity into opportunity.

Supported by our esteemed Board of Directors and leadership team, IHC will continue to demonstrate its commitment to its core values and strategically position itself for long-term growth.

Syed Baser Shueb
Managing Director
& Chief Executive Officer

Annual Report 2020

1.4 Board of Directors' Report

Our Valued Shareholders,

On behalf of IHC's Board of Directors, I am pleased to present the Board's Annual Performance Report, as well as the Company's Audited Financial Statements for the year 2020.

International Holdings Company (IHC) is one of the UAE's foremost holding companies with investments in diversified businesses across the UAE and beyond. Its global presence extends to the Middle East, Europe and North America.

Strategy

Since its founding in 1998, IHC has always endeavoured to implement sustainability, innovation, and economic diversification initiatives, and this has continued with great success in 2020.

IHC has a clear strategy of enhancing its portfolio through acquisitions, strategic investments, restructuring, consolidation, diversification and divesting. Comprising more than 25 businesses, IHC's six vertical segments of Industrial, Capital, Digital, Food, Utilities and Real Estate will expand in 2021 to include Education and Healthcare.

This strategy will continue into 2021, as we seek to enhance shareholder value and achieve growth, drive operational synergies and maximise cost efficiencies. The Group will also continue to evaluate investment opportunities through direct ownership and entering partnerships in the UAE and abroad.

2020 Highlights

Throughout 2020, and despite the challenges of the COVID-19 pandemic, IHC delivered a strong set of financial results, reporting a group net profit of AED 3 Bn, compared to AED 506 Mn in 2019, and revenues of AED 7 Bn, up from AED 1.26 Bn in 2019.

This revenue growth of 460% was driven by strategic acquisitions, investments, consolidation, restructuring and organic growth. A further key highlight of 2020 saw the listing of three of our businesses on the Abu Dhabi Securities Exchange (ADX). The new publicly-traded status of Zee Stores, Palms Sports and EasyLease is driving their future growth and acting as a new source of revenue and opportunity for IHC.

Key Transactions for the Year 2020

The company moved from an asset base of AED 4 Bn to AED 14 Bn. This quadrupling of the firm's assests was a result of the consolidation of the group into a business focused on six verticals of activity, with new acquisitions, investments and listings driving this substantial growth.

During 2020, IHC's transactions included:

External Acquisitions:

- EasyLease Motorcycle Rental LLC – 55% (Motorcycle trading, motorcycle repairing and motorcycle rental)
- Uplift Delivery Services LLC – 36.85% (Renting and delivery services)
- Dashing International Group LLC – 100% trading as Bedashing Beauty Lounges (Retail cosmetics and make-up trading, women's personal care and other grooming-related services)
- Apex Alwataniah Catering Service LLC – 60% (Food stuff catering to private and public sector organisations)

100% Acquired Companies as Businesses Under Common Control:

- Al Tamouh Investments (Development of real estate, which includes land and infrastructure development for sale or lease, property and facility management, an adventure park)
- Al Seer Marine (Importing, maintaining and trading of marine machinery and equipment, boats repairing and trading)
- AGRINV SPV RSC ("AGRINV") – Agricultural Interests (Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep, other farming-related services)
- Royal Technology Solutions ("RTS") (Computer trading, computer and data processing requisites trading, computer network maintenance, onshore and offshore O&G fields services)
- Multiply Marketing Consultancy ("MMC") (Advertising, communication, research, design and production services)
- WFC (Workforce Connexion) Holding Group (Supply of on-demand labour, HR and administrative consultancy, typing and transaction follow up services)
    - Workforce Connexion LLC ("WFC")
    - Corporate Solutions Consultants LLC ("CSC")
    - Multi Serve Typing ("MST")
- Royal Architect Project Management LLC (RAPM) (Architectural engineering consultancy, construction projects management consultancy)
- Royal Development Company LLC (RDC) (Real estate development construction)

Investment in Associates

- Pure Health Medical Supplies LLC (Engaged in medical laboratory management services, residency visa testing and lab diagnostics distribution)

- Emirates Refreshments Company P.S.C (Engaged in bottling and selling of mineral water, carbonated soft drinks and evaporated milk, manufacturing plastic bottles and containers)

Other Key Investments

- Oxford Nanopore Technologies Limited (manufactures and commercialises a new generation of DNA/RNA sequencing technology) (U.K)
- Yieldmo Inc (marketing intelligence company using technology to evaluate the effectiveness of advertising content) (U.S)
- Esyasoft Holding Limited (SaaS-based technology and analytical application for Smart Grid systems)
- Falcon CI IV, LP (Cayman Islands-based private equity fund having invested in SpaceX)
- ADNOC (state-owned oil company of the United Arab Emirates)
- NMDC (dredging, reclamation and marine construction)

Financial Performance Overview:

IHC's purpose is to help the region diversify non-oil business sectors with a framework to generate long-term shareholder value with a focus on loyalty and growth.

Revenue grew by AED 5,787 Mn or 460% to AED 7,047 Mn. 71% of revenue growth mainly came from the Industrial vertical.

The increase in the revenue was mainly through healthcare operations amounting to AED 3,045 Mn and business combinations amounting to AED 1,929 Mn.

Profit grew by AED 2,509 Mn or 496% to AED 3,015 Mn. 64% of profit came from the Industrial vertical.

The increase in the profit was mainly through healthcare operations amounting to AED 1,404 Mn and business combinations amounting to AED 273 Mn.

Excluding the impact of acquisitions and business combinations, the group showed growth of 30% through organic revenue growing from AED 1,259 Mn to AED 1,634 Mn. Profits grew by 124% from AED 506 Mn in 2019 to AED 1,131 Mn in 2020.

The strategic acquisition and transformation program undergone in 2020 has resulted in a larger group that has delivered enhanced revenue and profits. A disciplined maintenance of margins has also driven profitability, along with improved intra-segmental collaboration and synergies. IHC's gross profit margin remained healthy and relatively stable during 2020 and averaged 35% compared with 27% for 2019, while the net profit margin for 2020 was 43%, improving from 40% during 2019.

Furthermore, the COVID-19 pandemic resulted in heightened business for the Group's medical subsidiaries, while ongoing government stimulus has enhanced business growth and prospects.

Vertical Highlights

Industrial

The Industrial vertical includes sale of spare parts and repairs for military equipment, sale of medical equipment and supplies.

Number of operating subsidiaries: 6

Key operating countries: UAE

2020 saw exponential growth in revenue and net profit for the Industrial vertical to AED 4,122 Mn and AED 1,616 Mn

respectively. Total assets grew to AED 3,161 Mn as of 31 December 2020 from AED 206 Mn at the beginning of the year.

Food

The Food vertical includes the trading of fresh and frozen seafood (including freezing fish and shrimp, preparing and packing seafood products), as well as trading in regional and global foodstuff. It also includes sourcing, processing and selling forage and animal feed to secure the food from milk, meat and poultry industry.

Number of operating subsidiaries: 6

Key operating countries: UAE

Revenue for the Food vertical grew 97% to AED 1,179 Mn for 2020, while net profit grew to AED 111 Mn.
Total assets increased by 66% to AED 1,409 Mn as of 31 December 2020.

Growth was driven primarily through:
Business acquisition of

- Apex contributing revenue of AED 343 Mn, net profit of AED 135 Mn and assets of 281 Mn

Utilities

The Utilities vertical includes installation of district cooling and air conditioning, installation of solar panel farms, repair district cooling and investment in infrastructure projects.

Number of operating subsidiaries: 7

Key operating countries: UAE

Revenue for the Utilities vertical grew 83% to AED 219 Mn for 2020, while net profit rose 124% to AED 102 Mn. Total assets grew by 13% to reach AED 1,093 Mn.

Growth was aided by the full-year contribution of business combinations of entities under common control during 2019 (Pal Cooling).

Real Estate

The Real Estate vertical includes technical, commercial and contracting services specifically marine work contract, landscaping design and execution, labour camp management and sale of properties.

Number of operating subsidiaries: 7

Key operating countries: UAE
During 2020, the Real Estate vertical grew revenue by 50% to AED 659 Mn, but net profit declined 65% to AED 60 Mn. Total assets increased 7.5 times to AED 4,218 Mn as of 31 December 2020.

Growth was driven primarily through:
Business combinations of entities under common control

- Al Tamouh Investments contributing revenue of AED 543 Mn, net profit of AED 51 Mn and assets of AED 3,733 Mn
- Royal Architect contributing revenue of AED 17 Mn, net profit of AED 5 Mn and assets of AED 39 Mn
- Royal Development contributing revenue of AED 7 Mn, net profit of AED 2 Mn and assets of AED 146 Mn

Digital

The Digital vertical includes providing services with respect to sport enterprises investment, management services, sale of food and cafeteria items and cinema shows.

Number of operating subsidiaries: 5

Key operating countries: UAE

Revenue for the Digital vertical grew by 32.6 times to AED 456 Mn for 2020, and net profit grew to AED 5 Mn. Total assets increased 41% to AED 561 Mn as at 31 December 2020.

Growth was mainly driven through:
Business combinations of entities under common control

- Royal Technology Solutions contributing revenue of AED 53 Mn, net profit of AED 4 Mn and assets of AED 85 Mn
- WFC Holding contributing revenue of AED 335 Mn, net profit of AED 15 Mn and assets of AED 107 Mn

Business acquisitions of:

- Bedashing Holding contributing revenue of AED 37 Mn, net profit of AED 6 Mn and assets of AED 34 Mn

Capital

The Capital vertical includes brokerage services provided with respect to securities.

Number of operating subsidiaries: 5

Key operating countries: UAE

Exponential growth in revenue and net profit was recorded for the Capital vertical during 2020 to AED 412 Mn and AED 1,060 Mn respectively. Revenue growth was aided by business acquisitions during 2020 (EasyLease) and profits mainly deriving from the Pure Health acquisition.

Total assets rose fivefold to AED 3,456 Mn as of 31 December 2020, growth was aided by business acquisitions during 2020 (EasyLease) and other key investments made (Oxford Nanopore, ADNOC, NMDC, Easysoft Holding and Falcon CI IV, LP).

Future Outlook

With the arrival of effective vaccinations against COVID-19 and its variants, the global economy is likely to rebound by the latter part of 2021. The IMF's outlook for the UAE is for GDP expansion of 1.3% this year.

We anticipate that technology will be the key driver across all operating businesses of the Group. Each of our companies' five-year growth plans features digitization as a critical element, with each vertical segment acting as an accelerator, creating an innovation pipeline and incentivising creativity and drive for new investments.

At IHC, 2021 is set to be a ground-breaking year, with technology and consolidation being at the forefront of our strategy. In 2020, selected companies in Industrial, Facilities Management and Workforce sectors have set the trend of transforming into technology leaders. Today, our service-oriented companies are readying new mobile applications to provide greater customer experience while our Communications and Digital verticals are investing heavily in MarTech, the digital economy and the wellness economy to expand their business service channels.

Our consolidation strategy has already seen the unification of the Food and Agricultural companies to unify their capabilities under one solidified holding to amalgamate the protein chain and optimise the food security value chain in the sector. As such, in 2021, IHC will evaluate the joint capabilities and synergistic value of our other business units and examine how integrating their value chain will stimulate growth, enhance return on investments and drive efficiencies across operations. The evolution of our brands into holding companies, driven by inorganic growth, is set to facilitate geographic and business channel expansion, and our robust consolidation strategy will spearhead optimal utilisation of resources.

The Board confidently expects that this technology focus – combined with the ongoing execution of our strategy of acquisitions, restructuring, consolidation and diversification - coupled with an increasingly strong macro-economic outlook, will continue to drive shareholder value in 2021 and beyond.

Syed Basar Shueb
Managing Director & Chief Executive Officer

1.5 Strategic Initiatives

IHC's corporate strategy and priorities are aligned with our purpose, enabled by our business model and powered by our people and strong relationships across the entire stakeholder ecosystem. In 2020, our strategy delivered value for shareholders, even in years of change & challenge worldwide.

A. Expanding our Verticals

In 2020, IHC's strategy for profitable growth resulted in Operational Excellence, Expansion of Services & Offerings and Established Business Ecosystems. Our expansion and diversification plan included investments in Healthcare, Real Estate, Agriculture, Food, Beverage & Distribution, Industries, Digital, Communications, Retail & Leisure, Utilities and Capital and Education; setting our priorities for 2021 to establish new business verticals.

B. Creating long-term shareholder value

IHC's strategy is centered around 5 key fundamentals: **Acquisition, Restructuring, Consolidation, Diversification, and Divesting:**

1. Acquisition

Our long-held acquisition strategy is to invest in businesses that have recurrent revenue models and strong return on equity. This strategy is based on evaluation methodologies to acquire companies that can maximize shareholder value, deliver cost advantages and expand our portfolio.

2. Restructuring

IHC's restructuring activities align acquired companies with our long-term vision. They are designed to enhance operations and management reporting structures, to establish proper governance and to develop five-year strategic and financial plans, which result in maximized revenue growth and enhanced performance.

3. Consolidation

Consolidation at IHC has been one of the key drivers of growth. It has added synergistic values across our verticals by optimizing their value chain, realizing new recurrent revenue models and establish partnerships that achieve economies of scale.

4. Diversification

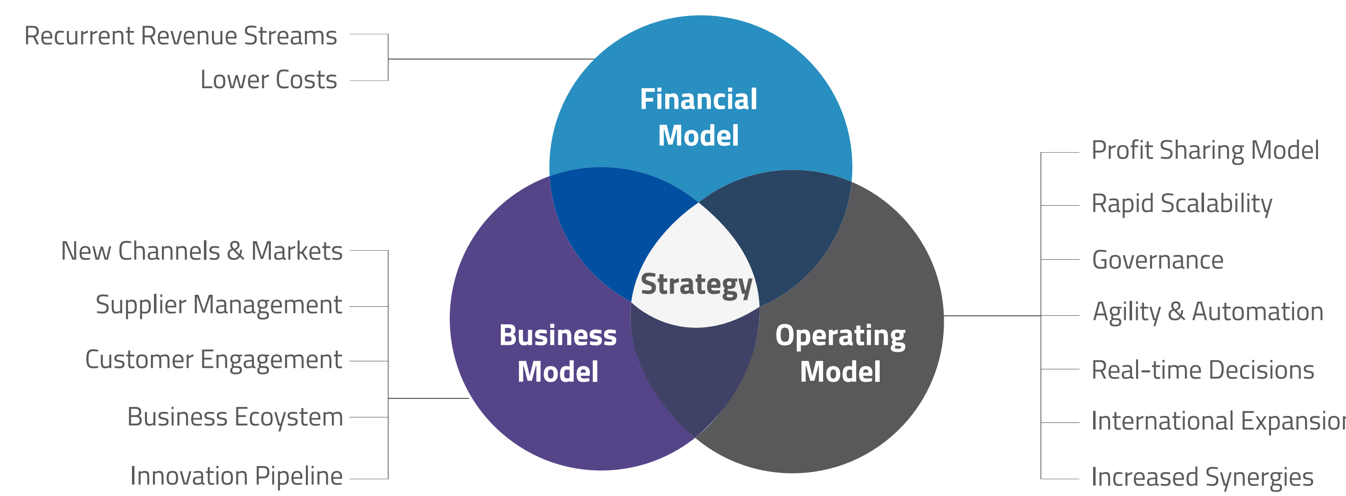
IHC's diversification strategy, is aimed at increasing shareholder value and mitigating risk. IHC has introduced new markets, channels, technology, products, and services to our existing businesses. We have encouraged holding companies to set up internal innovation pipelines, to focus on managing customer relationships and leverage scalable technologies that ensure more decisions are made based on business intelligence.

5. Divesting

Ultimately, IHC's divestment strategy is focused on empowering business leaders to innovate and dominate their sector. Through M&A or a Listing process, additional shareholder value can be delivered. This was demonstrated by the listing of three IHC companies on ADX's second market, a strategy to unlock long-term value from our assets.

C. Five Year Growth Plans

IHC's growth is attributed to its strategy for long-term, resilient growth. Our business units have streamlined their financial, business & operating models, to ensure the implementation of sustainable 5-year Strategic Plans. This has positioned IHC & it's companies at the forefront of trends that shaped our ability to scale and expand in local and international markets and deliver higher shareholder value.



2.0 Our Group

Business Units

بالمز الرياضية
PALMS SPORTS

The first publicly listed sports company in the UAE

760
Coaches

63,000
Jiu-jitsu belts awarded

360
Tournaments

145,000+
Trainees

2.1 Palms Sports

Overview

Palms Sports is at the helm of sporting companies in the region, entrusted with developing several initiatives with a particular focus on jiu-jitsu and globally recognised mass training programmes. The company has helped produce highly celebrated jiu-jitsu champions and propelled the fitness development of Abu Dhabi Police College Cadets to new heights so that they are able to fulfil the demanding requirements of keeping our society secure. On November 2020, the company became publicly listed on ADX's second market.

At a Glance

Strategic partnerships
8

Revenue in 2020
AED 291 Mn

Gross profit margin increased by
38%

Overseeing training in
420+ facilities

Specialised sports trainers, instructors and consultants
750+

Consistent high profit margins for
5 years

Business Profile

Palms Sports is the largest incorporated jiu-jitsu training company in the world. Headquartered in Abu Dhabi, it is a proud strategic partner and technical arm of the UAE Jiu-Jitsu Federation. In tandem with the strategic vision of the UAE government's key education and training authorities, Palms Sports' world-leading mass curricular training programmes enrich lives through a generation of inspiring athletes.

Key Services

- Development and implementation of strategic and curricular education and sports training programmes
- Sports facilities management
- Sporting consultancy services
- Sports programme evaluation
- Sports marketing and event management
- Sports and martial arts training courses
- Wide-scale sporting goods and equipment provider

Key Clients

- Educational sector including the Ministry of Education
- Government and semi-government entities
- Jiu-Jitsu sports clubs
- Private schools and universities

Our Strategic Initiatives

From an expansion strategy embodying a one-stop-shop concept to laying a path towards sporting normality after the pandemic, Palms Sports proudly hosted five events and launched the UAE Warriors brand. It developed extensive online learning platforms and software for remote instruction and virtual training camps. Palms Sports converged with a private joint stock company with a paid-up capital of AED 150 Mn and became the first publicly listed sports company in the UAE.

2.1 Palms Sports

Key Milestones

2012
- 147 coaches,
- 60 training centres,
- 32k trainees a year,
- 75 tournaments

2014
- 298 coaches,
- 90 training centres,
- 59k trainees a year,
- 119 tournaments

2015
- 582 coaches,
- 180 training centres,
- 62k trainees a year,
- 155 tournaments

2017
- 600 coaches,
- 300 training centres,
- 100k trainees a year,
- 227 tournaments

2019
- 680 coaches,
- 380 training centres,
- 130k trainees a year,
- 360 tournaments

2020
- 760 coaches,
- 420 training centres,
- 145k trainees a year,
- 360 tournaments

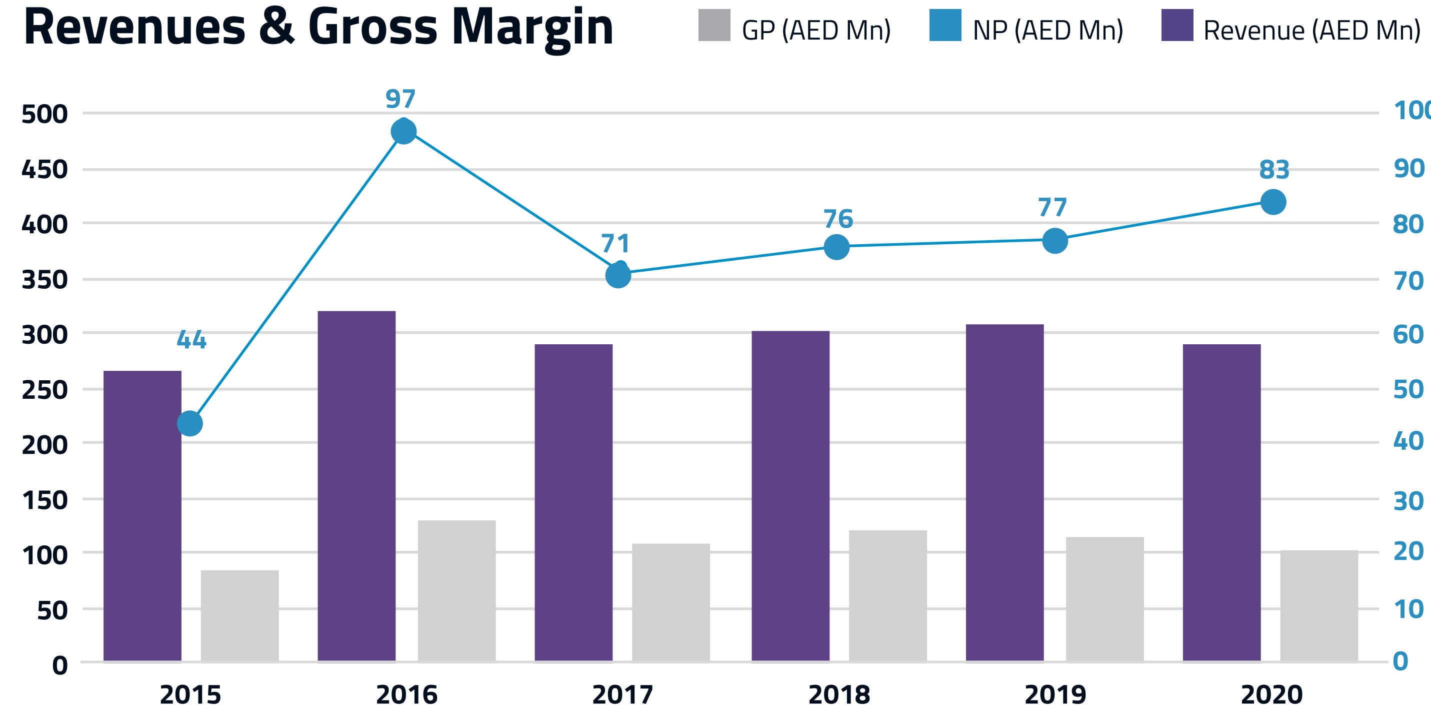
Our Management

Fouad Fahmi Darwish
Chief Executive Officer (CEO)
& Managing Director

Qualifications
MBA in International Finance & Marketing, American University in Dubai; Honors BA, University of Toronto, Canada, 1995

Experience
Fouad joined Palms Sports as a General Manager in early 2015 bringing over 25 years of managerial experience and strategy in the banking and financial sector across three continents. He was Senior Vice President at Global Investment House from 2010-2015.

Revenues & Gross Margin



Business Performance Report

- Despite significant challenges presented by COVID-19 restrictions, Palms Sports hosted five events, building on the momentum of the mixed martial arts promotion.
- The business performance of Palms Sports for the year 2020 was satisfactory under the current global circumstances.
- Palms Sports continues to move forward outpacing its year-on-year performance in every field.
- Results as of December 31, 2020, showed a net profit of AED 83 Mn.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	135	216	262	290	310	281
Liabilities	50	54	59	70	74	46
Equity	85	162	203	220	236	235

ZEE STORES

Leader in the trading and distribution of food and household products

975,000 cu.ft.
Warehouse capacity

18000+
Products portfolio

5
Warehouses In operation

11,268 cu.mts.
Storage capacity

2.2 Zee Stores

Overview

Since 2002, Zee Stores has been in the trading and distribution of food and household products and is a retail subsidiary of IHC. The company is involved in importing, re-packing, wrapping, storing and distributing dry, canned, chilled, frozen, processed and fresh food products, as well as household items, stationery, disposables, cosmetics and chemicals, in addition to offering allied onshore and offshore gas field services.

At a Glance

Assets in December 2020
AED 310 Mn

Annual turnover
AED 289 Mn

Online ordering application
Delice shopping

Employees
122

Listed on
ADX as ZS

Certified
HACCP and ISO 9001:2015

Business Profile

Zee Stores operates from five warehouses with a storage capacity of 11,268 cu. mts. The facilities are equipped with cold, chilled and dry stores and distribution infrastructure, a fleet of 18 delivery vehicles that support the supply chain with the latest technology. With over 18,000 premium products existing in its portfolio, the company has developed a continuously expanding client base and supply list with an excellent distribution network.

Key Products

Dry, canned, chilled, frozen, processed and fresh food products; Household items, stationery, disposables and cosmetics; Chemicals.

Key Clients

Key Services

- Importing, re-packing, wrapping, storing, trading and distributing
- Allied onshore and offshore gas field services

Business Channels

- FMCG
- Food & Beverage
- Household Products

Our Strategic Initiatives

Zee stores launched the product line of Zeal hand sanitisers with newly-imported state-of-the-art machines, and appointed external agency Protiviti as internal compliance auditors. The company developed a complete e-commerce platform with ERP integration on Android and iOS. In addition, a major achievement was the listing of the company on the ADX with a share capital of AED 100 Mn under the code ZS.

2.2 Zee Stores

Key Milestones

2002	2016	2017	2019	2020	2020
Established as a company	Purchase of new Warehouse in KIZAD	Initiative for re-packing of products under own brand	Achievement of 300 Mn turnover	Production of hand sanitizer, Delice shopping app and e-commerce	Conversion to and listing on ADX

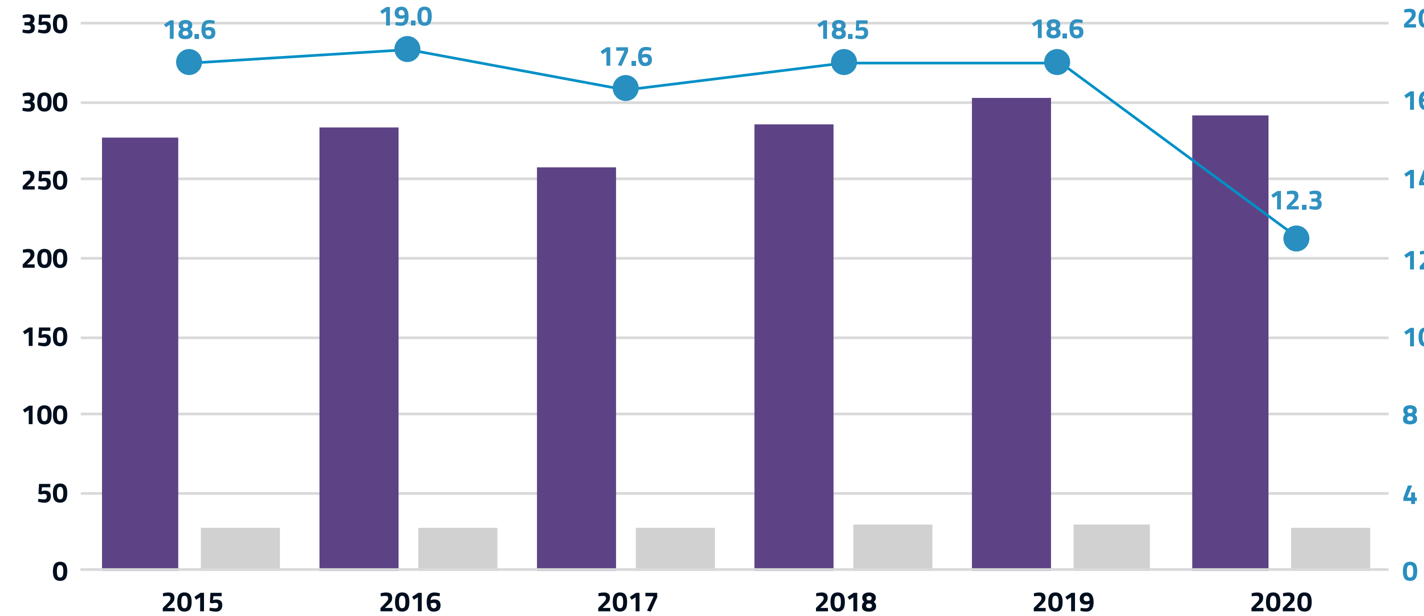
Our Management

Fazal Ameen
Chief Executive Officer (CEO)

Qualifications
MBA, Staffordshire University, UK

Experience
As Chief Executive Officer (and previously General Manager) of Zee Stores, Fazal has a well-established track in leading Zee Stores. He has undertaken new initiatives to broaden the scope of the brand even in a challenging year and has made the company emerge successfully through the diversification of channels.

Revenues & Gross Margin



Business Performance Report

- The Company achieved a total revenue of AED 289 Mn in 2020 (which is equivalent to 94% of 2019 revenue).
- Gross profit was AED 32 Mn.
- It launched a hand sanitiser product line with state-of-the-art machines.
- It released an online delivery platform under the 'Delice' brand.
- Zee Stores reached assets of AED 191 Mn at the end of December 2019, with an annual turnover of AED 302 Mn.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	145	150	165	185	191	310
Liabilities	52	46	51	58	51	149
Equity	93	104	114	126	139	161

easylease®

The largest motorcycle leasing company in the GCC

15,000
Motorcycles

2020
Joined IHC & listed on ADX

67%
Acquired Uplift Delivery Services

36%
Growth in motorcycle leases

2.3 EasyLease

Overview

EasyLease Motorcycle Rental is a UAE-based company providing fully-serviced motorcycle rentals across the country and is one of the most trusted names in the field. In addition to last-mile delivery, the company also provides turnkey solutions to take the hassle out of leasing, while enabling business growth. EasyLease is the ultimate easy solution for all motorcycle needs.

At a Glance

Employees
300+

Service centres
8

Customers
250+

Brands
3

Business Profile

EasyLease focuses on leasing many different brands of motorcycles to diversified industries. In April 2020, the company was proud to become a part of IHC.

The company's primary activity is leasing motorcycles to restaurants, delivery companies, courier companies, food aggregators and similar customers.

Key Products

- Motorcycle
- Delivery box and accessories

Business Channels

Motorcycle leasing, services and delivery box branding and mobile channel

Key Services

- Rider support applications
- Call centre support
- Motorcycle service
- Maintenance support
- Roadside assistance

Key Clients

KFC aramex Jeebly deliveroo talabat

Our Strategic Initiatives

The company took the lead in delivering food to UAE citizens in Abu Dhabi during COVID-19, while ensuring tests for all employees and launching a Rider Support application for online service requests and roadside assistance. Alongside the in-house delivery box branding, a new call centre was launched for service booking to help all riders. Additionally, EasyLease undertook professional employee training to ensure the highest quality of service.

2.3 EasyLease

Key Milestones

- **2011** Established EasyLease
- **2015** Won top 100 SME Award
- **2018** Opened the Abu Dhabi Service Centre
- **2019** Opened the Al Ain Service Centre
- **2020** Launched in-house delivery box branding
- **2020** Opened the largest Motorcycle Service Centre in the GCC
- **2020** Acquired 67% shares of Uplift Delivery Services
- **2020** Listed on ADX

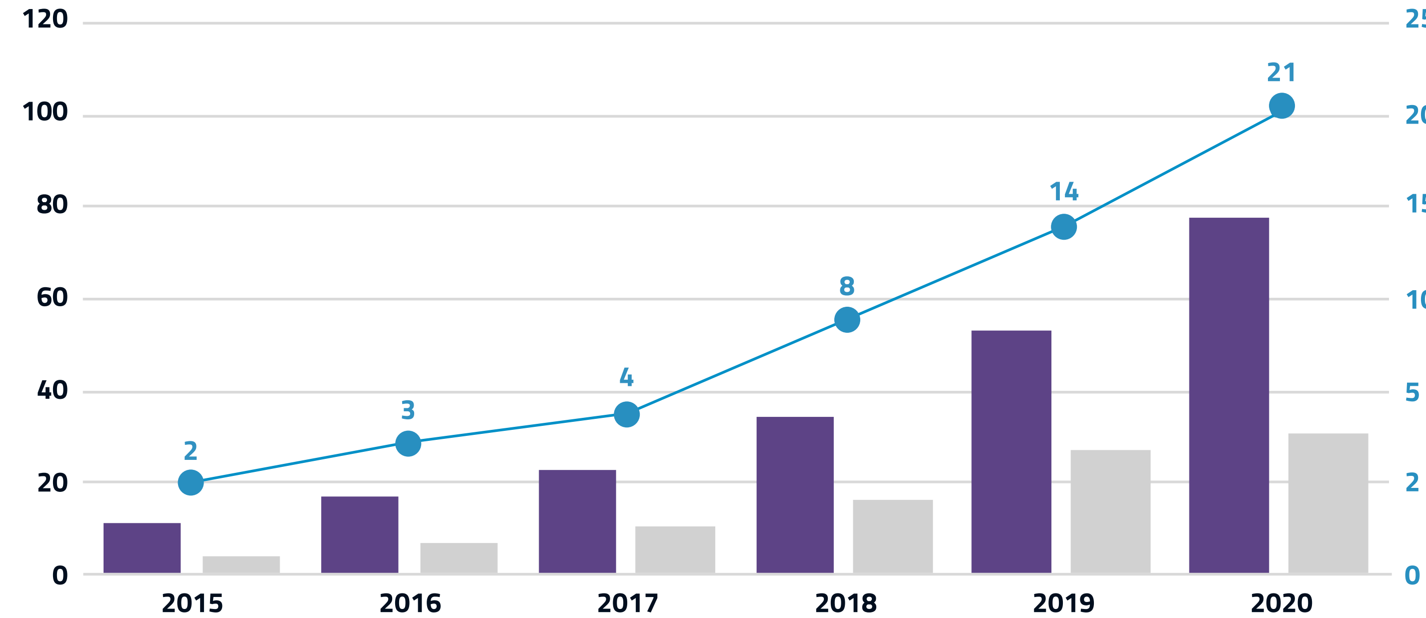
Our Management

Ahmad Al Sadah
Chief Executive Officer (CEO)

Qualifications
Bachelor's degree in Multimedia Studies and Diploma in Business Administration, Central Queensland University, Australia

Experience
Ahmad has over 12 years of experience in the mobility field and has been the main driver for growth and technology to ensure the continued success of the multiple entities that he manages. Previously, he was the MD at Al Sadah Properties and has recently co-founded two new companies.

Revenues & Gross Margin

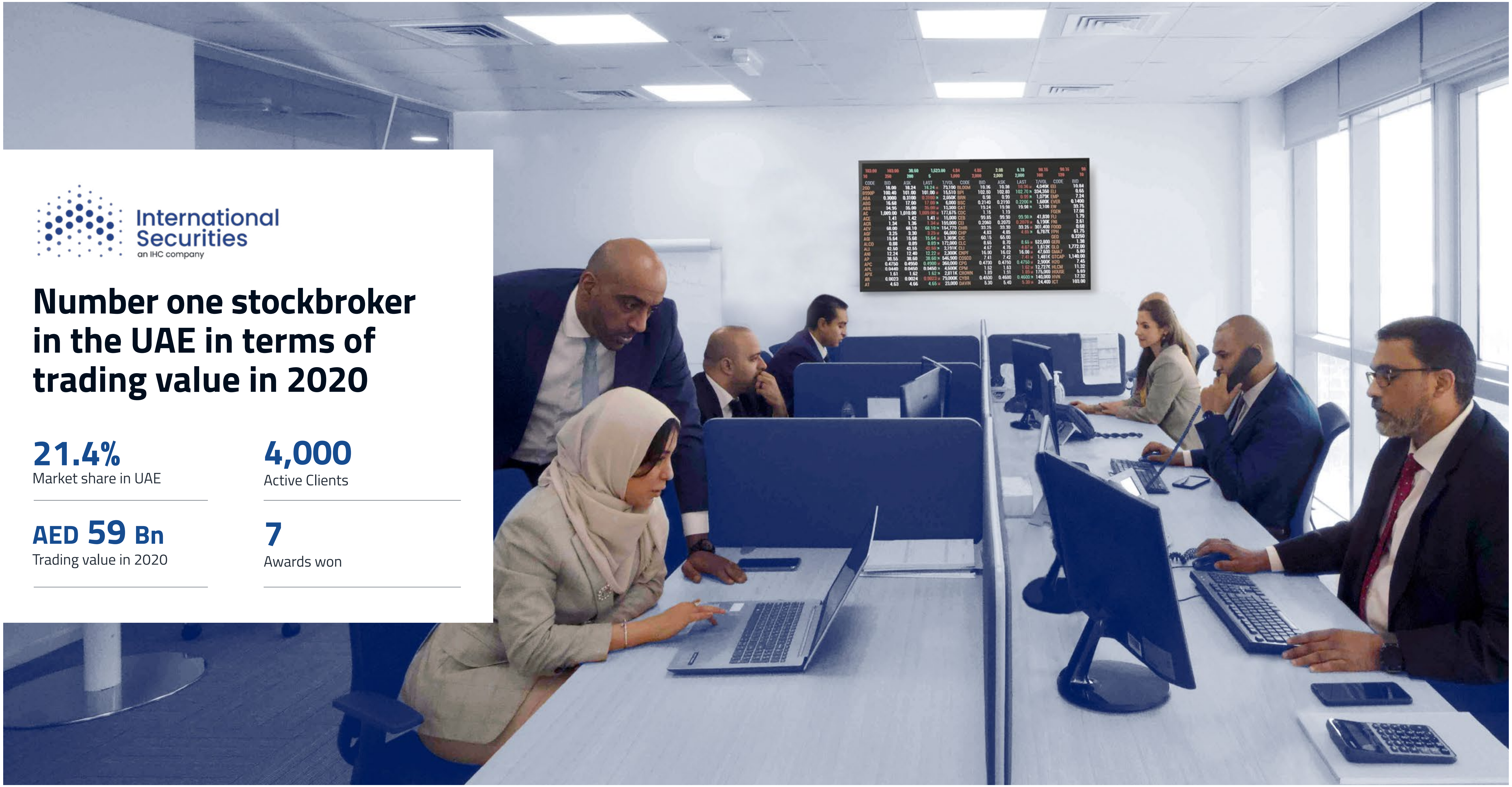


Business Performance Report

- The company has performed remarkably well with a 47% growth in revenue for the past year.
- This was accompanied by a sizable 36% growth in motorcycle leases.
- The company launched three new service centres across the UAE.
- A new Rider Support application was launched to improve the quality of services offered.
- Business was expanded with the share acquired in Uplift Delivery Services.
- Day-to-day operations were streamlined with the rider app, call centre and branding.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	13	19	27	44	54	80
Liabilities	9	11	15	24	31	32
Equity	4	7	12	20	22	47



International Securities
an IHC company

Number one stockbroker in the UAE in terms of trading value in 2020

21.4%
Market share in UAE

4,000
Active Clients

AED 59 Bn
Trading value in 2020

7
Awards won

2.4 International Securities

Overview

International Securities is a leading securities brokerage firm based in Abu Dhabi, specialising in equities and derivatives trading on Abu Dhabi Stock Exchange (ADX), Dubai Financial Market (DFM), and Nasdaq Dubai. It is regulated by the Emirates Securities and Commodities Authority.

At a Glance

Brokerage ranking in UAE
#1 on ADX and the entire UAE

Rebranded from Shuaa Securities to
International Securities

Five Stars Brokers Excellence
three years in a row from DFM (2018 till 2020)

Buy-Side Broker on
USD 1.0 Bn ADNOC distribution deal

Business Profile

International Securities is an Abu Dhabi-based brokerage firm regulated by Emirates Securities and Commodities Authority, specialising in equities and derivatives trading on the ADX, DFM, and Nasdaq Dubai.

It was founded in 2001 as the brokerage arm of First Gulf Bank (now First Abu Dhabi Bank) and became part of IHC on November 1, 2019.

Key Services

Equities | Derivatives | Bonds/ Sukuk | ETF | Margin Trading | Short Selling | Securities Lending and Borrowing | Research and Advisory

Key Clients

Institutional investors | Hight-net-worth individuals | Retail investors

Our Strategic Initiatives

Attendance by rotation, remote working and online services ensured a seamless business experience in 2020. After applying and obtaining a research and advisory license from ESCA, International Securities aims to cover the listed companies to help clients make informed decisions. International Securities has facilitated a basket order for ETF trading, and also launched an enhanced mobile app with new features to improve customer experience.

2.4 International Securities

Key Milestones

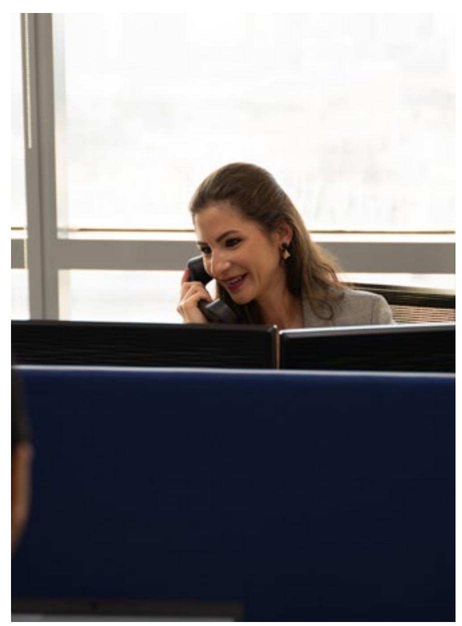
- **2018-2019** — Received Five Stars Brokers Excellence Rating
- **2019** — Acquired by IHC
- **2020** — No.1 broker on ADX and in the UAE
- August **2020** — Received Nasdaq Dubai retailer of the month
- October **2020** — First broker to register on ADX as a lending agent complying with ADX's new regulations
- December **2020** — Facilitated the listing of three IHC subsidiaries and secured ADNOC deal

Our Management

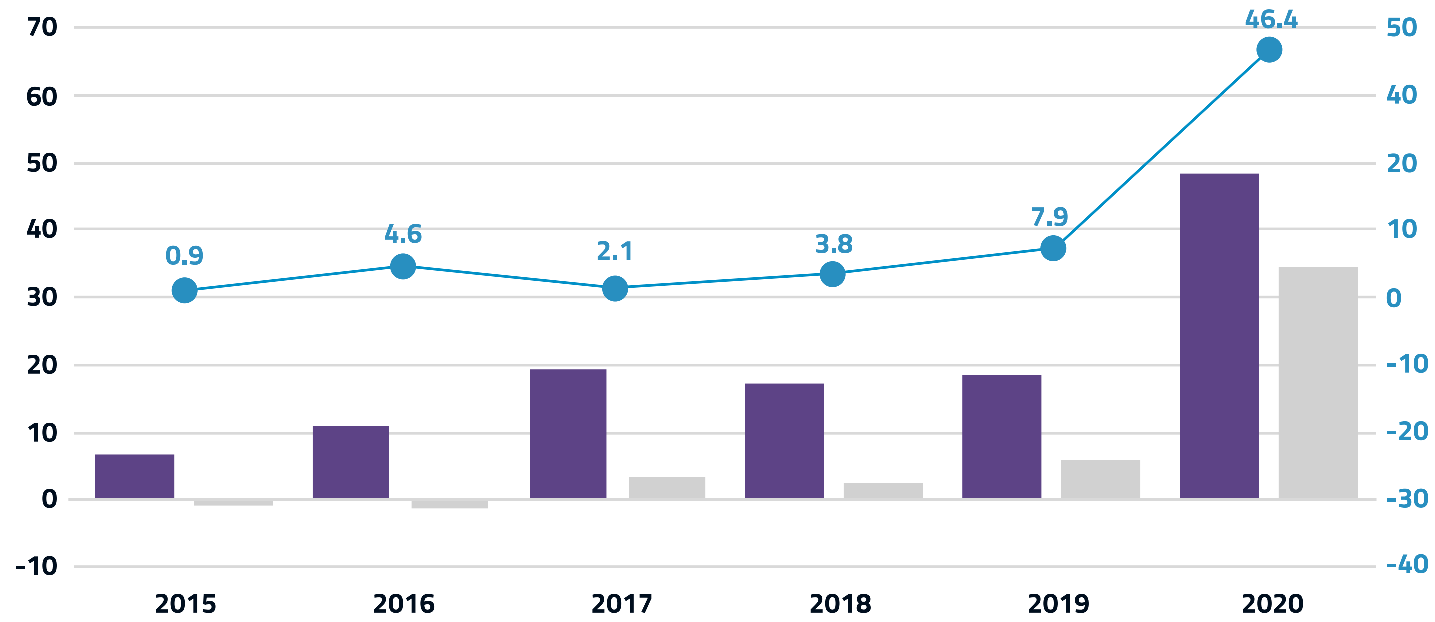
Ayman Hamed
Chief Executive Officer (CEO)

Qualifications
Bachelor of Accounting,
University of Cairo, Egypt
MBA in Finance and Investment

Experience
Ayman was the CEO of SHUAA Securities acquired by IHC. He has a proven track record of over 25 years in the financial services industry with particularly strong capabilities in the institutional and retail brokerage sector.



Revenues & Gross Margin



Business Performance Report

- Performance remained solid with the company achieving the highest growth rate in its history.
- The company remained the #1 broker in Abu Dhabi and UAE (ADX+DFM) in 2020 based on trading volume.
- Profit grew in 2020 almost 6x (up 487% year-on-year) to AED 46.4 Mn, recording an impressive ROAE (return on average equity) of 25.1%.
- Revenues grew 2.6x year-on-year (up 163% year-on-year) to AED 48.3 Mn, while cost increased by only 9.6% year-on-year. Operating profit increased by 5.9x year-on-year (or 486%) to AED 48.3 Mn.
- The company's balance sheet has doubled year-on-year.
- The company executed record transactions in ADX and DFM while providing a best-in-class trading platform, research and advisory services.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	201.5	404.3	330.7	212.5	684.4	1,387.5
Liabilities	149.8	348.1	272.5	150.5	548.7	1,274.9
Equity	51.8	56.2	58.2	62.0	135.7	112.6

APEX NATIONAL CATERING
ابيكـس الوطنيـة للتمويـن

Offering world-class catering services

22
Facilities served daily

300+
Employees

1,400 sqm.
Central kitchen

65,000+
Daily meals served

2.5 Apex Catering

Overview

Apex National Catering is an established catering company founded with the vision of offering world-class catering services, tailor-made to serve a diverse clientele. The company combines warm hospitality and exceptional services with the highest health and hygiene standards to provide a well-rounded experience for all catering requirements.

At a Glance

Implemented the
ERP SAP ByDesign technology

Established a
state-of-the-art kitchen facility

Served meals in 6 months
7.4 Mn

Meals per day (in-house)
40,000-50,000

Business Profile

The company serves corporate, commercial, hospitality and industrial clients, while extending services where needed. Equipped with an extensive knowledge of nutrition, wellbeing and lifestyle, the company implements the highest safety and hygiene standards, using high-quality ingredients and technologically supported processes.

Key Services

- Institutional catering for schools, colleges, government offices, institutes and hospitals
- Industrial catering for blue-collar communities within labour accommodation villages
- Corporate catering of diverse cuisines, creative presentations and outdoor catering

Business Channels

Government Tenders, Private VIP Events, Military Camps, Hospitals, and Labour Camps

Accreditations

Certifications HACCP | ISO 22000: 2005 | ISO 9001: 2015
ISO 14001:2015 | ISO 45001: 2018

Key Clients

Our Strategic Initiatives

Beyond assuming a leadership role in supporting the government in 2020 by catering for field hospitals in the UAE, the company's technological edge grew exponentially. This was due to the implementation of ERP SAP – an intelligent and integrated single-cloud ERP solution, custom-made for catering and support services from the company's fully equipped central kitchen, now renovated and fitted for even larger capacity production.

2.5 Apex Catering

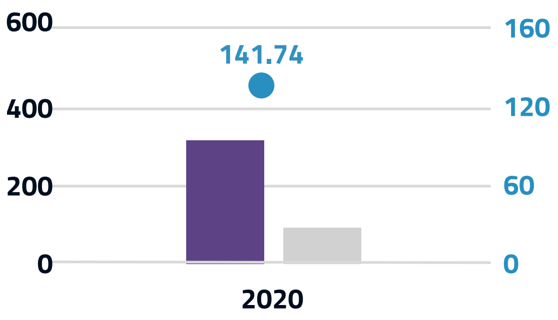
Our Management

Ahmad Amer Al Amry
Managing Director

Qualifications
BA, Administration, Washington University, USA, 1993

Experience
With over 25 years of entrepreneurial and corporate governance skills in the field of investment, spanning real estate and construction projects in the UAE and MENA region, Ahmad joined Apex as a Managing Director in March 2020. He is recognised as a collaborative team builder, continuously providing vision, strategy and governance focus.

Revenues & Gross Margin



2020 Balance Sheet (AED Mn)

Years	Assets	Liabilities	Equity
2020	280.5	138.6	141.8

Business Performance Report

- Apex National Catering achieved remarkable profits in its first full year of operation.
- Gross profit reported for the year was AED 188.134 Mn.
- The company achieved its vision of offering impeccable service and gourmet food experiences.
- The company reached market leadership in supplying and fulfilling all catering requirements of field hospitals.
- Business offering was broadened to cover institutional, industrial and corporate clients.

UAE's key healthcare partner to battle the pandemic

46,000
Daily vaccines

2200
Beds

50,000
Daily PCR tests

14
Field hospitals

2.6 Tamouh Health Care

Overview

Tamouh Healthcare is proud to be at the forefront of the battle against COVID-19, supporting, testing, and developing health care and vaccine both in the UAE and internationally.

Tamouh Healthcare is one of the key healthcare partners in the UAE to battle the COVID-19 pandemic. Operations include 14 field hospitals, built within a time span of six months, including five medically equipped field hospitals in Africa. Tamouh Healthcare manages the field hospitals in the UAE, providing over 2200 beds along with its vaccination program and PCR tests.

Tamouh Healthcare collaborated with Abu Dhabi Airport to set up, on the airport premises, the region's first COVID-19 PCR testing laboratory. The lab, launched in partnership with Pure Health, can conduct over 20,000 tests per day. Tamouh positions itself to further support the government in its endeavour to end the COVID-19 pandemic.

At a Glance

Staff
1,190

Opened DPI centres
in UAE, Saudi and Oman

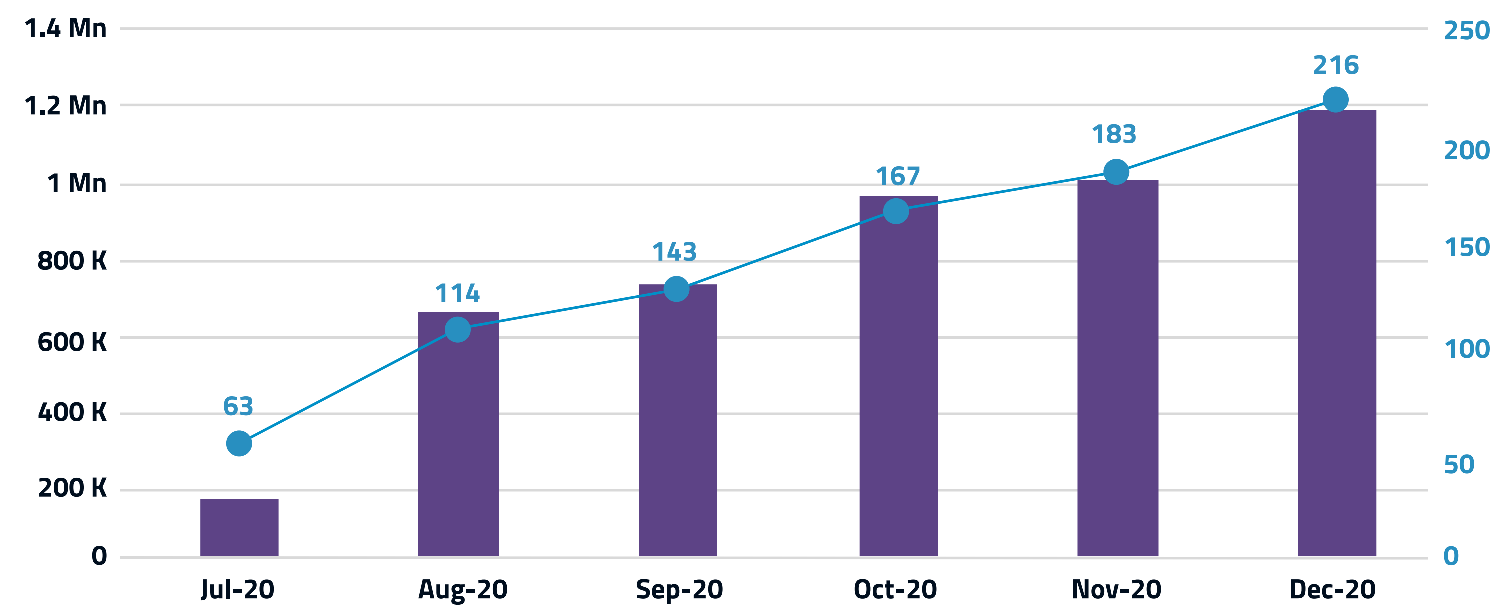
Stem cell treatment provided
8,100

DPI tests done (Jul-Dec)
4.7 Mn

Key Activities

- Tamouh Healthcare supplied medical aid to around 96 countries across the globe.
- The company constructed five field hospitals to serve people suffering from COVID-19.
- Around 220,000 were hospitalised and 15,000 patients were served in the company's five field hospitals
- Around 1.95 Mn patients were treated in the 20 well-maintained and hygienic quarantine centres with a serving capacity of more than 25,000 patients.

DPI Tests Counts Vs No. Of Machines



Our Management

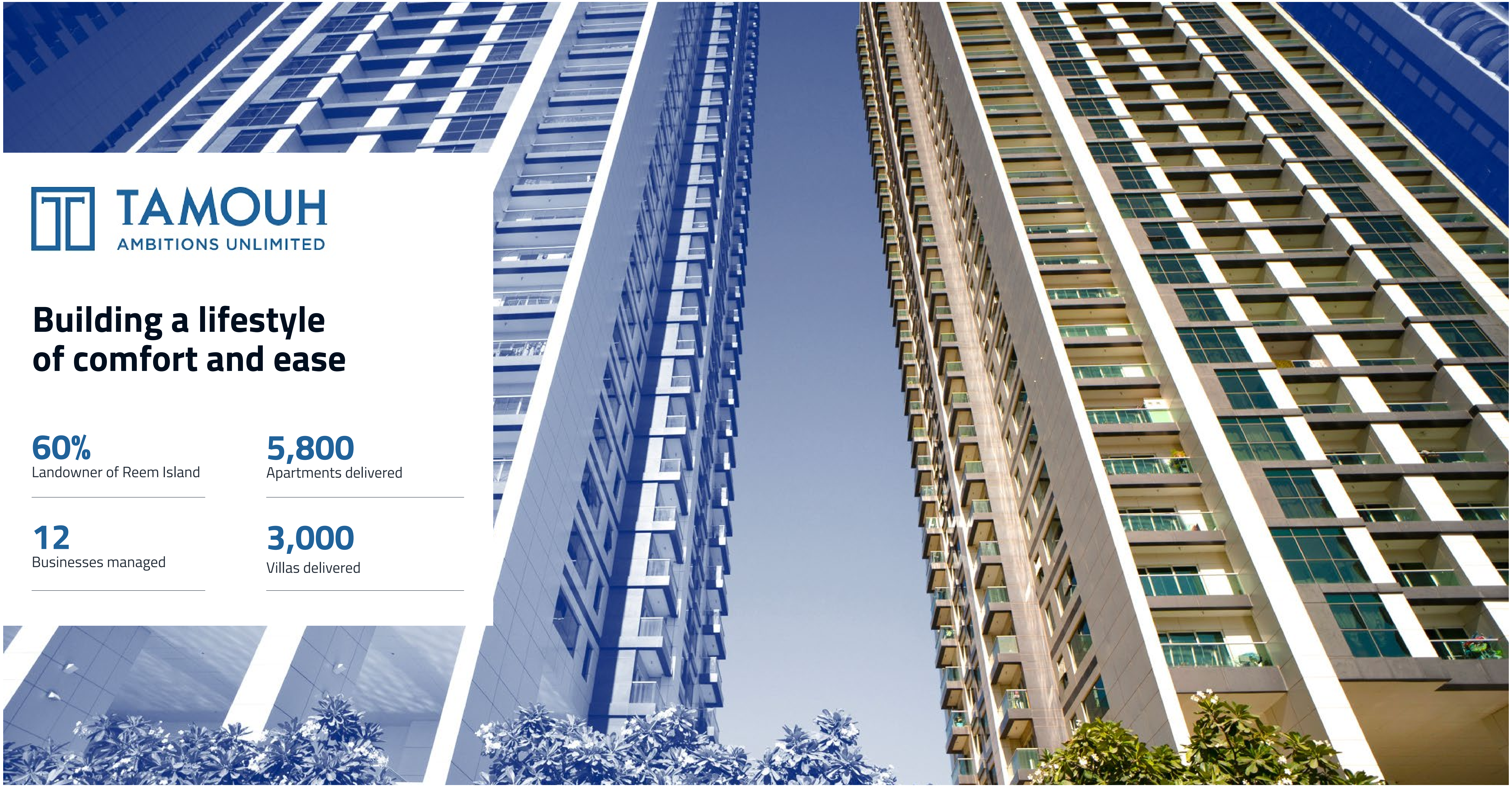
Abdulla Al Rashidi
Chief Executive Officer (CEO)

Qualifications
MBA in Finance and Administration, Abu Dhabi University, 2009

Experience
Abdulla joined Tamouh Health Care in 2019 bringing an extensive executive experience in a variety of official entities from Abu Dhabi Police General Headquarters to Abu Dhabi Authority of Culture and Heritage and the Federal Government. Abdulla has successfully led Tamouh Healthcare's efforts to monitor and curb the pandemic.

Temporary Healthcare Structures

Razeen Field Hospital
Mafraq Field Hospital
Mussafah Field Hospital
Al Ain Field Hospital
Abu Dhabi Airport Tent
Emirates Field Hospital



TAMOUH
AMBITIONS UNLIMITED

Building a lifestyle of comfort and ease

60%
Landowner of Reem Island

5,800
Apartments delivered

12
Businesses managed

3,000
Villas delivered

2.7 Tamouh Group

Overview

Since its inception in 2005, Tamouh's mission has been to build communities with a lifestyle of luxury and comfort. One of its signature developments is Reem Island, long considered the epicentre of downtown Abu Dhabi. At the heart of its culture lies the drive to deliver projects to impeccable standards and add unrivalled value to the property market.

At a Glance

Assets
AED 3.7 Mn

Launched Kite Tower
AED 300 Mn

Infrastructure projects delivered
Worth AED 3.6 Bn

Offices delivered
232,000 m^2

Business Profile

Tamouh is one of the major master developers in Abu Dhabi. From its headquarters on Reem Island. The company has developed numerous residential and commercial buildings as well as leisure and retail projects such as City of Lights and it is currently developing Reem Downtown, setting new benchmarks for innovative and sustainable living in Abu Dhabi.

Key Services

Leasing of residential, offices and retail spaces

Key Products

Land, residential buildings, offices and shopping malls

Our Strategic Initiatives

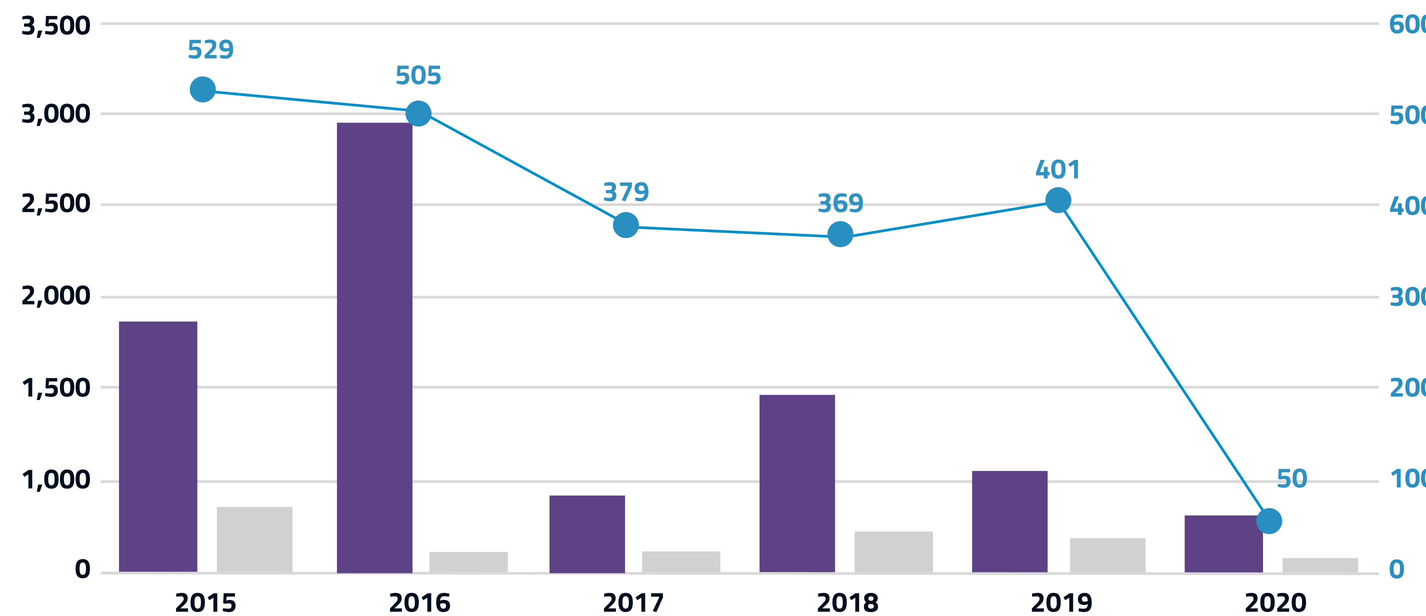
Taking its capabilities to the next level, Tamouh Group implemented the SAP Ariba online platform to take the entire procurement process to the cloud, while automating and improving all its aspects. Quickpay was also launched to securely link Tamouh to customers' mobile numbers as well as RPA for bill payment. During the pandemic, the group successfully adopted a rental support system and was able to ensure that all tenants received extensions on their contracts.

2.7 Tamouh Group

Key Milestones

2005	2009	2010	2011	2012	2014	2017	2018	2020
Established Tamouh	Established Eltizam Group	Launched Reem Village	Delivered Marina Square	Opened Wadi Adventure	Delivered City of Lights	Launched Emirati Housing project	Delivered Horizon Towers	Delivered Paragon Bay Mall & opened Kite Tower

Revenues & Gross Margin



Our Management

Ghanem Al Mansoori
Chief Executive Officer (CEO)

Qualifications
Bachelor of Arts, USA
Business Administration & MIS

Experience
Ghanem has been the CEO of Tamouh since 2010, spearheading the company's growth year after year. Before his current role, Ghanem led the operations at the Abu Dhabi Investment Council and held various roles at the Abu Dhabi Investment Authority.

Business Performance Report

- Due to the pandemic, the real estate market saw a decline in land sales and real estate transactions in 2020.
- The company, despite all challenges, secured revenues exceeding AED 500 Mn.
- With several ongoing projects, the group is set to recover and keep raising the bar of real estate development in Abu Dhabi.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	5,493	4,880	4,911	4,646	3,789	3,733
Liabilities	5,592	4,525	4,238	3,663	2,464	2,361
Equity	-99	355	673	983	1,325	1,371

ESG EMIRATES STALLION GROUP

Region's only all-encompassing real estate partner

5
Fully-owned subsidiaries

90+
Operational sites

12
Countries market presence

4
Associates and joint ventures

2.8 Emirates Stallion Group

Overview

The Emirates Stallion Group (ESG) of companies has a diversified portfolio of businesses across engineering and construction, development and management of real estate and public realms and associated services. ESG companies have a proven track-record of executing midsized to complex development projects.

CENTURY REAL ESTATE
AN ESG COMPANY

ROYAL DEVELOPMENT COMPANY
AN ESG COMPANY

ABU DHABI LAND GENERAL CONTRACTING
AN ESG COMPANY

GULF DUNES LANDSCAPING & AGRICULTURAL SERVICES
AN ESG COMPANY

RAPM ARCHITECT PROJECT MANAGEMENT
AN ESG COMPANY

At a Glance

Employees
1,242

Presence across
All continents

Operating in
10+ business sectors

Diversified
Portfolio

Business Profile

ESG was stablished in 2006, with principal activities to buy, sell, divide land parcels, develop, and manage real estate projects. In 2010, it acquired Abu Dhabi Land Group to diversify into technical, commercial, contracting and speciality services. In 2020, Royal Architect Project Management (RAPM) and Royal Development Company (RDC) joined under the group's umbrella, expanding services and businesses.

Key Operations

- Engineering and Construction
- Construction and Project Management
- Design-Build Landscaping
- Landscaping Operations and Maintenance
- Workers Accommodation
- Design and Architecture
- Real Estate development and Client Representation

Key Services

Engineering | Design | Construction | Workers accommodation | Project Management | Development Management. ESG companies have a proven track record of executing mid-sized to complex development projects that include consulting, hotel operations and hospitality.

Key Clients

Our Strategic Initiatives

The company helped the Abu Dhabi Government's efforts to fight the COVID-19 pandemic by offering its equipment, machinery as well as quarantine facilities, in addition to adopting work-from-home initiatives to reduce the number of personnel at the workplace. The company secured ZonesCorp certification for its main workers' accomodation facility at Reem Island. It is currently exploring new lines of business such as outdoor furnishing and beautification elements.

2.8 Emirates Stallion Group

Key Milestones

Mar-2020
Handover of ICT's 33 Lux Villas at Lulu'at Al Raha (AED 83 Mn)

Jun-2020
Handover of Afkar's 5 commercial centres at Khalifa City and MBZ City (AED 74 Mn)

Dec-2020
At handover stage of Danet-Abu Dhabi district cooling infrastructure project

Dec-2020
Secured ZonesCorp approval for the Workers Village at Reem Island

Dec-2020
RDC confirmed Hilton brands to manage the operations of 3 major mixed-use developments across Africa on behalf of the client

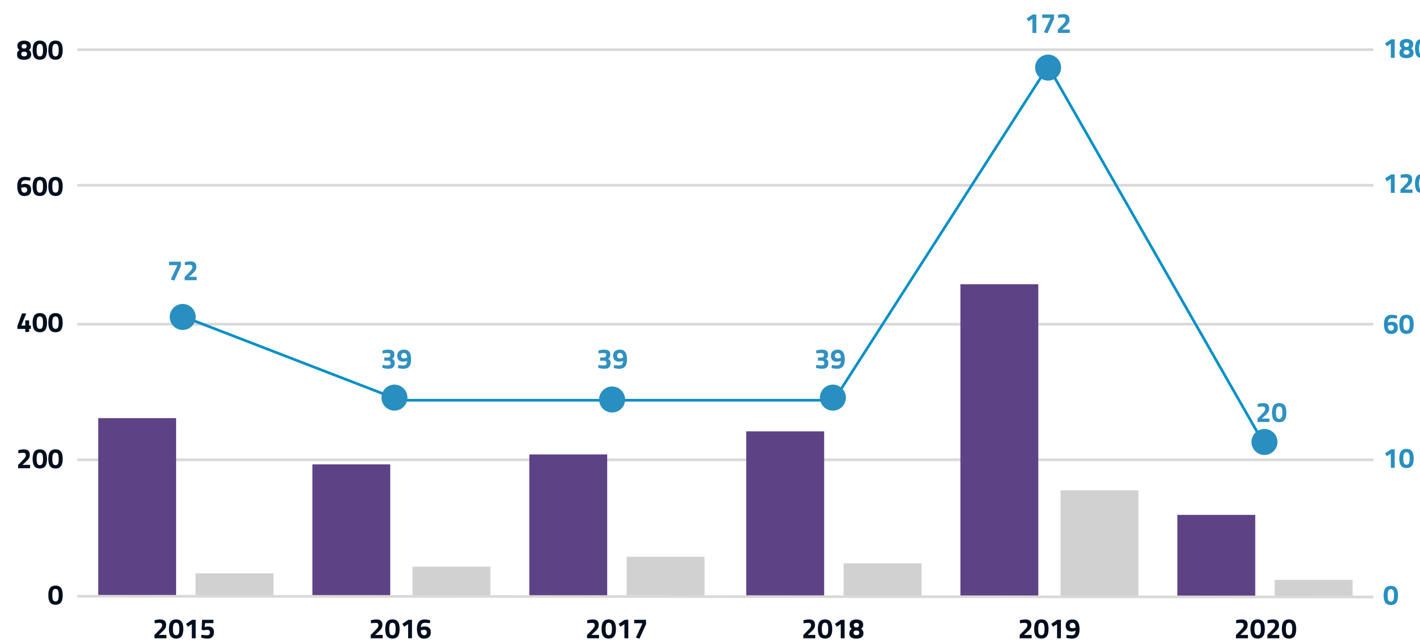
Our Management

Kayed A. Khorma
Chief Executive Officer (CEO)

Qualifications
BS, Civil and Environmental Engineering, University of Colorado, USA, 1983

Experience
With over 35 years of experience in civil engineering in Jordan and the UAE, Kayed has been CEO at Abu Dhabi Land since 2006. He oversees all business aspects, is a key decision-maker and sets long-term business strategies to achieve the group's vision.

Revenues & Gross Margin



Business Performance Report

- ESG outsourced its human resources functions to save over AED 500k per annum.
- The company saved AED 436k per annum in office rent, as part of its cost reduction plan.
- It reduced staff and salary costs, in light of the pandemic, totalling AED 0.6 Mn per annum.
- Revenue of AED 250 Mn from selling three pieces of land in 2019 resulted in the major drop in revenues of 2020 in addition to the negative effect of the pandemic.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	782	715	755	799	611	394
Liabilities	286	302	292	295	97	97
Equity	496	413	463	577	514	297

A Leader in UAE district cooling

5
District cooling plants

242,000 RT
Designed capacity

92,500 RT
Installed capacity

600,000 RT
Signed concessions

2.9 PAL Cooling Holding

Overview

PAL Cooling Holding (PCH) is a wholly-owned, Abu Dhabi-based subsidiary of IHC since June 2019. Catering to landmark residential, commercial and mixed-use developments, PCH offers reliable and quality services such as 24x7 chilled water for air-conditioning from state-of-the-art central cooling plants.

At a Glance

Established in
2006

Employees
140+

Holds
8 long-term concession agreements

Electricty savings
Up to 50%

Business Profile

PCH undertakes Build-Own-Operate-Transfer (BOOT) arrangements for long-term concession agreements typically for 30-35 years.

PCH and its subsidiaries contributed to the reduction of regional CO_2 emissions by 169,000 metric tonnes in 2020, through highly efficient district cooling services.

Plants Under Construction

- Shams Development DC Plant, June 2021
- Design Capacity of 57,000 RT
- Installed Capacity of 33,000 RT

Plants at Tender Stage

- Danat Development DC Plant, Q1 2022
- Design Capacity of 37,000 RT
- Installed Capacity of 22,000 RT

Plants Expansion Works

- Tamouh Plant, 20,000 RT Additional Capacity
- Capital Centre Plant, 5000 RT Additional Capacity

Key Services

Provision of chilled water for air conditioning to mixed-use developments

Key Clients

ALDAR
REEM DEVELOPERS
TAMOUH AMBITIONS UNLIMITED
AL QUDRA REAL ESTATE

Our Strategic Initiatives

During 2020 and in line with its efforts to curb the spread of COVID-19, PCH management implemented timely safety measures for the well-being of its workforce, minimised O&M staff interaction and secured 'top-ups' to ensure the continuity of the supply chain. The company took a proactive approach by investing in its IT infrastructure to support remote work and virtual collaboration, while ensuring seamless communication with clients over multiple channels and successfully meeting the challenges of the year.

2.9 PAL Cooling Holding

Key Milestones

2006 Started district cooling business under PAL Technology Services

2010 Commissioned its first cooling plant of 90,000 RT design capacity

2012 Executed two concession agreements for Shams Development and Capital Centre Phase 4

2013 Executed concession agreement for Saraya Development

2014 Restructured its district cooling business under PAL Cooling Holding

2015 Executed concession agreement for Danat Development

2016 Fifth Plant commissioned for Saraya Development

2017 Executed concession agreement for Najmat Development

2018 Expanded Saraya plant by 5000 RT

2019 Started construction of Shams new plant with design capacity of 57,000 RT

2020 Executed concession agreement for Maker's District Development and started construction of piping network

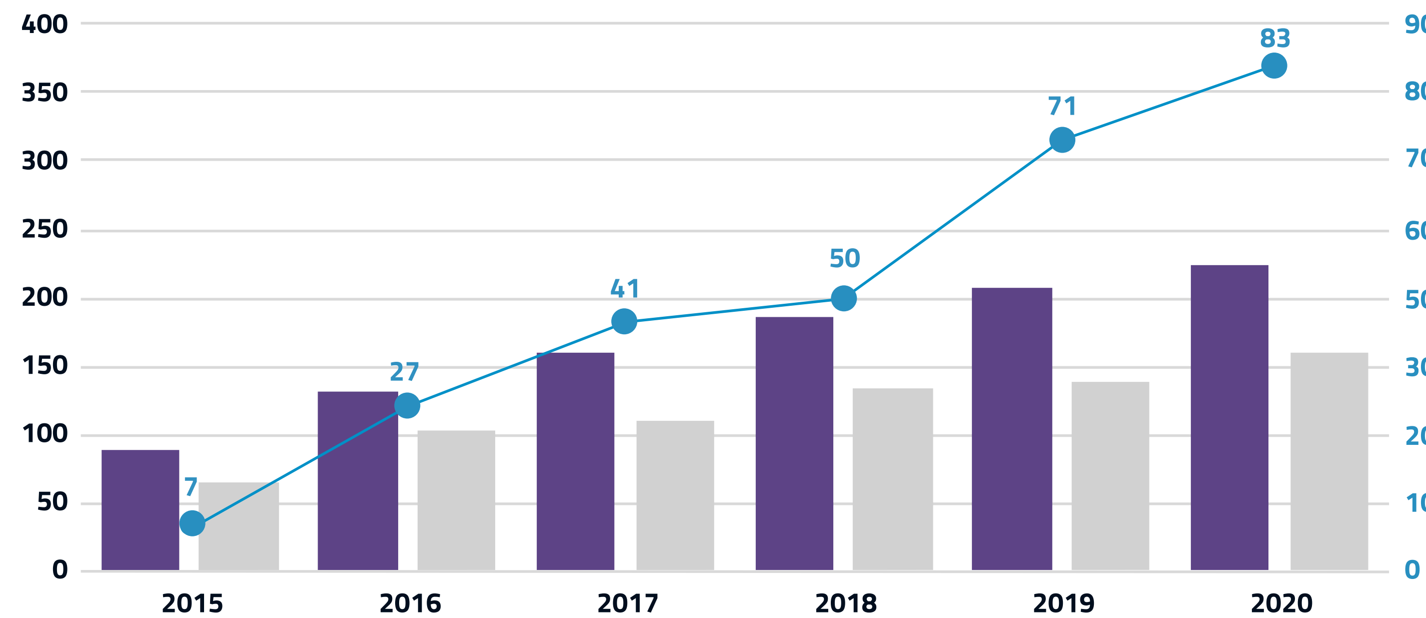
Our Management

Muhammad Zafar
General Manager

Qualification
BS, Mechanical Engineering, University of Engineering and Technology, Lahore, Pakistan

Experience
With over 26 years of multidisciplinary experience in the UAE including 15+ years in senior management positions, Muhammad is a delivery-oriented professional in the utilities sector. He played a key role in PAL district cooling's business growth, actively negotiating and executing several exclusive long-term concessions.

Revenues & Gross Margin



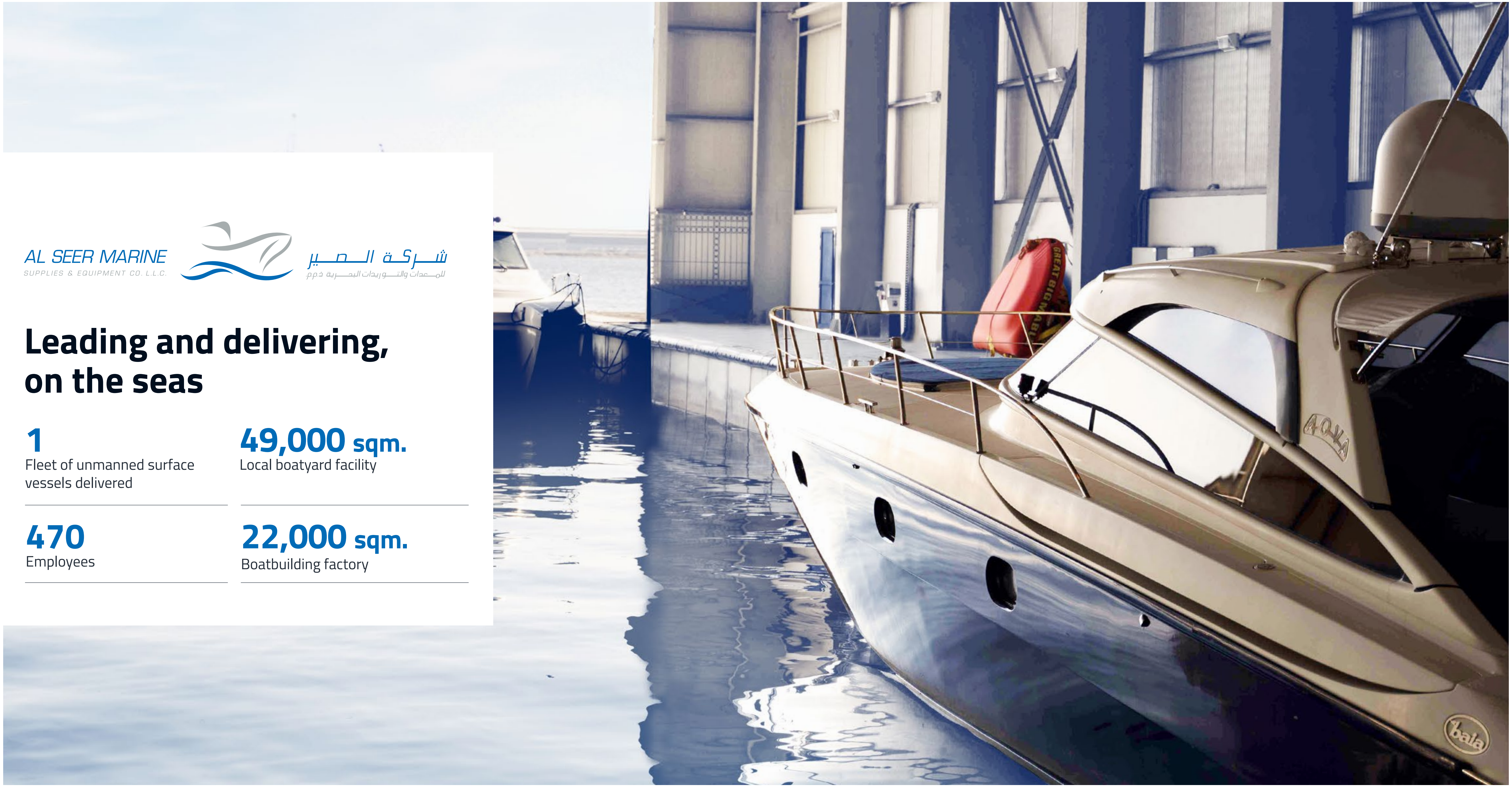
Business Performance Report

- The company brought the total connected load to 142,479 RT in December 2020 with an increase of 33571 RT, and a growth of 31% in FY 2020.
- Capital expenditure for additional mechanical capacities and thermal energy storage was AED 47 Mn.
- Gross revenue grew by 8% from AED 207 Mn to AED 224 Mn.
- Net profit increased by 17% from AED 71 Mn to AED 83 Mn.
- Book value of total assets stands at AED 1.094 Bn compared to AED 964 Mn at the end of 2019.
- Its "people first" mindset helped the company manage a 24x7 operation in 2020 with an active workforce operating in the utmost safety and wellbeing.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	809	887	906	943	964	1,094
Liabilities	533	581	557	544	494	540
Equity	276	306	349	399	470	554

Annual Report 2020



AL SEER MARINE
SUPPLIES & EQUIPMENT CO. L.L.C.
شركة الصير
للمعدات والتوريدات البحرية ذ.م.م

Leading and delivering, on the seas

1
Fleet of unmanned surface vessels delivered

49,000 sqm.
Local boatyard facility

470
Employees

22,000 sqm.
Boatbuilding factory

2.10 Al Seer Marine

Overview

Al Seer Marine is a leading marine organisation in the Arabian maritime region, with an all encompassing portfolio of products and services. Its multi-cultural team has many years of experience in the field and works out of a sea-facing boat yard and large boatbuilding factory. The company combines innovative technology to a proven track record of excellent operations.

At a Glance

Revenue
AED 507 Mn

Value of assets increased to
AED 717 Mn

Provide
Training services

Software implementation
AMOS ERP

Software development
Matlab Simulations

Introduced training institute
for unmanned systems

Business Profile

The company engages in multiple marine sectors such as high-tech boatbuilding, unmanned systems development and manufacturing, Al Seer Marine Training Institute (ASMTI) for product training, maintenance and support services, supply logistics, 24x7 yacht management and project management.

Key Services

After-sales service, maintenance and technical support, training, crewing, project management and procurement

Key Products

Boats, unmanned vessels, unmanned vehicles

Key Markets

Unmanned Systems and Platforms | Leisure Boats | After-Sales Services | Yacht industry

Key Clients

Goverment forces within the region and high-net-worth individuals

Production Capacity

- 24 unmanned vessels [11 mtrs.] per year
- 20 unmanned vehicles [8 x 4] per year
- Small sized unmanned vessels
- Large sized unmanned vessels

Our Strategic Initiatives

Al Seer Marine management has adopted continuous market analysis, defined performance indicators and achieved annual targets as their key initiatives to ensure consistent delivery of products and services to their clients. Initiating customer support and collecting field requirements enables the management to develop products, answering the market's immediate need.

2.10 Al Seer Marine

Key Milestones

2002
ASM Yard Inauguration

2002
Company establishment

2008-2010
- Establishment of Royal Group Holding,
- ISO certification
- Contract for Armed Forces

2011
Implementation of Oracle Financials

2012
Establishment of Yacht division

2014
- Contract for governmental fleet maintenance
- Establishment of Boat Building LLC

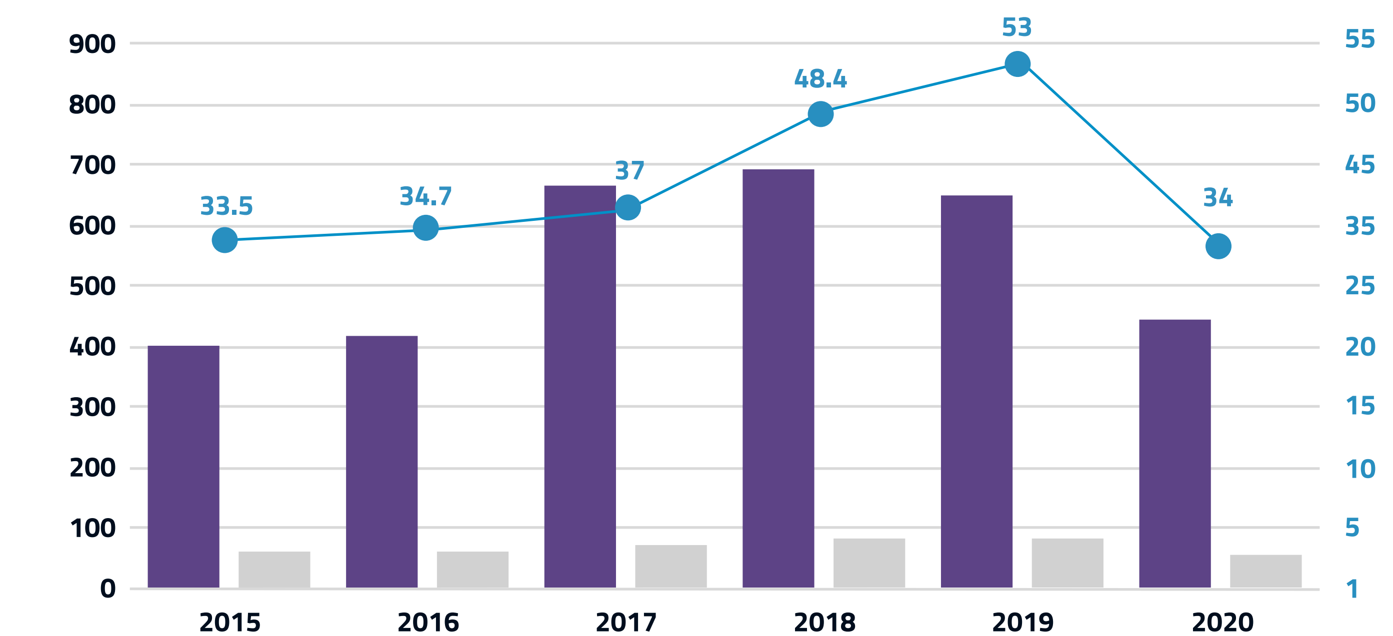
2016
Establishment of Al Seer Marine Management Services

2018
ISO 9001:2015 Certification

2019
- Delivery of special vessel
- Prototyping of unmanned ground vehicles

2020
Production of catamarans

Revenues & Gross Margin



Our Management

Guy Neivens
Chief Executive Officer (CEO)

Qualifications
Business Administration, Hammersmith and West London College, UK, 1981

Experience
Guy has over 36 years of experience in asset management within UAE government departments. In 2003, he founded Al Seer Marine Supplies & Equipment Company LLC and continues to serve as its CEO, leading over 1000 employees. He has overseen five new projects collectively worth over USD 2.5 Bn.

Business Performance Report

- Al Seer Marine surpassed the budgeted net profit of 6% to 8% touching AED 34 Mn.
- The company remained financially competitive minimising cost of operation.
- It recently formed a partnership with the Saudi Arabian Advanced Electronics Company (AEC), part of Saudi Arabian Military.
- Industries (SAMI) for future export and sales of USVs to Saudi Arabia were developed.
- The company is currently working on advanced system integration and continuous upgradation of products to incorporate Artificial Intelligence.
- ASMTI succeeded in delivering its first Unmanned Surface Vessel operators' course, training students with 100% pass rate.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	220.0	231.5	314.2	376.9	476.7	717.8
Liabilities	79.1	69.8	129.3	163.6	230.4	437.5
Equity	140.9	161.7	184.9	213.3	246.3	280.2

Alliance Food Holding

غذاء
Ghitha

Investing in our food security

#1
Seafood market share*

11
Markets

1,200+
Customers

160,000 tons
Production capacity

* In selected MENA markets

2.11 Alliance Food Holding (Ghitha)

Overview

With expertise dating back to 1981, Alliance Food Holding (Ghitha) prides itself on playing a key role in the UAE and MENA region's food security industry. The company is committed to working along the supply chain – from sustainable foraging to food production and food security agencies – to provide nutritious foods and technology-driven food solutions.

At a Glance

Employees
750+

Certified
HACCP &
ISO 22000
FDA approved

Production volume of
21,000 Mt

Implementation of
SAP System

Business Profile

Ghitha is a fast-growing regional food leader.
With brands and companies such as ASMAK, Al-Ajban and Al-Hashemya, the group provides a broad range of nutritious products that cater to the food security needs of the UAE and MENA region. Powered by the latest technologies and capabilities, enabled by a diverse network of teams, the company brings more than 160,000 tons of nutritious foods and food solutions from our farms and factories to consumers' tables every single day.

Key Services

Farming, production, storage and distribution of food products

Key Products

- ASMAK: Fresh and frozen seafood
- Al-Ajban: Hatching eggs, one-day chicks, fresh and frozen poultry
- Al-Hashemeya: Various agricultural products

Key Markets

UAE | KSA | Egypt | Kuwait | Oman | Bahrain | Jordan | Lebanon | Iraq | Tunisia | Yemen

Production Capacity

Seafood 60,000 tons /annum, Chicken: 7,200 tons / annum, Agriculture 97,000 MT /annum

Business Channels

Retail, Horeca (food service), export, private label, wholesale, fish market

Key Clients

Our Strategic Initiatives

The company ensured supply continuity and small sector support in 2020, while maintaining a strategic food stock. It commissioned the largest seafood processing and distribution centre in the MENA region and launched a SAP-based platform to ensure full-technology integration. To consolidate innovative efforts, the company piloted a "Think Tank Centre" involving an experiential kitchen, R&D centre, training centre and labs.

2.11 Alliance Food Holding (Ghitha)

Key Milestones

- **1981** – Al-Ajban Poultry is launched
- **1999** – ASMAK is born as a pioneer of aquaculture in GCC
- **2003** – ASMAK acquires its first factory in Ajman to diversify its business
- **2010** – Al-Ajban integration project commences, adding breeder houses, hatchery, broiler houses, a processing plant and a feed mill
- **2020** – ASMAK comissions its new state-of-the-art factory and distribution centre in Dubai Industrial City
- **2020** – Acquisition of Al-Hashemeya in Egypt, a sizeable and ambitious agricultural project

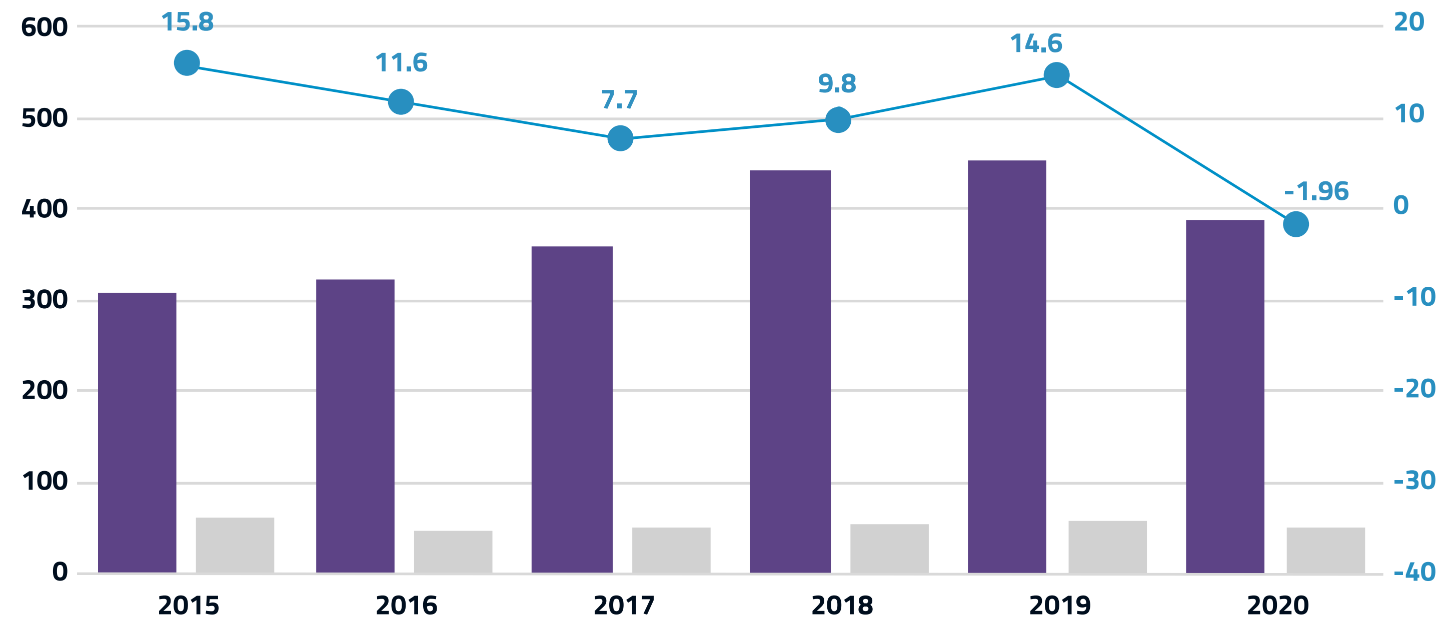
Our Management

Mamoon Othman
Chief Executive Officer (CEO)

Qualifications
MBA, American University in Dubai, UAE
Certified Public Accountant, Washington State Board of Accounting, USA

Experience
Recognised for his extensive business acumen, analytical and commercial skills, Mamoon is focused on growing Ghitha. With 20 years of experience in operations and management roles, his inspired leadership has resulted in yearly double digit growth numbers.

Revenues & Gross Margin



Business Performance Report

- Ghitha commissioned state-of-the-art seafood facility and moved operations and offices from Ajman and Business Bay to the new factory.
- The new factory is considered the biggest in the Middle East, with a production and warehousing capacity of 60,000 tons per year.
- A new distribution agreement was made between Al-Ajban Poultry and Ghitha to grow distribution and market share.
- The ASMAK brand showed 2.5x growth in 2020 vs 2018, reaching #1 market share* in KSA.
- ASMAK has leading shares in 9 other markets in addition to KSA.

* According to Nielsen retail audit volume share 2020

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	339.6	362.5	401.7	471.8	634.7	723.1
Liabilities	195.2	202.3	184.9	226.4	302.9	411.3
Equity	144.4	160.2	216.8	245.4	331.7	311.8

BEDASHING
BEAUTY LOUNGE

Empowering women through beauty

15
Branches across Abu Dhabi & Dubai

13% growth
In average customer spend

BTA system
Introduced the Beauty Take Away

686,000
Services provided

2.12 Bedashing Beauty Lounge

Overview

Bedashing Beauty Lounge is a modern, trendsetting beauty lounge brand esteemed for its award-winning beauty services and unique ambience. Our lounges offer a complete beauty experience where guests are pampered with the latest beauty treatments by cheerful and professional staff in a joyous environment.

At a Glance

9 owned and 6 franchised
Branches

Served till date
150,000 customers

Average customer spend
AED 259

Total revenue
AED 50.5 Mn

Number of employees
253

Global expansion plan over the next 5 years
25 branches

Business Profile

Founded in 2008 by Noor Al Tamimi and her sisters, Bedashing Beauty Lounge's goal is to make women more confident-It quickly became trusted destination for busy beauty aficionados.

As a modern, stylish space, it is known for award-winning beauty services, unique experiences, extensive treatment menus, highly trained staff and its invention – the Bedashing Chair.

Key Products & Services

- Retail beauty products
- Personal grooming services
- Internationally renowned personal care

Key Clients

Progressive and modern female community across the UAE

Our Strategic Initiatives

As pioneers in implementing COVID-19 measures in the beauty industry, Bedashing introduced the innovative Beauty Take Away (BTA) system, contributing to revenue growth. The system was later documented and shared worldwide by L'Oreal. The company reduced costs, thereby doubling its bank position from Q2 2020 and strengthening the brand by connecting with clients on an emotional level. It also streamlined all its processes, enhanced staff skills and eliminated cash transactions.

2.12 Bedashing Beauty Lounge

Key Milestones

2008 First branch opens at Delma St.

2011 WTC Souq

2012 Khalifa City A

2014 Fairmont Bab Al Bahr, Khaleej Al Arabi

2016 First franchisee at Al Falah

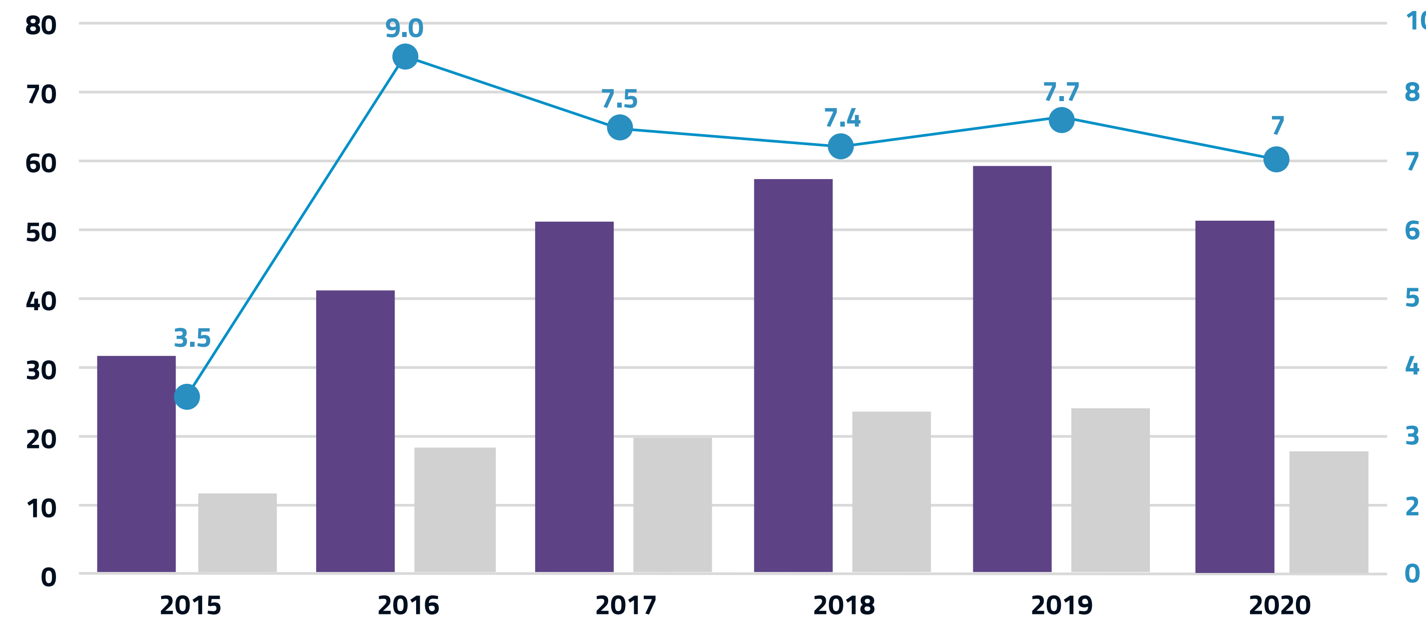
2017 Dubai branches open at Mirdif 35, City Walk

2018 Baniyas, RAK, Shahama franchised branches

2019 West Yas Ministries Complex franchisee

2020 MBZ franchisee, Shakhbout City

Revenues & Gross Margin

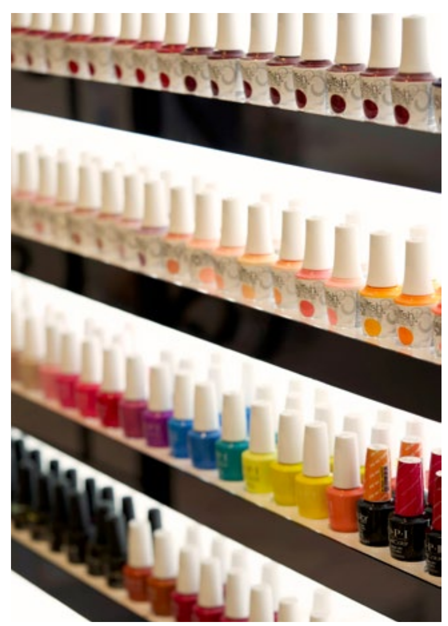


Our Management

Noor Al Tamimi
Chief Executive Officer (CEO)

Qualifications
Degree in Banking and Finance
Digital Leadership Program, Columbia University, USA

Experience
A serial entrepreneur since the age of 19, Noor founded Alnomas Interiors in 2000, the first mail order business in the region, and started Bedashing Beauty Lounge in 2008 to offer a new level of professionalism in the region's beauty industry. The aim is to have 28 salons across the UAE by the end of 2021.



Business Performance Report

- Financial results adversely impacted due to macro economic factors caused by the pandemic.
- Revenue dropped -5% year-on-year in Q1 and -53% in Q2 due to regulatory restrictions.
- Revenue picked up in Q3, reducing year-on-year decline to -6% and growing year-on-year by 6% in Q4.
- Sales dropped -15% in 2020 year-on-year, better than industry benchmark of -25%.
- Net profits dropped by 9% year-on-year.
- Staff costs reduced by -19%, rentals and G&A costs by -19%.
- Expansion plans for 2021 include 13 new UAE branches and 1 in KSA.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	20.8	21.3	18.7	22.5	32.1	33.5
Liabilities	11.1	12.4	8.6	8.6	16.9	14.7
Equity	9.7	8.9	10.1	13.9	15.2	18.7

MULTIPLY
DIGITAL HOLDING

A high-growth tech-focused communication group

18 Years
In operation since 2003

AED 1 Bn+
Worth of media bookings

200+
Clients served

2020
Best Digital Communicator (GCC)

2.13 Multiply Digital Holding

Overview

Recently established, Multiply Digital Holding invests and operates in tech-focused, platform based, scalable companies which have been identified to disrupt the way things are traditionally done in high-growth markets. At the core of the group is Multiply's primary operational powerhouse, Multiply Marketing Consultancy (MMC). MMC is a local boutique agency that turned into an award-winning global communication and research firm and is now transforming into a holistic digital group by investing and acquiring a portfolio of disruptive companies and innovative solutions.

At a Glance

Global partners
7

Teams worldwide
8

Awards
9

Active investments
6

Research reports issued
1000+

Technologies used
AI | Mixed Reality | Attention Analytics

Business Profile

Operating at the core of Multiply Digital Holding is Multiply Marketing Consultancy (MMC), one of the leading agencies in Abu Dhabi. MMC's aim is to be at the forefront of the latest automation, digital technologies and industry trends to empower its clients to achieve maximum ROI, while empowering brands to live up to their purpose.

MMC has signed partnerships globally to access the latest innovations such as feedback technology, sentiment analysis and deep listening tools. MMC was also the first Abu Dhabi based, locally-grown agency to create an internationally connected global team, with the latest designers and developers joining in from Brussels and Brazil.

Key Services

Strategic Marketing | Branding | Neuromarketing | Virtual & Augmented reality | Digtal and Programmatic Advertising | IR & PR, ATL & BTL Creative | Social Media Management | Market Research | OOH Media

Key Markets

UAE | USA | Lebanon | Egypt

Key Clients

UNITED ARAB EMIRATES PRIME MINISTER OFFICE

مـركـز الإحـصـاء STATISTICS CENTRE

BASF We create chemistry

ABU DHABI DIGITAL AUTHORITY

COSTA COFFEE

IRENA International Renewable Energy Agency

Our Strategic Initiatives

As a diverse holding group, MDH aims to invest in platforms that finetune and optimize marketing, media and communications processes. Strategic investments include companies in the digital advertising, data mining, creative content, mass personalization and consumer analytics spheres. MDH is also expanding into new verticals in high-growth industries such as corporate wellness, tele-mental-health and preventative healthcare technology.

2.13 Multiply Digital Holding

Key Milestones

2002 — Established by the Royal Group to service group companies

2008 — Started winning non-group clients in UAE

2015 — Signed partnership with SIS International research

2016 — Made first strategic partial acquisition in Viola

2018 — Signed partnerships with Linguabrand and SocialFly

2019
- Won 8 awards at New York Festivals and Dubai Lynx
- Added teams in France and Egypt
- Furthered investments in Viola Communications by acquiring more stakes

2020
- Acquired by IHC
- Minority stake acquired in Yieldmo, a US-based digital company
- Won the 2020 award for Best Digital Communicator (GCC)
- Signed partnerships with The Endless Co. and PivotRoots

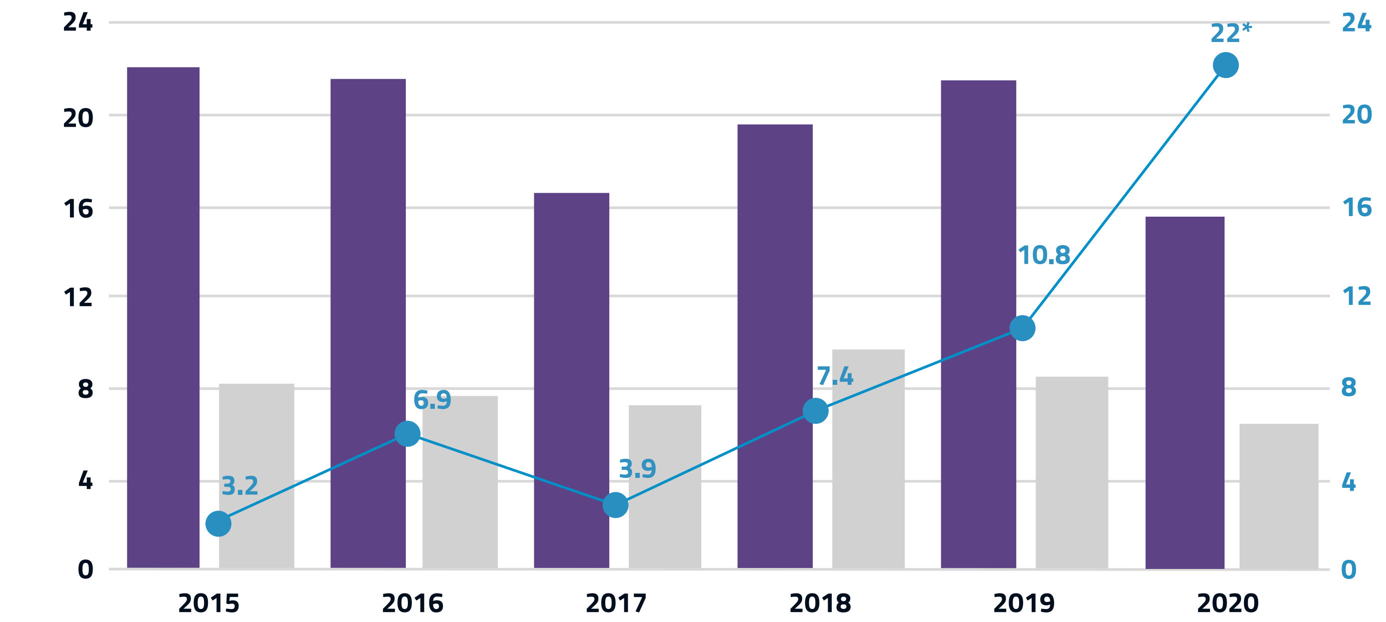
Our Management

Samia Bouazza
Chief Executive Officer (CEO)

Qualifications
Management Certificate, Harvard University, USA
BA in Political Science and Public Administration, American University of Beirut, Lebanon

Experience
Samia's 20-year career is focused on creating growth strategies and crafting communication solutions. Her leadership grew MMC from a boutique agency into an award-winning global communication and research firm. Through strategic acquisitions, MMC recently transformed into the holding group MDH.

Revenues & Gross Margin



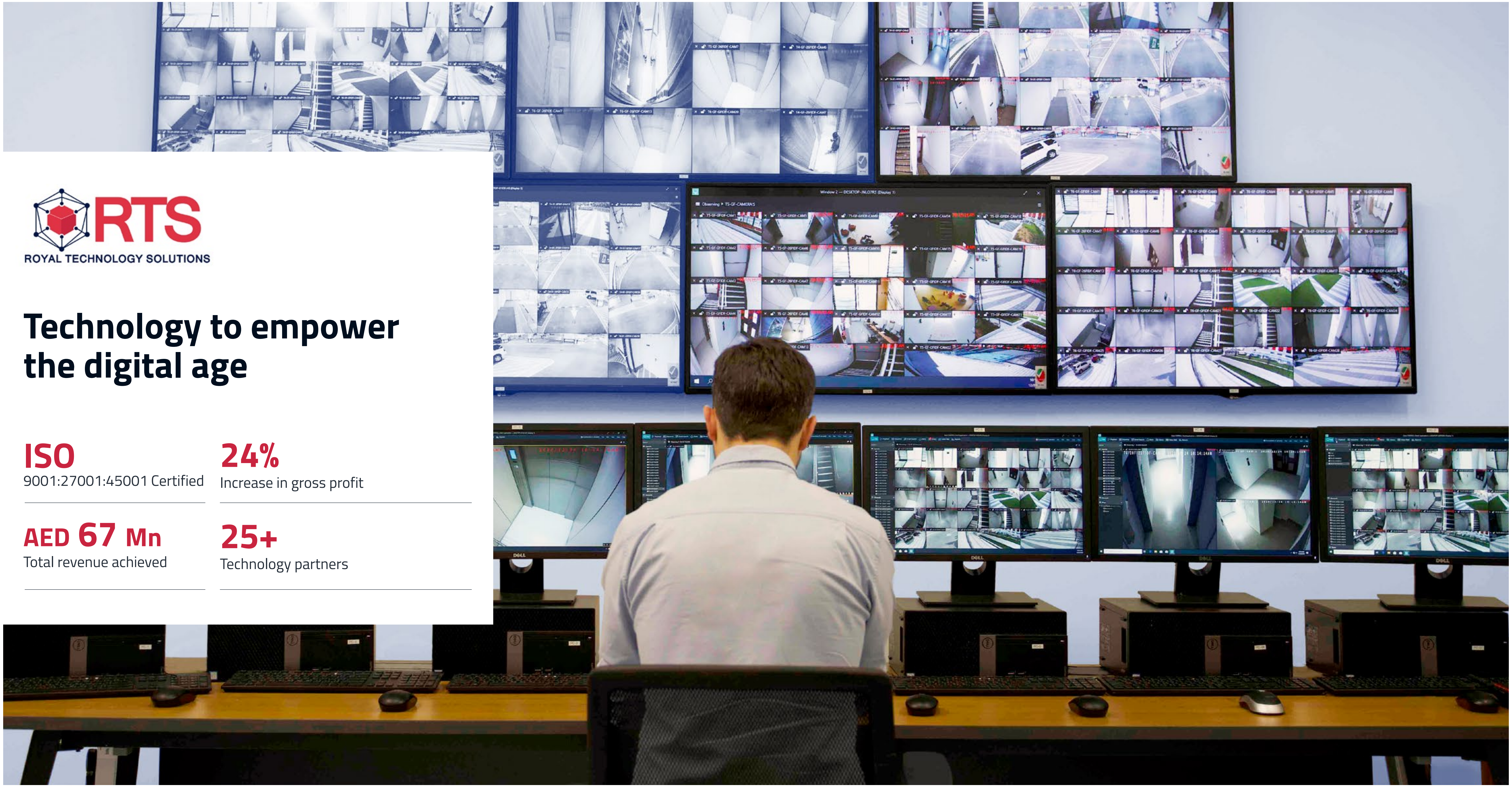
* Net profit include equity adjustments in 2020

Business Performance Report

- The company acquired an equity stake in NY based Yieldmo and seeks to introduce Yieldmo's advanced services to the region.
- The company has successfully implemented a global talent – local solutions program, allowing it to attract some of the world's most creative and diverse minds while maintaining a low-cost structure.
- Operating expenses were reduced by 25% during the pandemic.
- Core team underwent an upskilling program with one of our newly signed global partners, as well as cross-trained within departments to increase efficiency.
- The company continued to expand its network in 2020 by signing global partnerships with NY based The Endless, PivotRoots and Enabalistic.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	26.4	55.3	58.0	62.0	72.3	98.3
Liabilities	10.8	34.0	34.1	35.1	34.7	38.4
Equity	15.6	21.2	23.9	26.9	37.6	60.0



ROYAL TECHNOLOGY SOLUTIONS

Technology to empower the digital age

ISO
9001:27001:45001 Certified

24%
Increase in gross profit

AED 67 Mn
Total revenue achieved

25+
Technology partners

2.14 Royal Technology Solutions

Overview

Royal Technology Solutions is a leading system integrator and IT service provider in the Middle East. Established in 2010, the company is ISO 9001:27001:45001 management standard certified. It works with its clients through a combination of deep-level business and technical expertise, extensive knowledge of today's technologies and a mature and competent delivery and services infrastructure, reinforcing its position among the leading IT companies of the UAE.

At a Glance

In the Abu Dhabi region
MCC-Certified system integrator

Certified member of
MCC, SIRA, Cisco, BICSI, Oracle and many more

Projects outside the UAE
Successfully completed

Successful and proven
Track record with elite clients

Business Profile

Royal Technology has established strong industry ties, with the highest level of accreditation achieved. An ecosystem of complementary vendors enables the company to deliver a breadth of solutions through pre- and post-sales, project implementation teams and support experts. A diverse portfolio of offerings encompasses the Internet of Things (IoT), mobility, security, big data and the cloud. The infrastructure is designed to help customers improve processes, reduce costs, manage risk and enhance top-line revenue.

Key Products

- Audio visual systems, IPTV solutions, digital signage, ICT infrastructure, data centre, cinemas, home automation, network infrastructure and gamification.
- Integrated surveillance and security systems, lighting control systems, building automation and parking management systems.
- IT security, business continuity and disaster recovery, servers and storage, cloud computing, voice communication, ERP and Data Management Solutions.

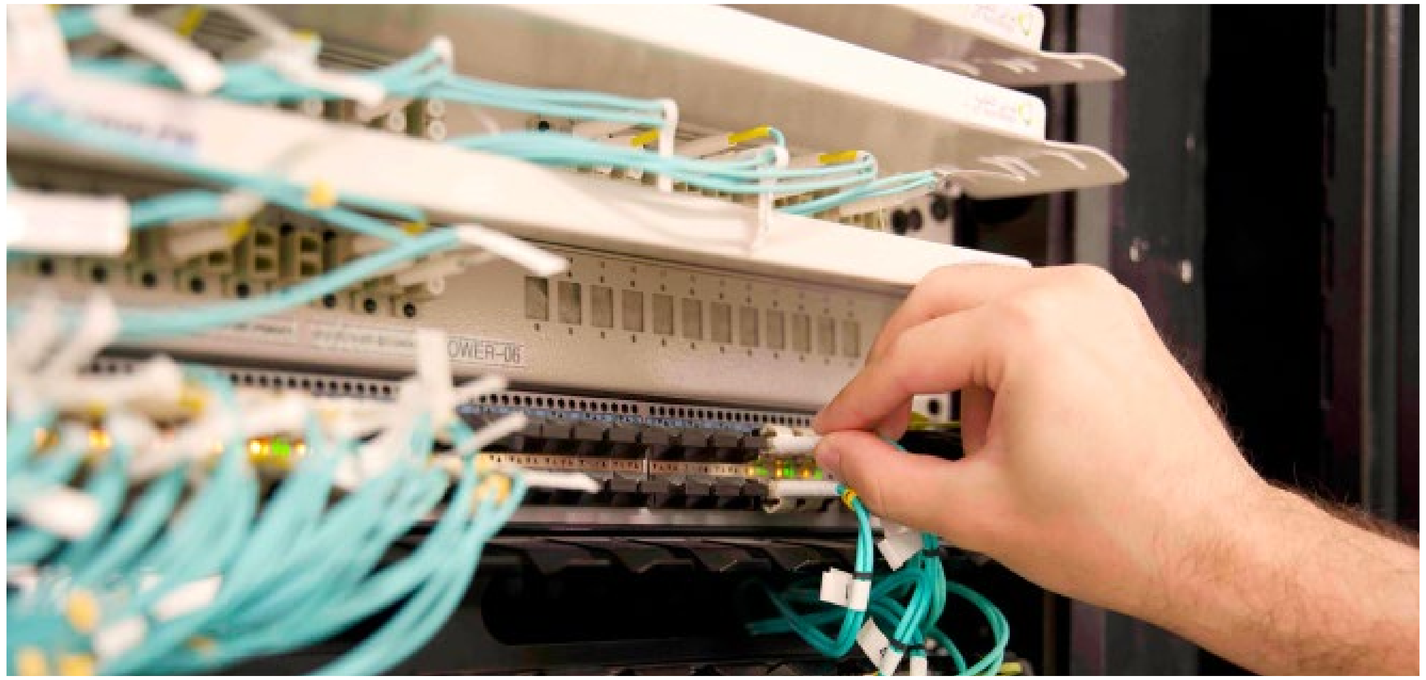
Key Services

- Solution design, consultancy and professional services
- Support and maintenance
- Project management

Key Markets

Residential and Commercial Buildings; Education; Hospitals; Hotels; Government and Defense; Mosques

Key Clients



Our Strategic Initiatives

Royal Technology custom-designed solutions for inbound travellers at Abu Dhabi airport, automated visitors management system, and implemented state-of-the-art IT infrastructure to enhance productivity. The company implemented enterprise performance management (EPM) for Group Finance, revamped the legal application system, made improvements to the workplace infrastructure, and successfully delivered services and solutions both locally and internationally.

2.14 Royal Technology Solutions

Key Milestones

2010
Established and initiated operations for IT data centre for Royal Group

2011-2016
- Established ELV Department
- Received Gold and Silver Partnerships and delivered major ELV jobs and ERP implementations

2017
- Inaugurated a branch in Dubai
- Secured multiple projects for IT implementation, consultancy, outsourcing and ELV systems
- Received MCC and SIRA certifications.

2018-2019
Secured iconic projects like Reem Mall, AUH Future School, YAS Water's Edge Residential Building and 15+ Tower Projects with UTT

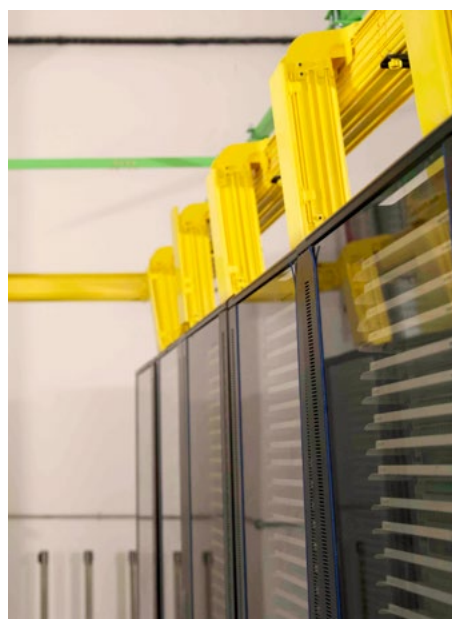
2020
Expanded client base to Emirates Diplomatic Academy, UAE Ministry of Foreign Affairs

Our Management

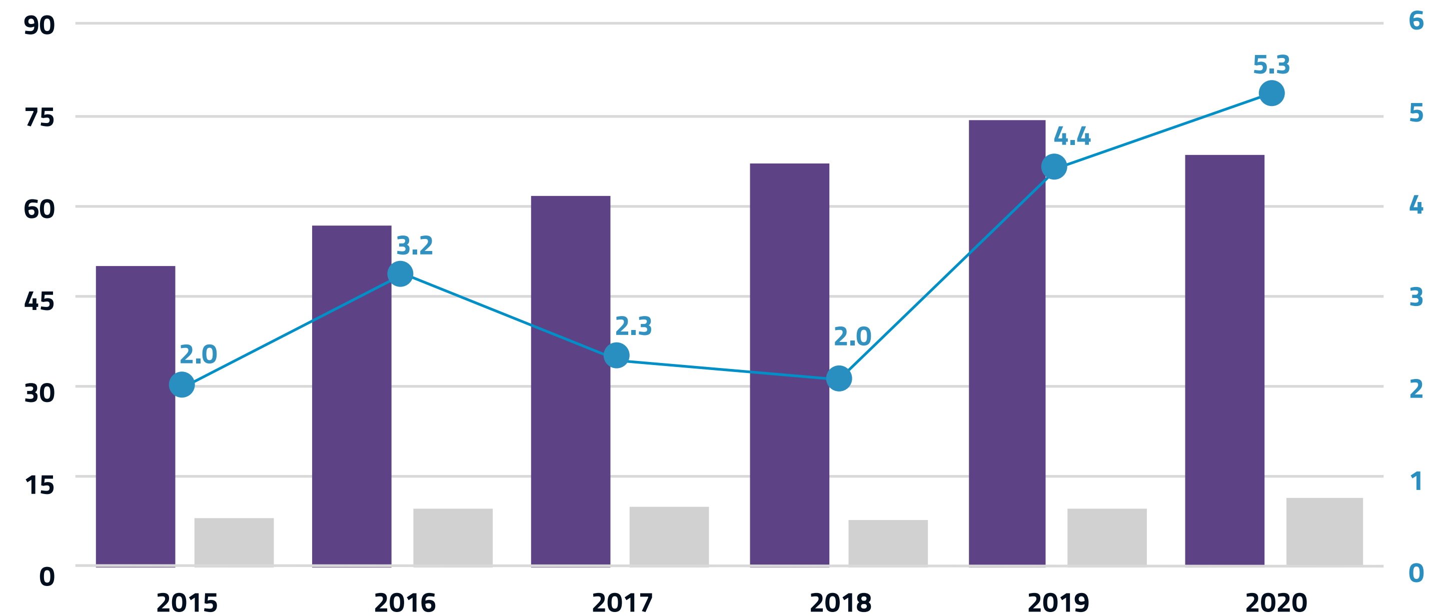
Akhtar Saeed Hashmi
Chief Executive Officer (CEO)

Qualifications
Master's degree in Economics
University of Karachi, Pakistan
IT Certified Professional

Experience
Akhtar is responsible for digital strategy, delivering seamless, secure and differentiated solutions and forging partnerships with technology players and digital partners. He scales new business opportunities and advances the company's efforts to address major societal and economic issues.



Revenues & Gross Margin



Business Performance Report

- Compared to last year, gross profit increased by 24% and net profit by 20%.
- 2021 onwards, vertical integration strategy involves lowering cost of sales through economies of scale, quick and direct deliveries to valued customers and reduced disruption from suppliers.
- Substantial business acquisitions are planned to add value to increase market share.
- Revenue grew at a CAGR of 3% and 9% over the past 5 and 10 years respectively.
- Company achieved a gross profit of AED 11 Mn up by 24% year-on-year.
- FY20 reported a net profit of AED 5 Mn with a net profit margin of 8%.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	45.57	49.11	73.18	143.70	96.91	84.72
Liabilities	23.76	25.56	48.54	116.18	66.69	49.22
Equity	21.81	23.55	24.64	27.52	30.22	35.50

WFC HOLDING

Changing the way people work and how clients do business

9
Market sectors serviced

25+
Clients in UAE and Oman

AED 403 Mn
Total revenue

AED 15 Mn
Net profit

2.15 WFC Holding

Overview

WFC Holding is a group of business support companies specialising in Business Process Outsourcing (BPO) and Manpower Outsourcing supply (MPO). The BPO and MPO service offering allows WFC to serve clients with complete end-to-end support across multiple sectors and industries.

At a Glance

Manage
250,000+ Calls

Financial transactions per year
AED 1 Bn+

Annual procurement spend
AED 500 Mn

Revenue increase of
350%

Support clients manpower
Over 8,000

Employees
250+

Business Profile

WFC Holding has a number of entities, including: Workforce Connexion LLC, a leading manpower supply company; Integrated Business Centre LLC, which offers shared services for various HR, finance, IT, procurement, marketing, contact centre and legal units; Corporate Solutions Consultants LLC for HR, strategy, and management consulting services; Multi Serve Typing Centre LLC for HR, legal, PRO and typing services, including government relations services.

Key Services

- Corporate outsourcing services (BPO)
- Strategy and management consultancy services (BPO)
- Outsourced manpower services (MPO)
- Business process outsourcing: HR, finance, procurement, IT, marketing, call centre and legal (BPO)
- HR, administration and recruitment services (MPO)
- HR PRO and government typing services (MPO)

Key Verticals

- Aerospace
- Defense
- Technology / AI
- Government
- F&B
- Real Estate
- Education
- Hospitality
- Manufacturing
- Retail

Key Clients

Our Strategic Initiatives

WFC Holding delivered market expansion through strategic initiatives related to customer diversification, widening its verticals and growing product offerings. To meet such an ambitious growth roadmap and achieve future global growth, WFC Holding continued collaboration discussions with a range of channel partners to allow rapid scaling while retaining quality service standards. The company invested substantially in technology such as SAP, proprietary software and autonomous workflow capability, thus achieving a flexible and scalable business model. The company also created an all-in-one Contact Centre Hub to effectively engage and manage rising customers.

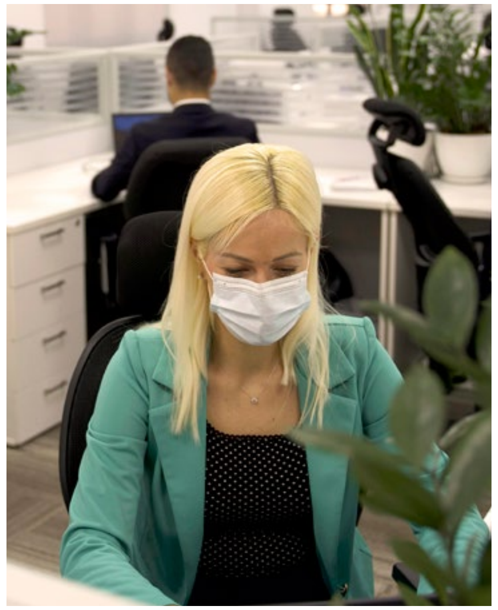
2.15 WFC Holding

Our Management

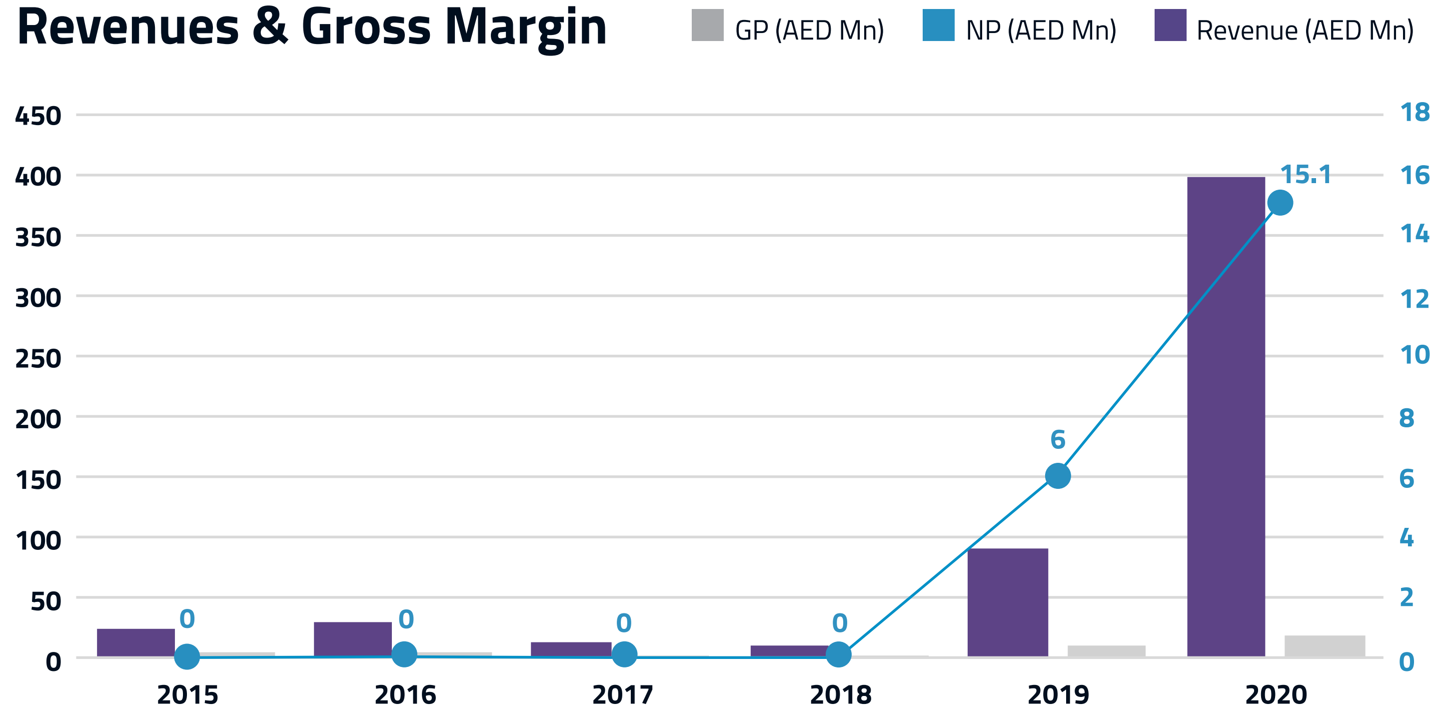
Craig Ambrose
Chief Executive Officer (CEO)

Qualifications
MBA, University of Stirling, UK, 2010

Experience
With 20+ years of experience, Craig has held various HR & Operations Management roles within start-up, turnaround, and high-growth business environments. In November 2016, he joined the Royal Group Management LLC as Group CHRO. Since 2018, he has led WFC Holding as CEO. He is focused on creating data-driven smart solutions for all WFC Holding corporate clients.



Revenues & Gross Margin

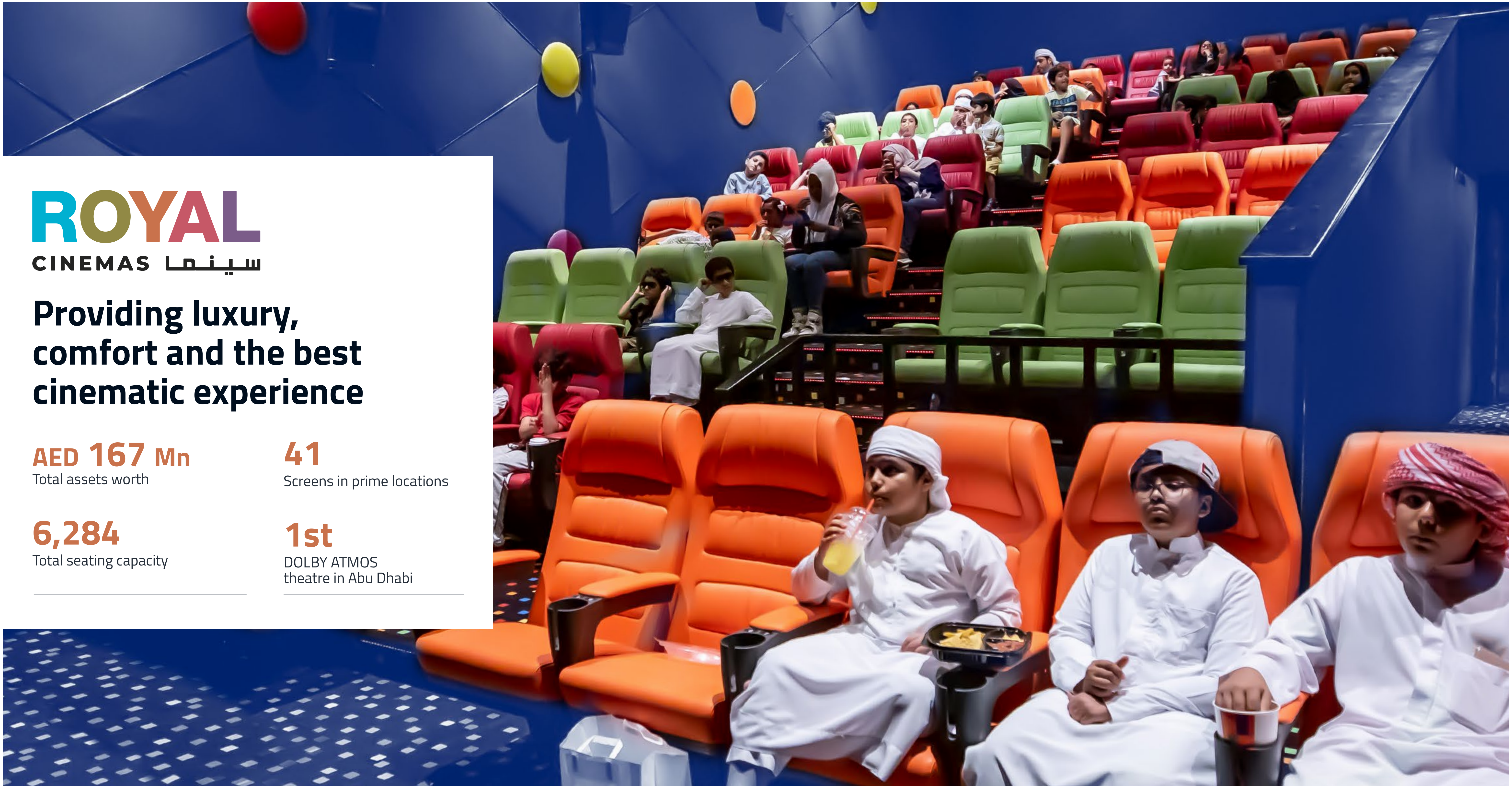


Business Performance Report

- 2020 was another record-breaking year for the company with a great overall performance considering the challenges the year brought.
- WFC achieved a high revenue growth from AED 90 Mn in 2019 to AED 405 Mn in 2020 with a 350% increase as compared to the previous year.
- Following the same trend, the net profit has increased by 150%, from AED 6 Mn in 2019 to AED 15 Mn in 2020.
- A net cash growth of 480% was achieved, from AED 5 Mn in 2019 to AED 29 Mn in 2020.
- The company has greatly streamlined its operations and digitized an important aspect of its business with the launch of the Human Resources mobile application.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	8	8	7	9	32	106
Liabilities	7	7	6	8	25	85
Equity	1	1	1	1	7	21



ROYAL
CINEMAS سينما

Providing luxury, comfort and the best cinematic experience

AED 167 Mn
Total assets worth

41
Screens in prime locations

6,284
Total seating capacity

1st
DOLBY ATMOS
theatre in Abu Dhabi

2.16 Royal Cinemas

Overview

Royal Cinemas is a chain of cineplexes with 41 screens across four locations in Abu Dhabi. As an ISO 9001:2015 certified brand, it is the first cineplex to bring 3D technology to the Emirate's cinemas. The company is invested in making the silver screen experience comfortable, enjoyable and technologically unmatched.

At a Glance

1st Cinema theatre to introduce
SONY 4K digital projector in UAE

Revenue
AED 23.38 Mn

Certified
ISO 9001:2015

Outlets
4

Implementation of
Online purchase of concession

Introduction of
Kids cinema

Business Profile

Royal Cinemas was established in Abu Dhabi in November 2007 and is a subsidiary of International Holding Company (IHC). Luxury, comfort and the best viewing experience are the foremost priorities for Royal Cinemas. We provide three viewing classes to suit every viewer's needs: standard, platinum and royal. All viewers are guaranteed the very best in terms of high-definition picture and sound quality.

Key Products

Cinema shows, snacks, on-screen advertisements and events booking

Key Services

Establishment management, F&B, hall rentals, events, online booking, and private screenings

Key Clients

Our Strategic Initiatives

By maintaining proper precautionary measures such as 30% occupancy, temperature checks and sanitised premises, as well as the implementation of the online purchase of concession stand items, Royal Cinemas helped safeguard viewers' welfare and prevent the spread of COVID-19. The company appointed an external agency to audit the business. It also introduced a kids' cinema at Deerfields Mall and signed strategic partnerships with SAMBA Bank, RAK Bank and Fazaa card to offer discounted ticket rates.

2.16 Royal Cinemas

Key Milestones

- **2009** – Established and initiated operations for IT data center for Royal Group
- **2010** – Introduced Sony 4K digital cinema projectors in the UAE
- **2011** – Opened second outlet in Dalma Mall
- **2012** – Became the first UAE cinema to bring in a digital experience
- **2013** – Introduced DOLBY ATMOS cinema sound system
- **2014** – Opened third outlet in Ruwais Mall
- **2015** – Opened fourth outlet in Deerfields Mall
- **2016** – Recorded highest footfall of AED 1.61 Mn with AED 99 Mn in revenue
- **2019** – Acquired by International Holding Company PJSC

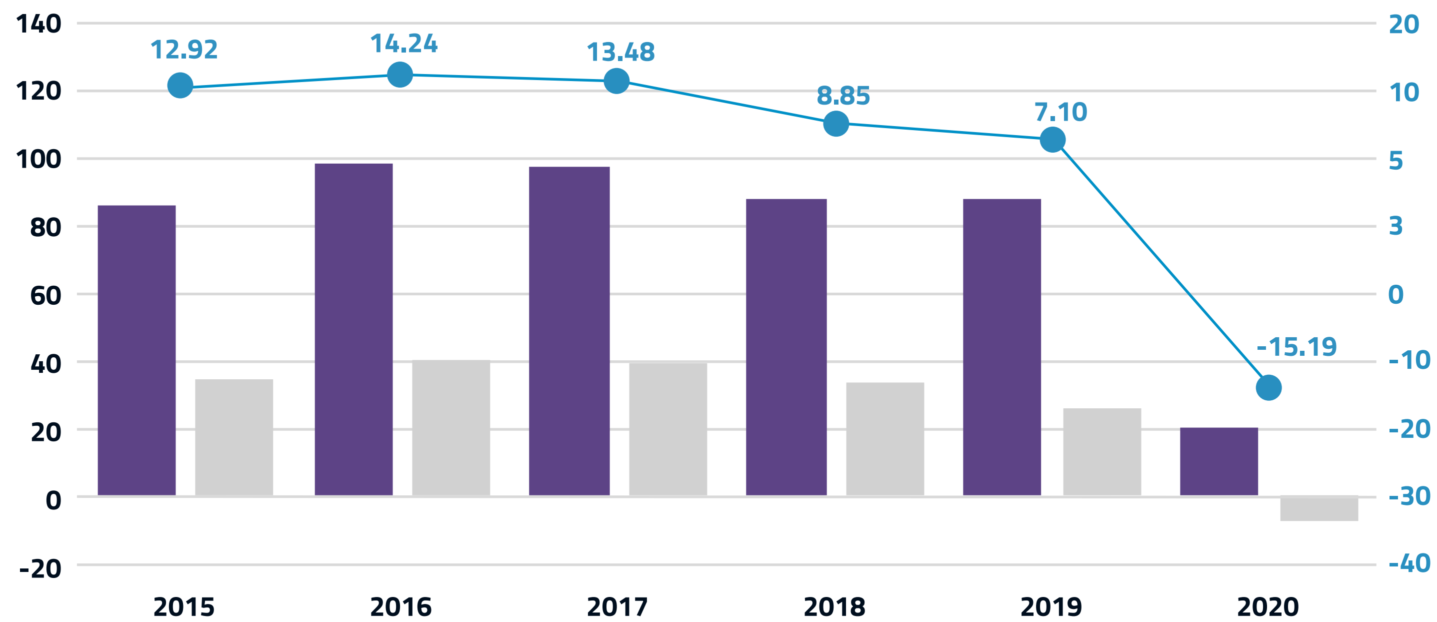
Our Management

Mohammed Al Qaisieh
Managing Director

Qualifications
BA, Mass Communication and Public Relations, AUST, UAE
MA, Environmental Science, University of Ain Shams, Egypt

Experience
With 22 years of multidisciplinary experience in the UAE and focused work in retail and distribution, Mohammed has been at the forefront of the company since 2007 playing a key role in its rapid growth. Prior to his current role, Mohammed worked as Manager for the Private Office of the late Sheikh Zayed Bin Sultan Al Nahyan.

Revenues & Gross Margin



Business Performance Report

- Royal Cinemas achieved a total revenue of AED 20.78 Mn until November 2020 despite complete closure of cinema outlets for over five months.
- Royal Cinemas supported measures to contain the spread of the pandemic following the government's directives in support of stopping the spread of the pandemic.
- Despite the 30% occupancy limit, re-opening Cine Royal recorded growth matching pre-pandemic levels.

2020 Balance Sheet (AED Mn)

Years	2015	2016	2017	2018	2019	2020
Assets	142.43	144.60	146.98	149.32	188.55	166.96
Liabilities	46.47	38.09	31.99	29.36	64.50	58.10
Equity	95.96	106.51	114.99	119.95	124.05	108.86

3.0 Corporate Governance

3.1. Introduction

Good corporate governance is a key factor in achieving effective leadership and sustainable corporate behaviour, ensuring the existence of an effective framework of internal controls, practices, policies, and systems. These together define clear levels of accountability and authority for decision making and enable management to take appropriate levels of risk within a culture of openness, ethics, and values.

This report gives an overview of International Holding Company's ("IHC," "Company," "Group") corporate governance systems and procedures as of December 31, 2020. It has been filed with Securities and Commodities Authority (SCA) and posted on the Abu Dhabi Exchange (ADX) website and the Group's website. It is governed by the Resolution of the Board of the Securities and Commodities Authority ("SCA") No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint-Stock Companies ("Resolution 3/2020"). The format of this report is prescribed by SCA.

IHC was established in 1999 and is a public joint stock company registered in ADX since 2005. During 2020, despite the challenging business environment due to COVID-19 pandemic situation, the Company has completed various strategic acquisitions within and outside GCC. The Company reinforced the principles of corporate governance and accountability and ensured the highest levels of transparency in its business. The Board is fully committed to constantly improve the Company's ethical culture, while achieving sustainable growth, protecting the interests as well as creating value for our shareholders and stakeholders.

3.2 Group Governance Structure

IHC believes that maintenance of an efficient organisational structure, systems for internal control and risk management as well as transparent internal and external reporting ensures that all operations create long-term value for shareholders and other stakeholders.

During 2020, IHC Group has been organised into six verticals and the operating business units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations as indicated below.

Vertical 1
Food, Beverages and Distribution

Vertical 2
Real Estate and Construction

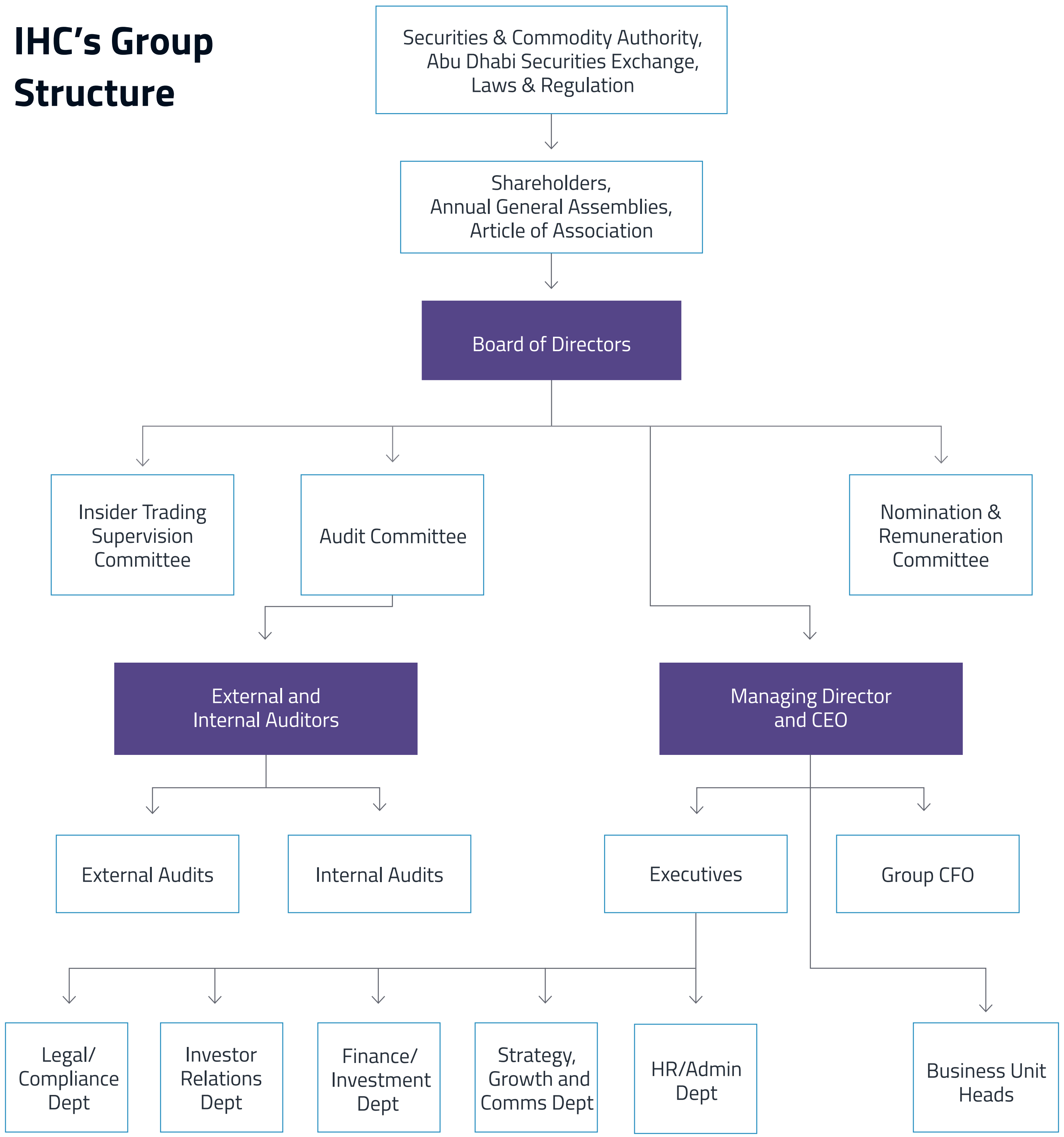
Vertical 3
Utilities

Vertical 4
Industries

Vertical 5
Digital, IT and Communications

Vertical 6
Capital

IHC's Group Structure



Annual Report 2020

3.3 Implementation of Corporate Governance Principles

3.3.1 Setting Up Stronger Foundation for Management and Oversight

It is the Board's role to provide effective leadership to promote the long-term sustainable success of IHC Group and to deliver long-term, sustainable value for shareholders. The Company is committed to the adoption of effective governance criteria and measures to efficiently execute operations with approved policies, procedures and delegation of authority that aim to achieve transparency. Considering the significant strategic acquisitions during 2019 and 2020 and ongoing expansion plans, the IHC Executive Management has committed to enhance the Corporate governance processes within the Group and has set up a Governance and Compliance team to facilitate and help the IHC Board in effective implementation.

The shareholders are the ultimate decision-makers with respect to the direction of the Company as they are responsible for appointing the Board of Directors. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's management.

The Company is managed by the Board of Directors composed of five members elected by the ordinary general assembly through cumulative secret ballot for a period of three years. The Board of Directors elect the Chairman and the Vice Chairman from among its members. The position of the Chairman of the Board of Directors and the position of the Managing Director are separate.

3.3.2 Role of Board and Effective Delegations

The Board is accountable to shareholders for the activities and performance of IHC by overseeing the creation of sustainable shareholder value within an appropriate risk framework. The Board is responsible for setting IHC's vision and strategy and approves strategic priorities each year to work towards fulfilling IHC's vision. Directors are actively involved in setting, approving and regularly monitoring IHC's strategic priorities and in holding management accountable for progress. This process includes regular Board reporting and meetings, discussion, and reviewing with management. Similarly, the Board ensures that rigorous governance processes operate effectively to guide decision-making across the business.

The Board's role and responsibilities are set out in the Board Charter, and they include:

- Set IHC's strategic direction / goals, approve and monitor corporate strategy (including subsidiaries), business plan, annual budget and any amendments thereto
- Review financial performance considering the strategy, business plan and budget of IHC and ensuring that, where necessary, corrective action is taken
- Approve Investment-related decisions – Mergers, Acquisitions, Reorganisation and Exits
- Establish, promote, and maintain proper processes and controls to preserve the integrity of accounting and financial records and reporting
- Approve the risk management framework of IHC including risk appetite, maximum limits or indicators of risk appetite
- Receive regular reports from IHC Management on all actual and anticipated strategic risks confronting IHC Group, including updates from the Audit and Risk Committee, as appropriate
- Adopt and oversee implementation of corporate governance practices
- Review Board composition and performance
- Determine recruitment, termination, reward, compensation and benefit matters for IHC MD and Senior Management
- Determine Managing Director's delegated authority

The Board has established committees, namely Audit and Risk Committee, Nomination and Remuneration Committee and Insider Trading Supervision Committee to assist in carrying out its responsibilities and to consider certain issues and functions in detail. The Board committees are discussed under paragraph 7.

The Board has delegated responsibility for oversight of the Internal Control Department (ICD) to the Audit and Risk Committee. The Company has appointed an Internal Control Manager in 2017. The Internal Control Department along with an outsourced service provider performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit and Risk Committee reviews the effectiveness of ICD.

The Board of Directors nominates the external auditor on the recommendation of the Audit Committee. The appointment and fees have been determined by the Company's General Assembly resolution.

3.3.3 Responsibilities Assigned to the Board Members and Executive Management

IHC Board, through a Power of Attorney, has delegated to the Chairman and Vice-Chairman certain powers as described below.

S.No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1	Board of Directors Members	Board of Directors Members authorised Chairman of the Board HH Sheikh Tahnoon bin Zayed Al Nahyan to execute and perform a set of disposals related to the Company and its subsidiaries, and this power of attorney was attested by the notary public.	From 27/10/2020 till 3 years
2	Board of Directors Members	Board of Directors Members of the Board of Directors authorised Vice Chairman of the Board Dr. Mhd Somar Ajalyaqin to execute and perform a set of disposals related to the Company and its subsidiaries, and this power of attorney was attested by the notary public.	From 27/10/2020 till 3 years

Annual Report 2020

IHC Board, through a Power of Attorney and Financial Delegation of Authority, has delegated to the Managing Director the authority and powers necessary to implement the strategies approved by the Board and to manage the business affairs of IHC Group within the policies and delegation limits specified by the Board from time to time. The Managing Director may further delegate authority to Business Unit's management but remains accountable for all authorities delegated. The Group has a decentralised corporate structure in which the overall management of operational activities is largely performed by the respective business unit leadership teams.

To enable this, the Managing Director has delegated his authorities on operational matters to the business unit heads through notarized power of attorney. IHC Senior Management holds monthly meetings with business units to review the performance, discuss strategic issues and agree on action plans.

The Board of Directors and Executive Management, represented by IHC Managing Director and CEO, Executive Officers and General Managers of IHC's business units, subsidiaries and affiliates, have been designated to perform the functions as per the following authorization:

S. No	Name of Authorised Person	Capacity of Authorisation	Period of Authorisation
1	Board of Directors Members	Board of Directors Members authorised IHC's Managing Director Syed Basar Shueb to execute and perform a set of disposals related to the Company and its subsidiaries, and this power of attorney was attested by the notary public.	From 27/10/2020 till 3 years
2	Managing Director	IHC Managing Director authorised the CEOs /General Managers of IHC's subsidiaries/affiliates to act on behalf of those subsidiaries/affiliates in: 1. Signing all contracts, agreements, and purchase orders for the day-to-day management and operation of the subsidiary/affiliate. 2. Leasing and renting of properties, warehouses, shops, stores, offices and other real estate item and signing on relevant lease contracts and agreements. 3. Executing the purchase, registration, deregistration, insurance and mortgage of vehicles and cars. 4. Filling, registration, and renewing all types of intellectual properties and rights. 5. Managing the appointment and dismissal of employees, consultants, experts, contractors, and brokers. 6. Signing, following up, delivering and receiving all types of transactions and documents before the local authorities, ministries, government or non-government bodies, and the public notary in the UAE. Represent the subsidiary/affiliate in litigation matters before the local courts and appoint and dismiss legal attorneys and advocates for that purpose.	Usually for a period of three years. Current POAs expire by or on 26 Oct 2023, unless revoked earlier

3.3.4 Institutionalisation of Corporate Governance Practices

The Board, as part of Institutionalisation of Corporate Governance practices across the Group, has approved a plan for development and implementation of key policies and procedures as follows:

Policies/Charters approved and issued by the Board.

- Financial Delegation of Authority Policy

Policies/Charters prepared and currently reviewed by the Board for issuance:

- Code of Conduct and Business Ethics to guide the conduct of directors and employees and prevent any influence on the employees' independence and objectivity, addressing matters such as conflict of interest, integrity, gifts and confidentiality
- Conflict of Interest Policy to provide guidance in identifying and handling potential and actual conflicts of interest involving the Group
- Anti-Fraud Policy to facilitate the development of controls that will aid in the detection and prevention of frauds and provide an overall framework for managing suspected cases of fraud
- Whistleblower Policy to foster the culture of raising any suspicion and/or concern in an easy and secure mechanism while maintaining anonymity
- Delegation of Authority for IHC, Subsidiaries and Affiliates of IHC to ensure efficient and effective decision-making which balances empowerment against controls
- Securities Trading Policy setting forth the Company's requirements, expectations and restrictions for ownership and trading in IHC Group's securities
- Board of Directors Charter for effective functioning of the Board

- Charters for effective functioning of the Board Committees namely Audit Committee, Nomination and Remuneration Committee and Insider Trading Supervision Committee

In addition to the above, the Governance and Compliance team is in the process of developing various policies and guidelines to promote and enhance higher corporate governance standards. IHC Board is committed to approve and issue these policies by the end of Q2, 2021.

3.3.5 Subsidiary Governance

With significant acquisitions in 2019 and 2020, IHC Board has set up a robust "Subsidiary Governance" framework to ensure a balance between the Group business objectives and Group companies while recognising the independence of subsidiaries.

Some of the key actions initiated in the Subsidiary Governance process are as below:

- IHC Group has been organised into six verticals, and the operating business units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations.
- A road map has been laid out for the establishment of Independent Board at Vertical level and/or Subsidiary level. Roles and responsibilities of subsidiary boards shall be clearly defined to ensure that the subsidiaries are run effectively.
- Clear governance structure has been defined. The Delegation of Authority Policy framework lists out the matters reserved for IHC Shareholders, IHC Board, Subsidiary Board / IHC Managing Director (where the subsidiary board is not established) and Subsidiary Management.
- Institutionalisation of Policies and Procedures across the Group has been initiated. IHC Management has set up the Governance and Compliance team with a mandate to develop various key policies and procedures and roll them out across the group to ensure consistency.
- Subsidiaries' strategic plan has been established along with a monitoring process to review actual performance against the plan.

3.3.6 Timely Disclosure to Investors and Stakeholders

IHC is committed to ensuring that all investors have equal and timely access to material information about IHC Group and that its announcements are factual and presented in a clear and objective manner. All materially price-sensitive announcements made by IHC are filed with ADX and made publicly available via the ADX company announcements platform.

3.3.7 Others

The Company's General Assembly convened on 28 September 2020 and resolved by a special resolution to amend the Articles of Association in accordance with Federal Law No. 2/2015 regarding commercial companies, and its amendments.

3.4 Board of Directors and Executive Management Transactions in Securities

3.4.1 Transactions report of the members of the Board of Directors, their spouses, and their children in the Company's securities during the year 2020

None of the board members, their spouses and their children have traded in Company's shares during 2020. As of 31 December, 2020, the board members, their spouses and their children do not own any shares in IHC.

3.4.2 Transactions report of the members of the Board of Directors resigned during the year 2020, and their spouses and their children in the Company's securities

S.No	Name	Position/ Kinship	Owned shares as of 01/01/2020	Total Purchase	Total sale	Owned shares as of 31/12/2020
1	Nader Ahmed Al Hammadi	Chairman	Nil	Nil	Nil	Nil
2	Hamad Khlfan Al Shamsi	Vice Chairman	1,000,000	Nil	Nil	1,000,000
3	Hamad Salem Al Ameri	Member	Nil	Nil	Nil	Nil
4	Elham Abdel Ghafoor Al Qasim	Member	Nil	Nil	Nil	Nil
5	Laith Bin Jerry Al Fraih	Member	Nil	Nil	Nil	Nil
6	Khalifa Yousef Khouri	Member	Nil	Nil	Nil	Nil

3.4.3 Transactions report of the executive management, their spouses and their children in the Company's securities during the year 2020

None of the members of executive management (termed as "Insiders"), their spouses and their children have traded in Company's shares during 2020. As of 31 December, 2020, the executive management members, their spouses and their children do not own any shares in IHC.

3.4.4 Rules and Procedures Governing the Transactions of Company Shares

The rules and procedures governing the transactions of the Board of Directors of the Company and its employees in securities issued by the parent Company or its affiliates or sister companies.

a. The Company and its Board of Directors, managers and employees shall abide by the resolution of the Authorities' Management Board of Directors No. (2)/2001 regarding the special system for trading, clearing, settlement, transfer of ownership and custody of securities.

b. The Chairman, members of the Board of Directors, directors and employees of the Company shall be prohibited from exploiting their company's internal information to purchase or sell shares in the Market, and any transactions thereof shall be considered null and void.

c. The Chairman, members of the Board of Directors, general managers or any of the employees of the Company who are familiar with the basic data of the Company may not act on their own or through others by dealing in the securities of the Company itself or that of the parent Company or affiliate or sister Company during the following periods:

- Ten (10) business days before the announcement of any material information that would affect the price of the share up or down unless the information is the result of abrupt and sudden events
- Fifteen (15) days prior to the end of the quarterly, semi-annual, and annual financial periods and until disclosure of its financial statements

Considerations of the provisions of the law shall be taken, when the above-mentioned persons act by themselves or through others to deal in the securities of the company itself or that of the parent company, affiliate or subsidiary or sister company, and any transaction contrary thereto shall be null and void.

In addition, the Board of Directors' is committed to ADX regulations relating to organisation of transactions of the members of the listed companies' management, Board of Directors and other inside traders.

3.4.5 The extent to which the Board members are committed to comply with disclosure requirements prescribed by the provisions of the Law and the regulations and decisions issued pursuant thereto in respect of their transactions in securities

Members of the Board of Directors have complied with the disclosure requirements prescribed by the provisions of the law, regulations and decisions issued pursuant thereto in respect of their transactions in securities issued by the Company.

3.5 Board of Directors Structure, Composition and Effectiveness

The Board is structured to ensure that it has an effective composition, size, commitment and an appropriate collective mix of skills, experience and expertise to discharge its responsibilities and duties. The present Board of Directors was elected at the Annual General Meeting held on 12/04/2020 for a term of three years. The Board currently has five members, comprising of an Independent Non-Executive Chairman, three Independent Non-Executive Directors and a NonIndependent Executive Director.

Board of Directors	Role	Category	Member Since
HH Sheikh Tahnoon bin Zayed Al Nahyan	Chairman	Independent, non-executive	2020
Dr. Mhd Somar Nassouh Ajalyaqin	Vice Chairman	Independent, non-executive	2020
Syed Basar Shueb Syed Shueb	Board Member & Managing Director	Non Independent, executive	2019
Sofia Abdellatif Lasky	Board Member	Independent, non-executive	2020
Mohammed Nasser Saif Howaiden	Board Member	Independent, non-executive	2020

The table below shows the names, roles, and capacities of the members in the Company's Board and its Committees who were elected at the Annual General Meeting held on 12/04/2020 (and further restructured at the Board Meeting on 04/10/2020) for a term of three years.

Board of Directors	Role	Category
HH Sheikh Tahnoon bin Zayed Al Nahyan	Chairman – Board	Independent, non-executive
Hamad Khlfan Al Shamsi	Vice Chairman – Board till 04/10/2020 Vice-Chairman – Audit Committee till 04/10/2020 Nomination and Remuneration Committee till 04/10/2020	Independent, non-executive
Sofia Abdellatif Lasky	Board Member Chairwoman – Audit Committee Member – Nomination and Remuneration Committee	Independent, non-executive
Nader Ahmed Al Hammadi	Board Member Chairman – Nomination and Remuneration Committee till 04/10/2020	Independent, non-executive

Board of Directors	Role	Category
Syed Basar Shueb	Board Member and Managing Director Chairman – Insider Trading Supervision Committee	Non-Independent, executive
Dr. Mhd Somar Ajalyaqin	Vice Chairman – Board Chairman – Nomination and Remuneration Committee Member – Audit Committee	Independent, non-executive
Mohammed Nasser Saif Howaiden Al Shamsi	Board Member Member – Audit Committee Member – Nomination and Remuneration Committee Member – Insider Trading Supervision Committee	Independent, non-executive

The table below shows the names, roles and capacities of the members in the Company's Board and its Committees whose term ended during the year 2020.

Board of Directors	Role	Category	Duration as Board of Directors Member
Laith Bin Jerry Alfraih	Board Member Chairman of Audit Committee NRC Committee Member	Independent, non-executive	From 2011 till April 2020
Khalifa Hussain Khouri	Board Member Member – NRC Committee	Independent, non-executive	From July 2019 till April 2020
Syed Basar Shueb	Board Member	Non Independent, executive	From July 2019 till April 2020
Hamad Salem Al Ameri	Board Member Member – Audit Committee Chairman – NRC Committee	Independent, non-executive	From 2017 till 2020

The table below shows the names, roles and capacities of the members in the Company's Board and its Committees who tendered their resignation during the year 2020.

Board of Directors	Role	Category	Duration as Member Board of Directors
Hamad Khlfan Al Shamsi	Vice Chairman Audit Committee Member	Independent, non-executive	2008 till 2020
Nader Ahmed Al Hammadi	Board Member	Independent, non-executive	2011 till 2020

3.5.1 Profile of Board Members

The section below shows the names, roles, experience, and capacities of the current Board of Directors.

HH Sheikh Tahnoon bin Zayed Al Nahyan
Chairman, Independent/ Non-Executive

HH Sheikh Tahnoon bin Zayed Al Nahyan has been the Chairman of International Holding Company (IHC) since April 2020. Tahnoon also chairs a number of leading business groups in the Emirate of Abu Dhabi such as First Bank of Abu Dhabi (FAB), ADQ (formerly, Abu Dhabi Developmental Holding Company PJSC) and the leading Artificial Intelligence and Cloud Computing group, G42.

In his government roles, Tahnoon is the National Security Adviser of the UAE, a position which he has held since 2016, by appointment of the President of the UAE, Khalifa bin Zayed Al Nahyan. In December 2020, Tahnoon was announced as a member of the board to a new entity, the "Supreme Council for Financial and Economic Affairs," which is set up to oversee Abu Dhabi's financial, investment and economic affairs, including the management of natural resources.

Dr. Mhd Somar Ajalyaqin
Vice Chairman, Independent/Non-Executive
Chairman – Nomination and Remuneration Committee
Member – Audit Committee

Dr. Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing almost two decades of business experience in various advisory roles in the UAE. Dr. Somar impeccable corporate knowledge and expertise, with a focus on M&A strategy and strategic growth of companies, have been integral to the successful performance of IHC.

During his tenure at IHC, he has at board level, been instrumental in all matters relating to business acquisitions and investments opportunities. Dr. Somar is a Board member of PAL Cooling Holding and Royal Group. He holds a degree in DAA from Syria.

Syed Basar Shueb
Board Member, Chief Executive Officer and Managing Director
Chairman – Insider Trading Committee

Syed Basar Shueb was appointed as a Board Member, Chief Executive Officer and Managing Director of IHC in July 2019. Prior to his tenure at IHC, Basar held the position of Group Chief Executive Officer of Pal Group of Companies since 2000.

An accomplished Senior Executive, Basar has substantial and diversified experience in the processing, manufacturing, construction, and service industries. He is known to be a decisive and pragmatic leader, creating cohesive and focused business units that grow profitable bottom lines. He is the founder of 'District Cooling' established in 2006, and today one of the key players in the UAE's utilities services sector.

Beyond IHC, he holds leadership positions on several companies such as Reem Finance PJSC, Chimera Investments LLC, Keyhole TIG (K-TIG) Limited and PAL Group of Companies.

Basar holds a bachelor's degree in Computer Engineering from Near East University, Nicosia, Turkish Republic of Northern Cyprus.

Mohammed Nasser Al Shamsi
Board Member, Independent/Non-Executive
Member – Audit Committee
Member – Nomination and Remuneration Committee
Member – Insider Trading Committee

Mohammed Nasser Al Shamsi is an International Affairs Specialist at the Presidential Level in the Ministry of Presidential Affairs. His role involves managing strategic relationships with foreign governments, diplomatic missions and international institutions.

He began his professional career in 2010 at Abu Dhabi Police where he held several posts before moving to the Supreme Council for National Security where he actively participated in the Council's international relations.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates University.

Sofia Abdellatif Lasky
Board Member, Independent/Non-Executive
Chairwoman – Audit Committee
Member – Nomination and Remuneration Committee

Sofia Lasky has been with IHC since April 2020, and brings experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring.

She has overseen the acquisition of numerous companies during her 16-year tenure at Royal Group in various industries such as real estate, contracting, food, preventive healthcare, and capital investments. Her contribution towards the growth of all Royal Group companies has been invaluable. Sofia served as a Board Member of Macquarie Capital Middle East LLC and hold a bachelor's degree in business information technology.

3.5.2 The Board Secretary

Board Secretary is the point of communication with the Board of Directors and Senior Management and plays a key role in the administration of important corporate governance matters.

Linda Ballout, IHC's investor relations officer, was given additional responsibilities and appointed as Board Secretary at Board Meeting 1 of 2020 held on 29 January 2020. Linda reports to the Board in relation to secretarial responsibilities.

The Board Secretary has the following key responsibilities:

- Working closely with the Board of Directors and Executives in the planning of board of directors' meetings as well as the mechanism of meetings (attendance, conference calls, virtual etc.)
- Creating and timely distributing of the agenda for board meetings as well as general meetings
- Recording and distribution of the minutes of board of directors' meetings
- Maintaining a full contact list of board members including board members' appointment dates, term of appointments and bios
- Updating, maintaining and safe storage of the minutes and other legal/related documents
- Having Knowledge of the meeting procedures, decision-making rules and governance policies
- Providing regular disclosures/announcements of the board meetings' results and financials
- Managing external correspondence and ensuring that requests related to the Board of Directors, or relevant to the governance of the Company, are reported and responded to in a timely manner
- Preparing presentations and other communication materials for meetings
- Maintaining the information and data disclosed to regulators, markets, or the public, on the Company's website
- Managing all formal correspondences
- Assisting in the preparation and review of key regulatory filings, corporate annual reports, and other reports, as well as other announcements regarding material events

3.5.3 Diversity – Women's representation in the Board of Directors in 2020

The company is committed to female representation in all aspects of its business including its Board, hence a female director was elected in the Company's Board of Directors bringing the female percentage in the Board to 20% of the total number of Board Members.

3.5.4 Board Induction and Development

The Chairman, with the support of the Board Secretary, is responsible for the induction of new directors and the continuous development of directors. All directors receive a tailored induction upon joining the Board, covering their duties and responsibilities. They also receive a full briefing on all key areas of the Group's business, and they may request further training as necessary.

3.5.5 Board Effectiveness Evaluation

The Board seeks to ensure that it is operating effectively and undertakes a review of its performance, individual Directors and Board committees at least once annually. Regular reviews of the Board's performance are conducted by the Chair with all Board members, and this involves consideration of the effectiveness of the Board and its committees having regard to the attributes, knowledge, skills and experience of each Director.

Based on the individual evaluation performed by the Board members, the Board believes that:

a. The Board of Directors and the board sub-committees are fully engaged in the oversight of the management of IHC and are fully discharging their responsibilities towards the shareholders.

b. The Directors are individually discharging their responsibilities as Directors of IHC.

3.5.6 Key Focus Areas for the Board During 2020

During 2020, the Board of Directors focused and made decisions on various areas as detailed below:

a. Strategic, Operations and Finance

- Approved the annual budget and business plan
- Pursued robust acquisition plan and approved acquisitions of various strategic investments (details given in Para 19)
- Reorganised IHC Group's structure by creating 6 verticals
- Approved IHC's new logo and branding
- Reviewed updates from the management on the Group's performance.
- Reviewed the Group's debt, capital and funding arrangements.
- Digital Transformation: Implementation of Oracle EPM Solution which would facilitate automated consolidation of financial statements for 10 sub-groups comprising of 92 entities.

b. Governance

- Restructuring IHC's Board
- Listing of three subsidiaries on ADX
- Approval of Financial Delegation of Authority Policy
- Establishment of the Governance and Compliance team and approval of Corporate Governance implementation plan.
- Approval of investment in ERP system to enhance the financial reporting process.

c. Risk Management

- Regular review with Executive Management on COVID-19 pandemic situation.
- Identified and capitalised on various strategic and operational opportunities resulting in the optimisation of the overall financial performance of the Group.

3.6 Board of Directors Other Statements

3.6.1 Method to Determine the Remunerations of the Board of Directors

The Board of Directors' remuneration shall be set forth in the Articles of Association of the Company, subject to the provisions of Federal Law No. (2)/2015 regarding commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.

The Company may also pay additional expenses or fees or monthly salary to the extent determined by the Board of Directors for any of its members, if this member is working in any committee, or exerts exceptional efforts or performs additional work to serve the Company, beyond his or her normal duties as a member of the Board of Directors of the Company. In all cases, directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserve.

3.6.2 Total Remunerations Paid to the Members of the Board of Directors in 2020

- During the year 2020, a total remuneration of AED 3.5 million has been paid to the Board of Directors as an attendance fees for the year 2019.

- No remuneration has been proposed as remuneration for the Board of Directors for the year 2020.

- **Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for the year 2020.**
  No Allowances received for attending the sessions of the Board of Directors and the committees emanating from the Board for the year 2020.

- **Details of the additional allowances, salaries or fees received by a Board member, during the year 2020, other than the allowances for attending the committees and their reasons.**
  No allowances, salaries, or additional fees were disbursed during the year 2020.

3.6.3 Board Meetings

The Board of Directors has convened seven times during 2020 as follows:

No	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1	January 29 2020	5	1	2	Hamad Khlfan Al Shamsi Elham Abdulghafoor Alqasim
2	March 18 2020	7 (1 via con-call)	-	-	-
3	April 20 2020	7 (5 via video-call)	-	-	-
4	May 15 2020	(6 via video-call)	-	-	-

No	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
5	August 10 2020	7 (4 via video-call)	-	-	-
6	October 4 2020	5 (3 via video-call)	-	-	-
7	October 28 2020	5 (2 via video-call)	-	-	-

Board meetings attendance during the year 2020 is detailed below:

Board of Directors	No. of Absences / No. of Meetings	First Meeting 29/1/20	Second Meeting 18/3/20	Third Meeting 20/4/20	Fourth Meeting 15/5/20	Fifth Meeting 10/8/20	Sixth Meeting 04/10/20	Seventh Meeting 28/10/20
Nadir Ahmad Al Hammad	-	✓	✓	✓	✓	✓	Resigned	
Hamad Khlfan Al Shamsi	1	Proxy to Syed Basar Shueb	✓	✓	✓	✓	Resigned	
Syed Basar Shueb	-	✓	✓	✓	✓	✓	✓	✓
Khalifa Yousef Khouri	-	✓	✓	Resigned				
Hamad Salem Alameri	-	✓	✓	Resigned				
Laith Jerry Alfraih	-	✓	✓	Resigned				
Elham Abdel Ghafoor Al Qasim	1	X	✓	Resigned				
HH Sheikh Tahnoon bin Zayed Al Nahyan	-	N/A	N/A	✓	✓	✓	✓	✓
Sofia Abdellatif Lask	-	N/A	N/A	✓	✓	✓	✓	✓
Dr. Mhd Somar Ajalyaqi	-	N/A	N/A	✓	✓	✓	✓	✓
Mohammed Nasser Al Shamsi	-	N/A	N/A	✓	✓	✓	✓	✓

N/A indicates that a board member was not a member of the Board of Directors at the time of meeting.

3.6.4 Summary of Board Resolutions Passed During 2020

a. Resolutions Passed at Board Meetings

Sr.No	Board Meeting Date	Resolutions Passed
1	4 October 2020	● Appointment of Vice-Chairman of IHC Board ● Changes and appointment of members to Board Sub Committees ● Grant of Power of Attorney (POA) to Chairman, Vice Chairman and Managing Director ● Approval of Bank Mandate for IHC
2	10 August 2020	Approved the acquisition of the following entities by IHC subsidiaries: ● Apex Alwataniah Catering LLC – 60% of the share capital through the subsidiary IHC Food Holding LLC ● R Med Medical Supplies LLC – 52% of the share capital through the subsidiary IHC Industrial Holding LLC ● 94% of the share capital of Falcon CI IV LP, a Cayman Islands-based fund which has invested in Space X ● Afkar Group of Companies LLC – 60% of the share capital through the subsidiary IHC Industrial Holding LLC Approved the proposed amendments to IHC's Articles of Association and to call for General Assembly meeting of shareholders on 10 September 2020, to pass a special resolution approving the amendments.
3	15 May 2020	Approved the acquisition of full shares of the following companies by IHC subsidiaries: ● Multiply Marketing Consultancy LLC (by IHC Digital Holding LLC) ● Royal Architect Project Management LLC (by IHC Real Estate Holding LLC) ● Royal Development Company LLC (by IHC Real Estate Holding LLC) ● Workforce Connexion LLC
4	20 April 2020	● Election of the Chairman and Vice-Chairman of the Board ● Appointment of members of the Board's sub-committees ● Grant of Power of Attorney (POA) to the Chairman, Vice Chairman and Managing Director

5	18 March 2020	Approved the acquisition of: ● The full shares of Al Seer Marine Supplies & Equipment LLC, Al Seer Marine Boats Building LLC and AGRINV SPV RSC Ltd ● The full shares of Dashing International Group LLC, Bedashing Beauty Lounge LLC, Bedashing Beauty Lounge International Limited, and Nippers & Scissors Training Center LLC ● 55% of shares in EasyLease Motorcycle Rental LLC, and 67% of Uplift Delivery Services LLC ● Investment in Esyasoft Holding Ltd. for a consideration of USD 2.5mn under convertible notes, through the subsidiary IHC Capital Holding LLC

b. Other Board Resolutions

Sr No	Board Meeting Date	Resolutions Passed
1	29 January 2020	Approved by circulation the acquisition of all the shares of **Royal Technology Solutions LLC** to be acquired by IHC Digital Holding LLC and IHC Companies Management LLC
2	11 February 2020	Approved by circulation the acquisition of 31.5% shares of **Pure Health Medical Supplies LLC** through the subsidiary IHC Capital Holding LLC and communicated to the market
3	17 February 2020	Approved the full acquisition of Al Tamouh Investments LLC shares through the subsidiary IHC Real Estate Holding LLC and communicated to the market
4	15 May 2020	Approved the incorporation of **WFC Holding - Sole Proprietorship** by the subsidiary IHC Digital Holding LLC, and acquired 100% shareholding in the following companies: a. Workforce Connexion LLC b. Corporate Solutions Consultants LLC c. Multi Serve Typing and Transactions Follow Up LLC
5	17 August 2020	Transfer of 100% of Tamouh Healthcare LLC shares to IHC Industrial Holding LLC and IHC Companies Management LLC
6	19 August 2020	Incorporation of 3 companies being Quant Lase Lab LLC, Sanimed International Lab & Management, and Medi Q Healthcare LLC
7	25 November, 2020	Incorporation of a joint venture company called Fooj Firefighting Services LLC, acquired 75% by IHC Industrial Holding LLC

3.7 Board of Directors Committees

3.7.1 Audit Committee

It is the responsibility of the Committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organisation.

Audit Committee Chairman's Acknowledgment

The Chairman of the Audit Committee, Sofia Abdellatif Lasky, acknowledges responsibility for discharging the Audit Committee's mandate across the Group including review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Audit Committee.

Members of Audit Committee Prior to 20/04/2020

S.No	Name	Title	Category
1	Laith Jerry Al Fraih	Chairman	Independent/non-executive
2	Hamad Khlfan Al Shamsi	Vice Chairman	Independent/non-executive
3	Hamad Salem Alameri	Member	Independent/non-executive

Members of Audit Committee as of 20/04/2020

S.No	Name	Title	Category
1	Sofia Abdellatif Lasky	Chairwoman	Independent/non-executive
2	Nader Ahmed Alhammadi	Vice Chairman	Independent/non-executive
3	Mohammed Nasser Al Shamsi	Member	Independent/non-executive

Members of Audit Committee as of 31/12/2020

S.No	Name	Title	Category
1	Sofia Abdellatif Lasky	Chairwoman	Independent/non-executive
2	Mhd Somar Ajalyaqin	Vice Chairman	Independent/non-executive
3	Mohammed Nasser Al Shamsi	Member	Independent/non-executive

Audit Committee Functions

Financial Reporting

- Review with the management and external auditors all significant matters including audit opinions on the quarterly, half yearly (as applicable) and year-end financial statements and recommend their adoption by the Board.
- Monitor compliance with financial reporting standards and regulatory requirements.
- Review significant accounting and reporting issues.

Corporate Governance

- Oversee and monitor the implementation of the corporate governance framework within IHC and ensure compliance to the regulatory requirements.
- Review and recommend to the Board, the Annual Governance Report submitted to the regulatory authorities.

Internal Control and Risk Management

- Ensure an annual review of internal control system is performed to determine the overall adequacy and effectiveness of IHC Internal Control System.
- Consider the effectiveness of IHC's risk management processes and internal control systems, including information systems, technology, security and control.
- Review the assessment and responses to the risk of fraud, particularly management fraud as this typically involves override of internal controls.

External Audit

- Oversee and make recommendations on the appointment of external auditors to the Board, their fees, and any questions relating to their resignation or removal.
- Approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- Assess their independence and objectivity annually, considering relevant professional and regulatory requirements and the relationship with the auditor, including the provision of any non-audit services.
- Meet regularly with the statutory auditor to discuss the auditor's remit and any issues arising from the audits.
- Ensure that the senior Management is taking necessary corrective actions to address the findings and recommendations of statutory auditors in a timely manner.

Group Internal Audit

- Review and approve audit plans, budget, staffing, and organisational structure of the Internal Audit Function and related internal control activities.
- Review the appointment, resignation or dismissal of the Internal Audit Staff and the internal audit provider, in case of an outsourced service provider.
- Review all reports submitted to the Committee by the Internal Audit Function and monitor management response and action related to the findings and recommendations.
- Review performance of the Internal Audit Function/Outsourced Internal Audit service provider (as applicable) and evaluate its performance on an annual basis.
- Report to the Board all matters presented to the Audit Committee by virtue of the delegation.

Compliance Monitoring

- Monitor the status of IHC's compliance with applicable laws, regulation and agreements, Management's efforts to monitor compliance with IHC's Code of Business Conduct (CBC).
- Review the related parties' transactions with the Company and ensuring that there is no conflict of interest and recommending them to the Board of Directors before their conclusion.

Audit Committee Meetings During the Year 2020

<table>
<tr><th>Board of Directors</th><th>No. of Absences / No. of Meetings</th><th>First Meeting 29/1/20</th><th>Second Meeting 17/3/20</th><th>Third Meeting 10/4/20</th><th>Fourth Meeting 6/8/20</th><th>Fifth Meeting 9/8/20</th><th>Sixth Meeting 26/10/20</th><th>Seventh Meeting 9/11/20</th></tr>
<tr><td>Laith Jerry Al Fraih</td><td>-</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td colspan="3">Resigned</td></tr>
<tr><td>Hamad Khlfan Al Shamsi</td><td>1</td><td>X</td><td>✓</td><td>✓</td><td>✓</td><td colspan="3">Resigned</td></tr>
<tr><td>Hamad Salem Alameri</td><td>-</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Sofia Abdellatif Lasky</td><td>-</td><td colspan="2">Was not on the Audit Committee membership</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Nader Ahmed Al Hammadi</td><td>-</td><td colspan="2">Was not on the Audit Committee membership</td><td>✓</td><td>✓</td><td>✓</td><td colspan="2">Resigned</td></tr>
<tr><td>Mohammed Nasser Al Shamsi</td><td>1</td><td colspan="2">Was not on the Audit Committee membership</td><td>X</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Dr. Mhd Somar Ajalyaqin</td><td></td><td colspan="2">Was not on the Audit Committee membership</td><td colspan="3">Was not on the Audit Committee membership</td><td>✓</td><td>✓</td></tr>
</table>

3.7.2 Nomination and Remuneration Committee

Nomination and Remuneration Committee Chairman's Acknowledgment

The Chairman of the Nomination and Remuneration Committee, Dr. Mhd Somar Ajalyaqin, acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, reviewing its working mechanism and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

Members of Nomination and Remuneration Committee Prior to 20/04/2020

S. No	Name	Title	Category
1	Hamad Salem Al Ameri	Chairman	Independent/non-executive
2	Khalifa Yousif Khouri	Vice Chairman	Independent/non-executive
3	Laith Jerry Alfraih	Member	Independent/non-executive

Members of Nomination and Remuneration Committee as of 20/04/2020

S. No	Name	Title	Category
1	Nader Ahmed Al Hammadi	Chairman	Independent/non-executive
2	Dr. Mhd Somar Ajalyaqin	Vice Chairman	Independent/non-executive
3	Hamad Khlfan Al Shamsi	Member	Independent/non-executive

Members of Nomination and Remuneration Committee as of 31/12/2020

S. No	Name	Title	Category
1	Dr. Mhd Somar Ajalyaqin	Chairman	Independent/non-executive
2	Sofia Abdellatif Lasky	Vice Chairwoman	Independent/non-executive
3	Mohammed Nasser Al Shamsi	Member	Independent/non-executive

Nomination and Remuneration Committee Functions

- Propose policies and criteria for membership in the Board and Senior Management. The policy shall consider gender diversity and encouraging active participation of women.
- Identify individuals qualified to become Board members, consistent with criteria approved by the Board, and recommend to the Board the director nominees for the next annual meeting of shareholders.
- Regularly review the structure, size and composition (including the skills, knowledge, and experience) required of the Board compared to its current position, and make recommendations to the Board with regard to any changes.
- Continuously ensure that independent Directors remain independent throughout the term of their office.
- If the Committee finds that a member lacks the conditions of independence, it shall submit the matter to the Board to notify the member by a registered letter to his address known to the Company about the grounds of lacking independence. The member shall reply to the Board within15 days from the notice date. The Board shall issue a decision that the member is independent or not independent at the first meeting following the member's reply or expiration of the period referred to earlier without reply.
- Subject to the provisions of Article (145) of the Companies Law, if the decision of the Board regarding lacking reasons or justifications for the member's independence affects the minimum percentage of its independent members, the Board shall appoint an independent member to replace this member if they submitted their resignation due to lack of independency. If the member refuses to resign, the Board shall present the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.
- Conduct an annual evaluation of Board performance and the performance of Board members and Committees to determine ways to strengthen their effectiveness.
- Identify the competencies required for senior management positions and the basis of selecting them.
- Consider succession planning for directors and other senior executives in the course of their work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.
- Formulate and carry out an annual review of policies on granting remunerations, benefits, incentives and salaries to Board members and employees of the Group.
- Ensure linking the remunerations and bonuses, including the other deferred options and remunerations and benefits offered to senior management to the performance of the Company in the medium and long term.
- Annually review executive compensation trends and policies at peer groups of companies and make relevant modifications to its their own policies and practices to consider market practice.
- Oversee any major changes in employee benefit structures throughout the Group.
- Develop, recommend and review the Group's human resources and training policies and monitor their implementation.

Nomination and Remuneration Committee Meetings During the Year 2020

Name	No. of absences / No. of Meetings	First Meeting 29/01/2020	Second Meeting 17/03/2020
Hamad Salem Al Ameri	-	✓	Resigned
Khalifa Yousef Khouri	1	X	Resigned
Laith Jerry Al Fraih	-	A	Resigned
Nader Ahmed Al Hammadi	-	Was not on RemCo Committee membership	✓

Dr. Mhd Somar Ajalyaqin	-	Was not on RemCo Committee membership	✓
Hamad Khlfan Al Shamsi	-	Was not on RemCo Committee membership	✓

Insider Trading Supervision Committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of insiders, maintain their register, and submit statements and periodic reports to the market.

Insider Trading Supervision Committee Chairman's Acknowledgement
Syed Basar Shueb (Chairman, Insider Trading Supervision Committee) acknowledges his responsibility for the committee system in the Company, reviewing its work mechanism and ensuring its effectiveness.

Members of the Insider Trading Supervision Committee prior to 20/04/2020

No	Member Name	Committee Position	Position according to Organisational
1	Laith Al Fraih	Committee Chairman	Chairman – Audit Committee
2	Mamoon Othman	Member	Chief Executive Officer (Food Division)
3	Mohamed Yaser Bader	Member	CFO (ADL Group)

Members of the Insider Trading Supervision Committee as of 20/04/2020

No	Member Name	Committee Position	Position according to Organisational
1	Dr. Mhd Somar Ajalyaqin	Committee Chairman	Vice Chairman – Board Vice Chairman – RemCo
2	Sofia Abdellatif Lasky	Member	Chairwoman – Audit Committee
3	Mohamed Yaser Bader	Member	CFO (Emirates Refreshment PJSC)

Members of the Insider Trading Supervision Committee as of 31/12/2020

No	Member Name	Committee Position	Position according to Organisational
1	Syed Basar Shueb	Committee Chairman	Managing Director and CEO
2	Mohamed Yaser Bader	Member	CFO (Emirates Refreshment PJSC)
3	Mohammed Nasser Al Shamsi	Member	Member – Audit Committee Member - RemCo

3.7.3 Insider Trading Supervision Committee Functions

- Provide guidance to the Board and Senior Management on insider trading.
- Monitor compliance with the IHC Securities Trading Policy. The Committee shall initiate disciplinary action against non-compliant employees.
- Evaluate where the employee or third party (such as Group's auditors, bankers, lawyers, outsourced employees, professional advisers etc.) may be classified as an insider based on direct or indirect access to "inside information" which may affect the Group's share price and/or trading in Group's shares either directly or through others.
- Maintain an Insiders Register (both permanent and temporary insiders) and submit the register to ADX on a periodical basis. The register shall include necessary data of the insiders, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data.
- Provide effective communication to ADX/SCA regarding closed periods, temporary suspension of trading and insider trading.
- Appoint a secretary to perform the secretarial functions of the committee. The secretary's role shall include preparing and circulating an agenda in advance of each meeting, taking, and maintaining meeting minutes and circulating them after the meetings.
- Carry out such additional duties related or incidental to the foregoing as may be requested by the Board from time to time regarding matters related to insider trading.
- Report to the Board on an annual basis in compliance with the policy and regulatory requirements, exceptions noted, and actions taken to address the exceptions.

Insider Trading Supervision Committee Meetings During the Year 2020

No	Member Name	Committee Position	Position according to Organisational Chart	Meeting date 28/06/2020
1	Dr. Mhd Somar Ajalyaqin	Committee Chairman	Chairman – Audit Committee	✓
2	Sofia Abdellatif Lasky	Member	Chairwoman – Audit Committee	A
3	Mohamed Yaser Bader	Member	CFO (Emirates Refreshment PJSC)	A

Summary of the Committee Work During the Year 2020

The committee reviewed the rules of dealing for controlling private transactions of conversant persons, reviewing the mechanism of keeping related records. In addition, the committee followed the necessary procedures to ensure the highest levels of compliance with legislation and best practice for corporate governance.

3.8 Executive Management

The following table lists out Senior Executives in the Group, their designations, appointment dates and total salaries, allowances and bonuses during the year 2020:

Position	Appointment Date	Total Salaries and Allowances Paid During 2020 - in Dirham	Total Bonuses* during 2020 - in Dirham	Any Other Bonuses to Be Paid in the Future for 2020 – in Dirham
Executive Board Member and Managing Director	29/07/2019	2,097,888	-	-
Group CFO	10/06/2018	1,355,617	465,424	-
CEO (Food Division)	01/04/2012	1,519,571	-	-
Chief Operating Officer (ESPL Group)	27/05/2006	1,189,779	1,256.081	-
General Manager (PAL Cooling Holding)	30/06/2019	1,176,440	847,924	-
CEO (International Securities)	01/11/2019	976,238	496,911	-
CEO (Zee Store)	01/11/2019	726,895	4,740,000	-
CEO (Palms Sports)	01/11/2019	1,470,207	15,825,000	-
Managing Director (Cine Royal)	01/11/2019	863,325	4,740,000	-
CEO (Tamouh)	01/01/2020	2,337,534	-	-
CEO (Al Seer Marine)	01/01/2020	1,114,193	1,885,742	-
CEO (WFC Holding)	01/04/2020	1,272,946	1,569,242	-
CEO (Multiply Marketing)	01/04/2020	920,952	153,998	-
CEO (Royal Technology Solutions)	01/04/2020	735,197	860,523	-
CEO (Bedashing)	01/04/2020	681,800	291,381	-
CEO (RADC and RAPM)	01/07/2020	640,511	365,095	-
CEO (Apex Catering)	01/07/2020	398,398	-	-

* Bonus includes share-based payments.

3.9 Related Parties Transactions

Summary of related parties major transactions (Above AED 1,000,000) during the year 2020

Sr No	Description	Consolidated Amount (AED)
	AMOUNTS DUE FROM RELATED PARTIES (Relationship: Associates related to major shareholder)	
1	Hydra Properties	128,533,894
2	Meena Holdings LLC	113,947,319
3	Chimera Investments LLC	81,635,203
4	The Private Affairs Department of Sheikha Fatima	76,551,379
5	Pal Technology Services LLC	49,421,817
6	Tafseer Contracting & General Maintenance Company LLC.	28,106,255
7	Royal Group Companies Management LLC	26,950,384
8	Trojan General Contracting LLC	25,028,985
9	Meena Palace	22,814,664
10	RG Procurement RSC LTD	13,149,848
11	Pure Health	10,624,285
12	Reem Emirates Aluminum LLC	6,222,594
13	Mauqah Technology LLC	6,018,106

Sr No	Description	Consolidated Amount (AED)
AMOUNTS DUE TO RELATED PARTIES (Relationship: Associates related to major shareholder)		
1	Trojan General Contracting LLC	256,785,559
2	Chimera Investments LLC	152,021,500
3	Infinity TV FZ LLC	68,702,882
4	Bunya Enterprises LLC	62,043,919
5	International Golden Group PJSC	51,453,389
6	Power House Group for Company Management LLC	38,852,163
7	National Projects & Construction LLC (NPC)	23,754,137
8	Royal Group Companies Management LLC	12,555,990
9	Pal Technology Services LLC	6,847,626
10	Royal Group Holdings LLC	6,815,199
11	Al Maha Modular Industries LLC	6,512,347

3.10 Risk Management and Internal Control System

The Board of Directors acknowledges its responsibility for the Company's risk management and internal control system, its review and effectiveness.

3.10.1 Risk Management

Risk Management is the responsibility of the Board and is integral to the achievement of our strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite of the Group and maintaining a sound internal control system. The Group's Audit and Risk Committee oversees the risk management process and assesses the effectiveness of risk management within the Group.

The Group's business has been structured into six verticals based on sectors/industries, and operating businesses have been categorised into one of these verticals. The risk management responsibility and accountability, therefore, vests largely with vertical management / business unit management structures. Any risk taken is considered within the Group's risk appetite and tolerance levels, which are reviewed annually by IHC Board.

The risk assessment process identifies areas of opportunity as well, whereby effective risk management can be turned into a competitive advantage, or where taking certain risks could result in reward for the Group. During the first half of 2020, IHC made investments in scientific research and development and healthcare sectors as a response to the COVID-19 pandemic. IHC's research arm, QuantLase Lab, trialled and launched its unique Laser DPI screening test, enabling rapid and accurate detection of infected patients. The rollout of the technology has garnered significant commercial interest, thereby resulting in enhancing IHC's financial performance for 2020. The Group also ensures a comprehensive insurance coverage exists and addresses material financial consequences arising out of potential risk events.

3.10.2 Internal Controls

The Board is responsible for establishing and maintaining an effective system of internal control within which the Group operates. The objective of the Group's internal control framework is to ensure that policies and procedures are properly documented, maintained and adhered to, and are incorporated by the Group within its normal management and governance processes. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved. The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

3.10.3 The Board of Directors' Acknowledgement of it Responsibility for the Internal Control System and its review and effectivenes

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

3.10.4 Profile of Internal Control Department In-charge

Ishtiaque Ahmed has assumed the role of Internal Control Department Manager and Compliance Officer (Date of appointment 18/06/2017).

He holds a Bachelor of Commerce and Certified Internal Auditor (CIA) designation from the Institute of Internal Auditors (USA). He has more than 10 years of experience in accounting and internal auditing with Chartered Accountant firm, as well as commercial and contracting companies.

In order to adapt to the changing needs of the organisation and to enhance assurance over internal controls and risk management, we have outsourced our internal audit function during the year 2020. Internal audit activity is performed by Protiviti, reporting functionally to the Audit Committee. Internal Audit activity of Tamouh Investments is performed by KPMG. Final audit reports issued by KPMG are reviewed and summarised by Protiviti as part of their reporting to the Audit Committee.

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through our network of more than 85 offices in over 25 countries.

Named to the 2020 Fortune 100 Best Companies to Work For® list, Protiviti has served more than 60 percent of Fortune 1000 and 35 percent of Fortune Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti Member Firm, Presence in the Middle East Region

Protiviti has a strong presence in the Middle East Region with offices across Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar and Saudi Arabia. Protiviti works with 70% of the top 100 GCC companies in terms of their market capitalisation. Protiviti employs over 600 employees in the region with a large pool of skilled and qualified risk advisory and internal audit professionals. With specialists and multilingual teams having global as well as regional experience, Protiviti is amongst the fastest-growing business advisory firms in the region.

The outsourced internal audit function governs itself by adherence to the institute of internal auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards).

3.10.5 Working Mechanism of the Internal Control Department

The internal control department is established by the Board of Directors and Audit Committee. The Department's responsibilities are defined by the Audit Committee as part of their oversight role.

The duties and responsibilities of the Internal Control Department will be to provide timely feedback to the Audit Committee on matters relating to:

- Reliability and integrity of financial and operating reports
- Compliance with laws, regulations, directives and contractual obligation
- Effectiveness and efficiency of operations
- Safeguarding of assets

The outsourced internal audit function is responsible for an independent, objective assurance, based on a systematic evaluation and improvements proposal for more effective governance, internal control and risk management processes. The process of internal control and risk management has been developed to provide reasonable assurance that the Group's goals are met in terms of efficient operations, compliance with relevant laws and regulations and reliable financial reporting. Internal audit assignments are conducted according to a risk-based plan developed annually, reviewed periodically, and approved by the Audit Committee.

The audit plan is derived from an independent risk assessment conducted by the outsourced Internal Audit team to identify and evaluate risks associated with the execution of the Company's strategy, operations, and processes. The plan is designed to address the most significant risks identified within the Group and its business areas. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, as is the status of management's implementation of agreed actions to address findings identified in the audits.

3.10.6 The Annual Review Includes the Following Components in Particular:

- Key control elements including financial control, operations and risk management
- Changes since the last annual review on the nature and extent of the major risks and the Company's ability to respond to changes in its business and external environment
- The scope and quality of the Board's ongoing control of risks, the internal control system and the internal auditor' work
- The number of times the Board of Directors or its committees have been informed about audit work results to enable them to assess the internal control position of the Company and the effectiveness of risk management
- Failures or weaknesses in the detected control system or unexpected contingencies which have affected or may have a material impact on the performance or financial position of the Company
- The effectiveness of the Company's financial reporting and compliance with listing and disclosure rules

During 2020, the Audit Committee received reports from the Internal Control Department on operational effectiveness, financial reporting and compliance with the Company's policies including applicable laws and regulations. The Audit Committee assists the Board of Directors in overseeing the application of internal control systems and presents the Internal Control Department's reports for the records of the Board.

3.10.7 Number of Reports Issued by Internal Control Department

During the year 2020, the outsourced Internal Audit team issued 14 reports where no significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

3.11 External Auditor

3.11.1 Brief About the Company's External Auditor

Ernst & Young (EY) was appointed as the company's external auditor for the fiscal year 2020. Ernst & Young (EY) has people and operations in more than 150 countries, which are organised into three areas – Americas, Asia-Pacific and EMEIA – and further divided into regions. It has been in the MENA region for more than 90 years, and in the UAE since 1966. All their people work in one of their service lines – Assurance, Advisory, Tax, Transaction Advisory Services (TAS) – or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

The scope of the audit for the financial year 2020 is as follows:

- Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards;
- Provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
- Provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

External Audit Fees, Services and Costs

Below are the details and breakdowns of the external audit costs paid during 2020:

- The external audit services fees of EY for 2020 amounted to AED 2,135,000. These fees are against annual audit and interim review of financial statements of IHC and subsidiaries.
- The external audit services fees of Deloitte, PWC, CLA and Castillero for 2020 amounted to AED 1,081,310. These fees are against annual and interim review of the financial statements of certain subsidiaries of IHC.
- The external auditor fees in 2020 against services other than the audit tasks amounted to AED 40,000. These fees cover advisory work.
- The fees for services, which were delivered to the Company in 2020 by other Audit firms (other than the Company's auditors) amounted to AED 7,289,498. These fees were against advisory services namely Outsourced Internal Audit Services, Finance and Accounting Outsourcing Services, Purchase Price Allocation and Due Diligence Services (Financial and Legal) for various acquisitions by IHC. The firms, which delivered these services were as follows:

1. Protoviti Middle East
2. Acquara Management Consultants
3. Ardent Advisory
4. Deloitte & Touche (M.E.)
5. Kreston ME Consulting
6. Hadef & Partners

3.11.2 External Auditor's Opinion on the Financial Statements

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2020.

3.12 Violations Committed by the Group During the year 2020

During the year 2020, the Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

3.13 Corporate Social Responsibility

IHC Group is committed to various initiatives aimed at creating value for all its stakeholders through economic, environmental and social initiatives. Details about IHC Group's Corporate Social Responsibilities are provided in IHC's Environmental, Social and Governance report, which is part of IHC's 2020 Annual Report.

3.14 Sustainability Report

At IHC Group, we view Environmental, Social and Governance (ESG) practices as a core part of our culture. Sustainability is embedded in our values and is key to who we are as a Group. We continuously and diligently seek new ways to make progress in the following four areas which are at the core of our sustainability strategy:

- Governance and Ethics
- People
- Environment
- Products

The Group has hired an external consultant to assist the IHC Board in developing the Sustainability Report for 2020.

3.15 Share Holding and Share Price Information

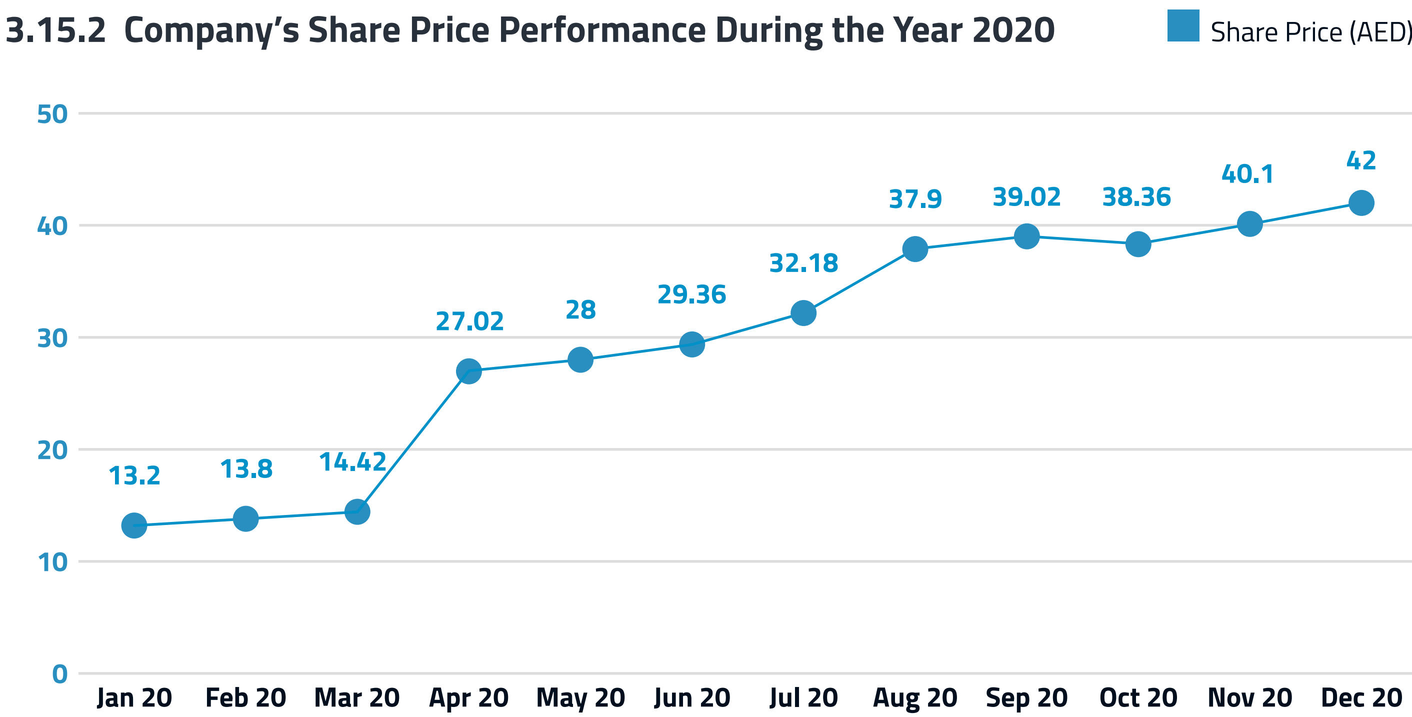
3.15.1 Share Price

The following table presents the Company's highest and lowest share price at the end of each month during the year 2020 and share performance against market index and sector index as of 31 December 2020:

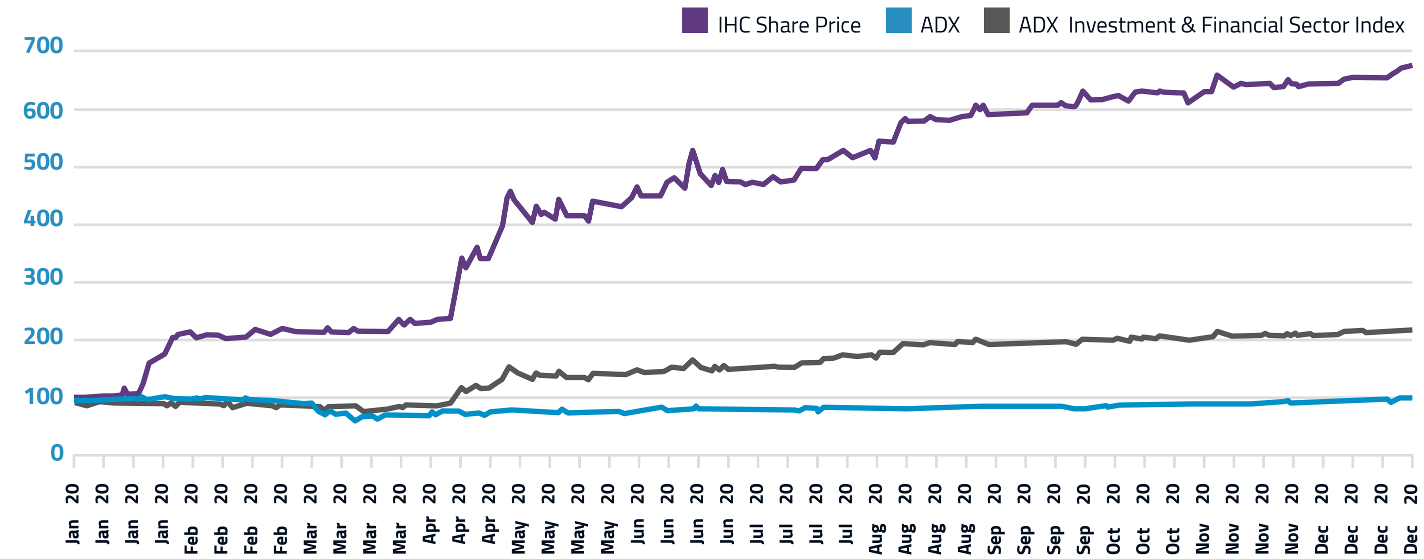
Share Price (AED)						Share Performance (AED)		
Month	HIGH	LOW	CLOSING PRICE	Market Index	Consumer Goods Index	Absolute	VS Market	Vs Sector
January	13.20	6.20	13.20	5,156.19	1,272.42	113%	111%	119%
February	13.82	13.00	13.80	4,901.43	1,242.49	5%	9%	7%
March	14.88	13.50	14.42	3,734.69	1,237.19	4%	28%	5%
April	28.72	14.60	27.02	4,230.37	2,017.07	87%	74%	24%
May	28.00	25.20	28.00	4,141.61	2,013.96	4%	6%	4%

Share Price (AED)						Share Performance (AED)		
Month	HIGH	LOW	CLOSING PRICE	Market Index	Consumer Goods Index	Absolute	VS Market	Vs Sector
June	33.00	28.00	29.36	4,285.80	2,109.15	5%	1%	0%
July	32.90	29.40	32.18	4,304.74	2,406.15	10%	9%	-4%
August	37.90	32.16	37.90	4,519.32	2,786.07	18%	13%	2%
September	39.22	37.00	39.02	4,518.07	2,816.42	3%	3%	2%
October	39.20	38.00	38.36	4,660.04	2,788.78	-2%	-5%	-1%
November	41.00	39.14	40.10	4,964.94	2,907.52	5%	-2%	0%
December	42.00	40.10	42.00	5,045.32	3,068.62	5%	3%	-1%
Overall Perfomance During 2020	**42.0**	**6.20**	**42.00**	**5,045.32**	**3,068.62**	**577%**	**578%**	**452%**

3.15.2 Company's Share Price Performance During the Year 2020



3.15.3 Performance of the Company's Shares, Compared with the ADX Index and ADX Consumer Goods Index During the Year 2020 (All Rebased to100)



3.15.4 Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local	0	22,190,470	1,794,320,586	1,816,511,056
GCC	0	2	484,263	484,265
Arabs	0	415,655	-	415,655
Foreigners	0	908,920	3,108,675	4,017,595
Total	**-**	**23,515,047**	**1,797,913,524**	**1,821,428,571**
Percentage %	**-**	**1%**	**99%**	**100%**

3.15.5 Statement of Shareholders Ownership 5% or More

Name of Shareholders	Governments
Royal Group for Corporate Management LLC	15.22%
PAL Group of companies LLC	66.44%
Total	81.67%

3.15.6 Shareholders Ownership Distribution

Ownership of Shares	Number of Shareholders	Number of Owned Shares	Ownership %
Less than 50,000	8061	16,147,007	0.9%
From 50,000 to Less than 500,000	47	6,463,837	0.4%
From 500,000 to Less than 5,000,000	15	21,723,742	1.2%
More than 5,000,000	14	1,777,093,985	97.6%
Total	**8137**	**1,821,428,571**	**100.0%**

3.16 Investor Relations Affairs

The company has established a department specialised in managing shareholders' affairs. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding corporate governance regulations and related circulars:

The Shareholder's Relations Officer has been appointed and holds the following qualifications:

- A degree suitable for the work
- Experience in managing the shareholders affairs and legal matters within the state, including Companies and banks
- Awareness of the relevant legal and legislative requirements
- Full knowledge of the company's activities and opportunities
- Participation in training workshops on Investor Relations
- Ability to use different channels of communication and skills to communicate with investors in securities

A special Investor Relations page has been created on the Company's website for shareholders to be constantly updated and relations maintained in line with international standards. The Investor Relations web page would include: Investor Relations Department data and contact information, such as a dedicated phone number and e-mail, all reports on financial results whether recorded or published, Financial Year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies and any other important events.

Information and data disclosed to regulators, markets or the public are posted on the Company's website at the following link: https://ihcuae.com/#investor

Contact details for Shareholder's Relations Officer

Linda Ballout

Address: RG Procurement Building, Second Floor, Khalifa Park,
Abu Dhabi – United Arab Emirates
Tel: 02-6448090
Fax: 02-6447060
P.O. Box 32619, Abu Dhabi – United Arab Emirates
Email: linda.b@ihcuae.com
Responding to Shareholders' enquiries from Sunday to Thursday, 10am to 2pm

3.17 Special Resolutions Presented to the General Assembly Held During 2020

3.17.1 IHC General Assembly Special Resolutions

Sr. No	Meeting Date	Items / Special Resolutions	Measures Taken
1	28 September 2020	Approval of Amendments to the Articles of Association by special resolution in accordance with the wording proposed to the shareholders and attached to the notice of the invitation to convene the General Assembly.	Approved
2	28 September 2020	Authorising the Board of Directors to complete the procedures for amending the Articles of Association with the relevant authorities	Approved

3.17.2 Subsidiary Companies' General Assembly / Partners' Meeting Special Resolutions

Sr. No	Meeting Date	Items / Special Resolutions	Measures Taken
1	5 November 2020	Palms Sports – Resolution of Partners was issued in their meeting conducted on 05/11/2020 when the partners resolved to approve the conversion of the company into Private Joint Stock Company – resolution duly notarised on 26/11/2020	Approved

Sr. No	Meeting Date	Items / Special Resolutions	Measures Taken
2	5 November 2020	Zee Stores - Resolution of Partners was issued in their meeting conducted on 05/11/2020 when the partners resolved to approve the conversion of the company into Private Joint Stock Company – resolution duly notarised on 26/11/2020	Approved
3	1 November 2020	EasyLease - Resolution of Partners was issued in their meeting conducted on 01/11/2020 when the partners have resolved to approve the conversion of the company into Private Joint Stock Company – resolution notarised on 15/11/2020	Approved

3.18 Emiratisation Percentage in the Company as of 2020 (Excluding Unskilled Workers)

2018

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	6	470	476
Ratio	1%	99%	100%

2019

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	10	1,301	1,311
Ratio	1%	99%	100%

2020

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	34	3,325	3,359
Ratio	1%	99%	100%

3.19 Significant Events During 2020

February 2020

- Acquisition of 31.5% of Pure Health Medical Supplies LLC, a Gulf laboratory operator and medical devices distributor.
- Purchase of 100% of Al Tamouh Investments Co. LLC.

March 2020

- Acquisition of full shares of Al Seer Marine Supplies & Equipment Co. LLC, Al Seer Marine Boats Building LLC and AGRINV SPV RSC Ltd.
- Acquisition of all shares in Dashing International Group LLC, Bedashing Beauty Lounge LLC, Bedashing Beauty Lounge International Limited and Nippers & Scissors Training Center LLC
- Purchase of 55% of shares in Easy Lease Motorcycle Rental LLC and 67% of Uplift Delivery Services LLC
- Investment of USD 2.5 Mn in Esyasoft Holding Ltd.

May 2020

- Acquisition of 100% of the shares of Multiply Marketing Consultancy LLC by IHC subsidiaries Acquisition of 100% of the shares of Royal Architect Project Management LLC by IHC subsidiaries
- Acquisition of 100% of the shares of Royal Development Company LLC by IHC subsidiaries
- The new incorporated company WFC Holding acquired 100% shareholding in: Workforce Connexion LLC, Corporate Solutions Consultants LLC and Multi Serve Typing and Transactions Follow Up LLC by IHC Subsidiaries

August 2020

- Acquisition of 60% of the shares of Apex Alwataniah Catering LLC by IHC subsidiaries
- Acquisition of 52% of the shares of R Med Medical Supplies by IHC subsidiaries
- Acquisition of 94% of the shares of Falcon CI IV LP by IHC subsidiaries
- Acquisition of 60% of the shares of Afkar Group of Companies LLC by IHC subsidiaries

September 2020

Multiply Marketing Consultancy LLC, a wholly owned subsidiary of the IHC has received an offer to subscribe to 1,923,077 shares in series C-3 of Preferred Stock of Yield Mo, INC (a company incorporated in Delaware, United States of America) for an amount of USD 8 Mn (3.41%)

October 2020

- IHC Food Holding LLC, IHC subsidiary and DAL Group, (largest private sector conglomerate in Sudan) entered into a joint agreement to develop and cultivate farmland in Abu Hamad, River Nile State, Sudan
- IHC and DAL Group to invest in $225 Mn Sudanese Agriculture project
- IHC investing 39 Mn pound in Oxford Nanopore Technologies as part of a 84.4 Mn pound equity raising exercise by the United Kingdom-based firm, a pioneer in DNA sequencing technology

December 2020

- IHC listed Palms Sports PJSC on Abu Dhabi Securities Exchange (ADX) Second Market, under the trading symbol PALMS
- IHC listed Zee Stores PJSC on Abu Dhabi Securities Exchange (ADX) Second Market, under the trading symbol ZS
- IHC listing EasyLease Motorcycle Rental PJSC on Abu Dhabi Securities Exchange (ADX) Second Market, under the trading symbol EASYLEASE
- Acquisition of 4.36% of share capital of National Marine Dredging Co by IHC Subsidiary

3.20 Initiatives and Innovations During 2020

Development of a Rapid Coronavirus Laser Testing Technology

QuantLase Imaging Lab, the medical-research arm of International Holding Company, announced that it has developed a novel equipment which enables much faster mass screenings, with wide scale testing and results available in seconds. This break-through will enable 'mass-scale screening', changing the whole dimension of tracing. This is especially critical in large-scale testing programmes, where a massive number of images need to be analysed with accuracy and efficiency. The lab is using G42, a leading AI and Cloud Computing company, to further enhance the laser programme.

Key aspects are:

- Laser beam-based DPI [Diffractive Phase Interferometry] technique identifies the virus when blood cells are infected.
- Camera detects morphological change in blood cells.
- Tests and instant results can be provided in public places.
- Introducing this technology reinforces the UAE's position as a centre for research, innovation, and technology.

(The technology will help offer our people the best medical care and protection)

Digital Transformation

With significant expansion through multiple acquisitions in the recent past and the outbreak of COVID-19 pandemic, IHC Management embarked on a “Digital Transformation” journey and launched initiatives to enrich Information Technology infrastructure at the enterprise level, and focus on specific, digitally enabled goals that will support their businesses. These goals include: speed, ease of consolidation and timely reporting of accurate financial results, large-scale adoption of new ways of working as the employees are working remotely—many for the first time; safeguarding systems against cyber risk; enhancing digital commerce and marketing capabilities; and, given the continued lockdowns and social distancing rules, increasing automation in operations and the supply chain.

These commitments were made at four fronts:

1) Productivity Enhancements
2) Cyber Security Strengthening Measures
3) Improving Existing Infrastructure
4) Developing and Launching New Products and Solutions.

Following are some of the key projects undertaken in 2020 as part of digital transformation initiatives.

I. Productivity Enhancements

a. Enterprise Performance Management (EPM) enables trusted sources of accurate financial information, statutory/regulatory reporting, budgeting and real-time reports. Its implementation has contributed exponentially to saving time and accelerating IHC Group’s financial closure processes.

b. Microsoft 365 E3 provides prominent advantage for remotely working teams in terms of seamless audio, video, text communication, team collaboration, email and calendar management, cloud-based data sharing and file storage across the organisation. Helped the Group in the easy adoption of “remote working”.

c. IT Service Management (ITSM) is a simple tool that helps anyone in the Group to raise concerns via tickets. The automated log of tickets, along with the necessary information, enhances visibility over the entire audit trail right from the point the concern is raised until its satisfactory resolution. Cases are analysed for corrective and preventive measures.

d. Virtual Desktop Infrastructure: It virtualised the hardware so business users can access the workplace desktop from anywhere through secured tunnels or gateways.

II. Cyber Security Strengthening Measures

The following solutions were implemented to strengthen cyber security within IHC Group:

a. Galaxkey: File and email encryption solution to protect the integrity of sensitive data; it also offers encrypted digital document signing facility for confidential documents/contracts

b. Mimecast S2: Email spam filter to mitigate cyber security threats namely phishing, spamming, whaling, email spoofing, impersonation etc.

c. KnowBe4: A Learning management system established to raise awareness, train new and existing users about the prominent cyber security threats and its prevention and remediation techniques

III. Improving Existing Infrastructure

a. Data Centre Upgradation: New business acquisitions necessitate more data storage and backup facilities. Foreseeing this, IHC Management enhanced business data storage and backup through:

- Installation of additional servers, provision of additional licenses for existing backup solutions, and implementation of new backup solutions
- Surveillance infrastructure upgrade which includes modernisation of access control systems and new CCTV installations for equipment monitoring including server rooms; and

b. Upgrade of VOIP capabilities and wireless infrastructure performed to support business users, including remote working employees.

IV. Developing and Launching New Products and Solutions:

a. Inbound Travelers Quarantine and COVID-19 measures: Customised solution implemented at Abu Dhabi Airport to capture all inbound travellers’ acknowledgement of UAE laws on quarantine and COVID-19 measures

b. Automated Visitors Management System: Developed and deployed a ‘visitors management solution’ at multiple locations to keep track of employees and their particulars, mainly COVID-19 test reports and vaccinations records

Foreseeing the ever-changing technology needs, the Group’s Management intends to obtain ISO 27001:2013 certification to ensure IT infrastructure and related procedures abide by the industry’s quality standards.

The Report was approved by the Board of Directors on 07/03/2021

HH Sheikh Tahnoon bin Zayed Al Nahyan
Chairman, Board of Directors

Ms. Sofia Abdellatif Lasky
Chairman- Audit Committee

Dr. Mohamed Somar Nassouh Ajalyaqin
Chairman- Nomination and Remuneration Committee

Mr. Ishtiaque Ahmed Shaikh
Manager Internal Control

4.0 Financial Overview

Financial Analysis

4.1 International Holding Company reports strong growth in year of transformation

Financial Highlights:

- Total assets grew by 252% to AED 14,012 million.
- Net profit increased to AED 3,015 million from AED 506 million.
- Revenue grew to AED 7,047 million in 2020 from AED 1,259 million in 2019.
- Earnings per share increased by 263% to AED 1.58 per share.

International Holding Company (IHC) recorded strong financial results for the full year 2020, as net profit for the period grew to AED 3,015 million from AED 506 million in 2019, reflecting the impact of acquisitions, business combinations and corporate restructuring over the year.

The company's revenues grew to AED 7,047 million in 2020 from AED 1,259 million in 2019, while total assets amounted to AED 14.0 billion compared with AED 4.0 billion a year earlier.

Income Statement

AED (Mn)	FY 2020	FY 2019	Δ%
Revenues	7,047	1,259	+460%
Cost of Revenues	(4,615)	(920)	+401%
Gross Profit/Loss	**2,431**	**339**	**+618%**
General and Administrative Expenses	(478)	(120)	+299%
Selling and Distribution Expenses	(47)	(42)	+12%
Operating Income	**1,907**	**177**	**+975%**
Investment and Other Income	216	45	+335%
Share of Profit from Investment in Associates and Joint Ventures	948	5	
Gain on Acquisition of Subsidiary	5	293	-98%
Other Expenses	-	-	
Finance Costs	(62)	(14)	+342%

AED (Mn)	FY 2020	FY 2019	Δ%
Earnings before Taxes	**3,015**	**506**	**+496%**
Provision for Income Tax	(0)	(1)	-34%
Profit	**3,015**	**506**	**+496%**
Minority Interest (After Tax)	(146)	(0)	+224022%
Net Income/ (Loss)	**2,869**	**506**	**+467%**
Weighted Average Number of Shares (shares in '000)	1,821,429	1,165,715	+56%
Basic EPS (AED)	1.58	0.43	+263%
ROE (%)	38.4	23.3	+65%
ROA (%)	21.5	12.7	+69%
Net Profit Margin (%)	26.2	13.0	+102%
Gross Profit Margin (%)*	34.5	26.9	+28%

* The gross profit margin is computed excluding Investment and Other Income and Gain on Acquisition

- Revenue grew by AED 5,788 million or 460% to AED 7,047 million.
- 71% of revenue growth came from the Industrial vertical, where additional revenues were contributed due to acquisitions and business combinations of entities under common control during the year.
- Profit grew by AED 2,509 million or 496% to AED 3,015 million.
- 64% of profit growth came from the Industrial segment, where additional profits were contributed due to acquisitions and business combinations of entities under common control during the year.
- Excluding the impact of acquisitions and business combinations, the group showed strong organic growth, with 306% organic revenue growth from AED 1,259 million to AED 5,116 million. Organic profits grew by 253% from AED 506 million in 2019 to AED 1,787 million in 2020.
- The strategic acquisition and transformation programme undergone in 2020 has resulted in a larger group that has delivered enhanced revenue and profits. A disciplined maintenance of margins has also driven profitability, along with improved intra-segmental collaboration and synergies. IHC's gross profit margin remained healthy and relatively stable during 2020 at 34.5% compared with 26.9% for 2019, while the net profit margin for 2020 was 26.2%, improving from 13.0% during 2019.

- Furthermore, the COVID-19 pandemic resulted in heightened business for the Group's medical subsidiaries, while ongoing government stimulus has enhanced business growth and prospects.

Balance Sheet

AED (Mn)	FY 2020	FY 2019	Δ%
Current Assets			
Cash and Bank Balance	3,665	1,305	+181%
Trade and Other Receivables	2,713	617	+340%
Other Current Assets	3,018	344	+778%
Total Current Assets	**9,397**	**2,266**	**+315%**
Non Current Assets			
Property, Plant and Equipment	1,567	1,221	+28%
Investment Properties	1,294	0	+395533%
Investments in Associates and Joint Ventures	439	7	+5885%
Trade and Other Receivables	267	-	
Other Non Current Assets	1,049	484	+117%
Total Non Current Assets	**4,615**	**1,712**	**+170%**
TOTAL ASSETS	**14,012**	**3,978**	**+252%**
Current Liabilities			
Bank Borrowing	183	118	+55%
Trade and Other Payables	3,815	862	+343%
Other Current Liabilities	916	188	+387%
Total Current Liabilities	**4,914**	**1,168**	**+321%**

AED (Mn)	FY 2020	FY 2019	Δ%
Non Current Liabilities			
Bank Borrowing	743	327	+127%
Provision for Employees' End-of-Service Benefit	115	50	+132%
Other Non Current Liabilities	418	239	+75%
Total Non Current Liabilities	**1,276**	**616**	**+107%**
TOTAL LIABILITIES	**6,190**	**1,783**	**+247%**
Shareholders' Equity			
Share Capital	1,821	1,821	+0%
Retained Earnings	3,145	517	+508%
Statutory Reserves	332	45	+635%
Merger Reserves	2,120	(220)	-1065%
Other Reserves	50	8	+520%
Total Shareholders' Equity	**7,469**	**2,172**	**+244%**
Minority Interest	353	22	+1474%
TOTAL EQUITY	**7,822**	**2,195**	**+256%**
Debt to Equity Ratio (%)	12.4	20.5	-39%
Current Ratio (x)	1.91	1.94	-1%
Cash and Bank Balances as %age of Total Assets	26.2	32.8	-20%

- IHC has a diversified portfolio of assets and liabilities.
- The Real Estate vertical contributed the largest proportion of total assets at 30%, followed by the Capital (25%) and Industrial (22%) verticals.

- Total assets amounted to AED 14.0 billion as at 31 December 2020 compared with AED 4.0 billion a year earlier. This growth was primarily driven by acquisitions and business combinations during the year. Similarly, total equity grew by 256% to reach AED 7.8 billion due to strong retained earnings generation and higher merger reserves from business combinations of entities under common control.
- IHC has low financial leverage with a debt-to-equity ratio of 12.4% which has improved during 2020 from 20.5% at the beginning of the year.
- The working capital position is healthy with a current ratio of 1.91 at the end of 2020.
- The Group's operating companies are able to work together to enhance the financial strength of the Group. This is manifested in the very strong cash position of AED 3.6 billion as at 31 December 2020 representing 26% of total assets. During 2020, the Group generated AED 2.4 billion cash from operating activities of which a net AED 124 million were utilised for investing activities and AED 110 million used for financing repayments, which resulted in a AED 2.2 billion increase in cash and cash equivalents for the year. This high liquidity level was crucial to the success of the transformation programme of 2020, allowing the Group to execute its strategic acquisitions, partnerships and investments with maximum efficiency.
- 2020 also saw the listing of three subsidiary companies on ADX: Zee Stores, Palms Sports and Easylease. These IPOs have performed well and have delivered further shareholder value.

Industrial

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	4,122	29	+14046%
Cost of Revenues	(2,408)	(24)	+9921%
Gross Profit	**1,714**	**5**	**+33423%**
Operating Expenses	(105)	(4)	+2453%
Operating Profit / (Loss)	**1,609**	**1**	**+161787%**
EBITDA	**1,679**	**2**	**+70710%**
Net Profit	**1,616**	**2**	**+74875%**
Total Assets	3,161	206	+1434%
Liabilities	1,144	53	+2043%

2020 saw exponential growth in revenue and net profit for the Industrial vertical to AED 4,122 million and AED 1,616 million respectively. Total assets increased to AED 3,161 million as at 31 December 2020 from AED 206 million at the beginning of the year.

Growth was driven primarily through:

Business combinations of entities under common control

- Al Seer Marine contributing revenue of AED 507 million, net profit of AED 34 million and assets of 718 million

Opportunities presented in the health sector from the COVID-19 pandemic

- Tamouh Healthcare contributing revenue of AED 2,805 million, net profit of AED 1,214 million and assets of 1,640 million
- Matrix contributing revenue of AED 439 million, net profit of AED 207 million and assets of 275 million
- Quantlase contributing revenue of AED 239 million, net profit of AED 191 million and assets of 242 million

Food

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	1,179	598	+97%
Cost of Revenues	(949)	(526)	+80%
Gross Profit	**230**	**71**	**+223%**
Operating Expenses	(133)	(86)	+56%
Operating Profit / (Loss)	**97**	**(14)**	**-782%**
EBITDA	**140**	**9**	**+1472%**
Net Profit	**111**	**(3)**	**-3656%**
Total Assets	1,409	848	+66%
Liabilities	574	344	+67%

Revenue for the Food vertical grew by 97% to AED 1,179 million for 2020, while net profit grew to AED 111 million. Total assets increased by 66% to AED 1,409 million as at 31 December 2020.

Growth was driven primarily through:

Business acquisition of Apex contributing revenue of AED 343 million, net profit of AED 135 million and assets of 281 million

Utilities

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	219	119	+83%
Cost of Revenues	(85)	(66)	+30%
Gross Profit	**133**	**54**	**+149%**
Operating expenses	(21)	(6)	+267%
Operating Profit / (Loss)	**112**	**48**	**+134%**
EBITDA	**143**	**70**	**+104%**
Net Profit	**102**	**45**	**+124%**
Total Assets	1,093	964	+13%
Liabilities	472	494	-4%

Revenue for the Utilities vertical grew by 83% to AED 219 million for 2020, while net profit rose 124% to AED 102 million. Total assets grew by 13% to reach AED 1,093 million.

Growth was aided by the full-year contribution of business combinations of entities under common control during 2019 (Pal Cooling).

Real Estate

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	659	440	+50%
Cost of Revenues	(527)	(262)	+102%
Gross Profit	**132**	**179**	**-26%**
Operating expenses	(94)	(27)	+252%
Operating Profit / (Loss)	**39**	**152**	**-75%**
EBITDA	**167**	**175**	**-5%**
Net Profit	**59**	**172**	**-66%**
Total Assets	4,218	562	+651%
Liabilities	2,579	103	+2403%

During 2020, the Real Estate vertical grew revenue by 50% to AED 659 million, but net profit declined 65% to AED 60 million due to lower revenue and net profit contributed by ESPL as compared to 2019. Total assets increased 7.5 times to AED 4,218 million as at 31 December 2020.

Growth was driven primarily through:

Business combinations of entities under common control

- Al Tamouh Investments contributing revenue of AED 542 million, net profit of AED 51 million and assets of 3,733 million
- Royal Architect contributing revenue of AED 17 million, net profit of AED 5 million and assets of 39 million
- Royal Development contributing revenue of AED 7 million, net profit of AED 2 million and assets of 146 million

Digital

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	456	69	+565%
Cost of Revenues	(421)	(43)	+883%
Gross Profit	**53**	**26**	**+35%**
Operating Expenses	(32)	(8)	+292%
Operating Profit / (Loss)	**3**	**18**	**-84%**
EBITDA	**36**	**24**	**+51%**
Net Profit	**5**	**21**	**-75%**
Total Assets	562	398	+41%
Liabilities	215	138	+55%

Revenue for the Digital vertical grew by 6.6 times to AED 456 million for 2020, and net profit grew to AED 5 million. Total assets increased by 41% to AED 562 million as at 31 December 2020.

Growth was mainly driven through:

Business combinations of entities under common control

- Royal Technology Solutions contributing revenue of AED 53 million, net profit of AED 4 million and assets of 85 million
- Multiply Marketing contributing revenue of AED 13 million, net profit of AED 3 million and assets of 98 million
- WFC Holding contributing revenue of AED 335 million, net profit of AED 15 million and assets of 107 million

Business acquisitions of

- Bedashing Holding contributing revenue of AED 37 million, net profit of AED 6 million and assets of 34 million

Capital

AED (Mn)	FY 2020	FY 2019	Δ%
Revenue	412	4	+10507%
Cost of Revenues	(225)	-	
Gross Profit	**186**	**4**	**+4703%**
Operating expenses	(102)	(2)	+4482%
Operating Profit / (Loss)	**84**	**2**	**+5002%**
EBITDA	**1,080**	**3**	**+33054%**
Net Profit	**1,060**	**3**	**+38100%**
Total Assets	3,456	684	+405%
Liabilities	1,200	549	+119%

Exponential growth in revenue and net profit was recorded for the Capital vertical during 2020 to AED 412 million and AED 1,060 million respectively. Total assets rose fivefold to AED 3,456 million as at 31 December 2020.

Growth was mainly driven through:

Business acquisitions of

- Easy Lease contributing revenue of AED 72 million, net profit of AED 22 million and assets of 80 million

Key Investments made in

- Oxford Nanopore
- ADNOC
- NMDC
- Esyasoft Holding
- Falcon CI IV, LP

Strategic Investments

IHC also continued its business expansion through a series of strategic investments. The key investments in 2020 were:

- ADNOC – 89 million shares
- NMDC – 10.9 million shares
- Oxford Nanopore

IHC's response to the Pandemic

IHC's response to the disruption caused by the COVID-19 pandemic has been strategically structured into four pillars:

The safety of our people

Flexible working, sanitisation and protection from infection, and communication and action aligned with the latest government and medical advice

Dynamic Business Management

Contingency measures put in place, cross-functional decision-making and liaison, along with mitigation actions and development tracking

Operation and Communication

Maintaining an open dialogue with staff and stakeholders; produce calm and effective responses and measures; and agreeing on revised loan and contract terms with suppliers and customers

Liquidity

Aggressive cash-flow management, prudent management of procurement and maximisation financial performance.

Together, these activities have ensured that IHC, its staff, customers, stakeholders and investors have weathered the worst of the pandemic and emerged stronger.

Financial Statements

International Holding Company PJSC
(formerly "International Holdings Company PJSC")

4.2 Directors' Report

31 December 2020

The Directors present their report together with the audited financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020.

Board of Directors:

The Directors of the Company are:

Chairman	H.H. Shk Tahnoon Bin Zayed Al Nahyan
Members	Dr. Somar Ajalyaqin
	Mr. Syed Basar Shueb
	Ms. Sofia Lasky
	Mr. Mohammed Nasser Saif Howaiden Al Shamsi

Principal Activities:

International Holding Company (IHC) is one of the UAE's foremost holding companies led by strategic acquisitions in growth-driven industries and creation of innovative companies.

Review of Business:

The year 2020 witnessed many unprecedented challenges and exceptional circumstances across the globe due to the COVID-19 pandemic. Under the circumstances, the Company was remarkably successful in responding to the COVID-19 pandemic with the reported revenue of AED 7,046,569 thousand (2019: AED 1,259,073 thousand) for 2020 and profit of AED 3,014,615 thousand (2019: AED 505,625 thousand).

Auditors:

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2021 will be put to the shareholders at the Annual General Meeting.

On behalf of Board of Directors

Director

Date:

4.3 Independent Auditor's Report

To The Shareholders of International Holding Company PJSC (Formerly "International Holdings Company PJSC")

Report On The Audit Of The Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of International Holding Company PJSC (formerly "International Holdings Company PJSC") (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Report On The Audit Of The Consolidated Financial Statements continued

Revenue Recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2020, total revenue of the Group amounted to AED 7,046,569 thousand (2019: AED 1,259,073 thousand) (note 23).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed or involved component auditors to perform substantive audit procedures which included substantive analytical procedures at the Group, and subsidiary level, and we performed testing on transactions around the year-end, to assess whether revenues were recognised in the correct accounting period.

Business Combinations Within the Scope of IFRS 3

During the year, the Group has acquired control over four businesses as disclosed in note 6.2. Independent external valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired assets/ businesses with those of the Group.

We have obtained the purchase price allocation reports prepared by the independent valuers engaged by the Group. We involved our internal valuation specialists in reviewing the reports. The review included discussions with Management and consideration of the overall reasonableness of the assumptions and valuations in line with our expectations. We also assessed the key assumptions including cash flows focusing on revenues and earnings before interest and tax ('EBIT') as well as appropriateness of discount and growth rates, whilst considering the risk of management bias.

Fair Value of Investment Properties

Investment properties amounting to AED 1,294 million as at 31 December 2020 (note 9) are stated at cost less accumulated depreciation. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

The valuations were carried out by internal management specialists and an external valuer (the "Valuers"). In determining properties valuations, the Valuers apply different valuation techniques including investment and comparable methods. The Valuers take into account property-specific information, such as the current tenancy agreements, and apply assumptions for discount rates and estimated market rent, which are influenced by prevailing market yields, and considers comparable market transactions, to arrive at the valuation.

We reviewed the properties valuation reports and assessed that the valuation approach for each was in accordance with the established standards for valuation of properties and was suitable for use in determining the fair value of properties.

We assessed the external valuers independence, qualification and expertise and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We involved our internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, consideration of overall reasonableness of the assumptions and assessment of movement in valuations against our expectations.

Assessing the Net Realisable Value of Development Work-in-Process

Development work-in-process amounting to AED 680 million (note 15) is stated at the lower of cost or net **realisable** value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Assessing the net realisable value is a key audit matter given that the calculation of estimated future selling prices involves using comparable factors of development and sale of similar plots in nearby locations.

The calculation of the estimated selling prices is carried out by internal management specialists using the comparable method of valuation. It has therefore considered comparable market transactions to arrive at estimated selling prices.

We reviewed the estimated selling prices for properties and involved our internal valuation specialists. We assessed that the approach used was in accordance with the established standards for valuation and was suitable for use in determining the estimated selling prices. We performed audit procedures to assess whether the source data used for the valuations is reasonable by comparing it on a sample basis, to underlying supporting records, including testing the costs incurred to date and costs to be incurred and recent sale prices for units sold.

Other information

Other information consists of the information included in the Directors' report and annual report in addition to the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of our audit report, and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to

Report on The Audit of the Consolidated Financial Statements continued

fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that for the year ended 31 December 2020:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, the Memorandum and Articles of Association of the Company;

iii) The Group has maintained proper books of account;

iv) The consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;

v) Investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2020;

vi) Note 28 reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

vii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2020, any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2020; and

viii) During the year, the Group made no social contributions.

Raed Ahmad
Partner
Ernst & Young
Registration No 811

4 March 2021
Abu Dhabi

Consolidated Statement of Financial Position

At 31 December 2020

Assets	Notes	**2020 AED'000**	2019 AED'000
Non-Current Assets			
Property, Plant and Equipment	7	**1,566,985**	1,220,662
Intangible Assets and Goodwill	8	**507,404**	351,988
Right-of-Use Assets	22	**88,431**	85,666
Investment Properties	9	**1,293,721**	328
Investment in Associates and Joint Ventures	10	**438,733**	7,331
Investments in Financial Assets Carried at Fair Value Through Other Comprehensive Income	11.1	**447,057**	43,183
Trade and Other Receivables	13	**267,011**	571
Due from Related Parties	28	**4,706**	-
Loan to a Related Party	28	**1,200**	1,200
Deferred Tax Assets	32	**38**	1,143
		4,615,286	1,712,072
Current Assets			

Assets	**Notes**	**2020 AED'000**	2019 AED'000
Inventories	12	**448,212**	137,824
Development Work-in-progress	15	**680,312**	-
Biological Assets		**5,480**	5,283
Investment in Financial Assets Carried at Fair Value Through Profit or Loss	11.2	**622,525**	-
Due from Related Parties	28	**344,738**	200,848
Trade and Other Receivables	13	**2,713,264**	616,937
Cash and Bank Balances	14	**3,665,334**	1,305,185
		8,479,865	2,266,077
Assets held for sale	16	**917,129**	-
		9,396,994	2,266,077
Total assets		**14,012,280**	**3,978,149**

Equity and Liabilities

	Notes	2020	2019
Equity			
Share Capital	17	**1,821,429**	1,821,429
Merger Reserve		**2,119,615**	(219,722)
Statutory Reserve	18	**332,085**	45,191

Consolidated Statement of Financial Position continued

At 31 December 2020

Equity and Liabilities	Notes	2020 AED'000	2019 AED'000
Cumulative Changes on Revaluation of Investments		**49,322**	8,394
Currency Translation Reserve		**969**	(287)
Retained Earnings		**3,145,427**	517,476
Equity Attributable to Owners of the Company		**7,468,847**	2,172,481
Non-Controlling Interests		**353,086**	22,428
Total Equity		**7,821,933**	2,194,909
Non-Current Liabilities			
Employees' End of Service Benefit	19	**114,889**	49,544
Lease Liabilities	22	**72,559**	76,133
Borrowings	20	**743,053**	326,937
Trade And Other Payables	21	**219,882**	161,413
Due to Related Parties	28	**125,082**	-
Deferred Tax Liabilities	32	**795**	1,599

Equity and Liabilities	Notes	2020 AED'000	2019 AED'000
		1,276,260	615,626
Current Liabilities			
Due to Related Parties	28	**656,673**	179,139
Lease Liabilities	22	**15,950**	8,828
Borrowings	20	**183,106**	117,935
Trade and Other Payables	21	**3,815,375**	861,712
		4,671,104	1,167,614
Liabilities Directly Associated With Assets Held for Sale	16	**242,983**	-
		4,914,087	1,167,614
Total Liabilities		**6,190,347**	1,783,240
Total Equity and Liabilities		**14,012,280**	3,978,149

Chief Financial Officer **Managing Director** **Director**

Consolidated Statement of Profit or Loss

For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
Revenue	23	**7,046,569**	1,259,073
Cost of Revenue	24	**(4,615,161)**	(920,425)
Gross Profit		**2,431,408**	338,648
General and Administrative Expenses	25	**(477,687)**	(119,635)
Selling and Distribution Expenses	26	**(46,503)**	(41,638)
Investment and Other Income	27	**216,411**	45,007
Share of Profit from Investment In Associates And Joint Ventures	10	**948,247**	4,776
Gain on Acquisition of Subsidiaries	6	**4,745**	293,000
Finance Costs	31	**(61,627)**	(13,958)
Profit Before Tax		**3,014,994**	506,200
Income Tax Expense	32	**(379)**	(575)
Profit for the Year		**3,014,615**	505,625
Attributable to:			
Owners of the Company		**2,868,936**	505,560
Non-Controlling Interests		**145,679**	65
Profit for the Year		**3,014,615**	505,625
Earnings Per Share	29	**1.58**	0.43

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
Profit for the year		**3,014,615**	505,625
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange difference on translation of foreign operations		**1,211**	(231)
Items that will not be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	**40,928**	726
Total other comprehensive income		**42,139**	495
Total comprehensive income for the year		**3,056,754**	506,120
Attributable to:			
Owners of the Company		**2,911,120**	506,101
Non-controlling interests		**145,634**	19
		3,056,754	506,120

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Attributable to equity holders of the Company

	Share capital AED'000	Merger reserve AED'000	Statutory reserve AED'000	Cumulative changes on revaluation of investments AED'000	Currency translation reserve AED'000	Retained earning AED'000	Total AED'000	Non-controlling interests AED'000	Total Equity AED'000
Balance at 1 January 2019				7,668	(102)	46,644	577,030	9,269	586,299
Profit for the year	510,000	-	12,820	-	-	505,560	505,560	65	505,625
Other comprehensive income (loss) for the year	-	-	-	726	(185)	-	541	(46)	495
Total comprehensive income (loss) for the year	-	-	-	726	(185)	505,560	506,101	19	506,120
Issue of share capital (note 17)	-	-	-	-	-	-	1,311,429	-	1,311,429
Transfer to statutory reserve	1,311,429	-	32,371	-	-	(32,371)	-	-	-
Business combination of entities under common control (note 6.1(b))	-	(219,722)	-	-	-	-	(219,722)	-	(219,722)
Acquisition of non-controlling interest (note 2.4)	-	-	-	-	-	(2,357)	(2,357)	2,357	-
Dividend (note 38)	-	-	-	-	-	-	-	(3,780)	(3,780)
Acquisition of a subsidiary (note 6.2(b))	-	-	-	-	-	-	-	14,563	14,563
Balance at 31 December 2019	**1,821,429**	**(219,722)**	**45,191**	**8,394**	**(287)**	**517,476**	**2,172,481**	**22,428**	**2,194,909**
Balance at 1 January 2020	1,821,429	(219,722)	45,191	8,394	(287)	517,476	2,172,481	22,428	2,194,909
Profit for the year	-	-	-	-	-	2,868,936	2,868,936	145,679	3,014,615
Other comprehensive income (loss) for the year	-	-	-	40,928	1,256	-	42,184	(45)	42,139
Total comprehensive income for the year	-	-	-	40,928	1,256	2,868,936	2,911,120	145,634	3,056,754
Transfer to statutory reserve	-	-	286,894	-	-	(286,894)	-	-	-
Share based payments (note 33)	-	-	-	-	-	-	-	107,166	107,166
Share based payments – awards to certain personnel of the Ultimate Parent Company and its related entities (note 33)	-	-	-	-	-	(27,460)	(27,460)	-	(27,460)
Business combination of entities under common control (note 6.1(a))	-	1,740,923	-	-	-	-	1,740,923	647	1,741,570
Disposal of partial interest in subsidiaries (note 6.3)	-	-	-	-	-	73,369	73,369	36,240	109,609
Capital injection by non-controlling interest	-	-	-	-	-	-	-	120	120
Acquisition of investment in financial asset carried at fair value through profit or loss (note 11.2)	-	543,664	-	-	-	-	543,664	-	543,664
Acquisition of an associate (note 10)	-	54,750	-	-	-	-	54,750	-	54,750
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	40,851	40,851
Balance at 31 December 2020	**1,821,429**	**2,119,615**	**332,085**	**49,322**	**969**	**3,145,427**	**7,468,847**	**353,086**	**7,821,933**

Annual Report 2020

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	**2020 AED'000**	2019 AED'000
Operating Activities			
Profit before tax		**3,014,994**	506,200
Adjustments for:			
Depreciation of Property, Plant and Equipment	7	**88,521**	22,014
Depreciation of Right-of-Use Assets	22	**17,516**	1,804
Amortisation of Intangible Assets	8	**68,104**	10,935
Depreciation of Investment Properties	9	**52,290**	414
Amortisation of Biological Asset		**5,954**	224
Impairment Loss on Non-Financial Assets	7, 9 &16	**50,316**	539
Share of Profit from Investment in Associates And Joint Ventures	10	**(948,247)**	(4,776)
Gain on Disposal of Property, Plant and Equipment	27	**(3,302)**	(36)
Gain on Acquisition of a Subsidiary	6.2	**(4,745)**	(293,000)
Gain on Disposal of an Investment Property	9	**-**	(152,562)
Change In Fair Value of Biological Assets	27	**(328)**	(670)
Allowance for Slow Moving Inventories	12	**21,724**	246
Allowance for Expected Credit Losses	13	**29,998**	8,479
Reversal of Allowance For Expected Credit Losses	13	**-**	(1,259)
Interest and Dividend Income	27	**(30,462)**	(15,492)
Write Back of Other Payables	27	**(106,030)**	-
Unwinding of Discounting of Long-Term Receivables	13 & 27	**(24,439)**	-
Share Base Payments	25 & 33	**79,706**	-

	Notes	**2020 AED'000**	**2019 AED'000**
COVID-19 Rent Concession	22 & 27	**(2,584)**	-
Change In the Fair Value of Financial Assets Carried at Fair Value Through Profit or Loss	11.2 & 27	**(8,692)**	-
Fair Value Gain on Revaluation of Acquirers' Previously Held Equity Interest	10 & 27	**-**	(5,495)
Provision for Employees' End-of-Service Benefit	19	**39,625**	5,125
Finance Costs	31	**61,627**	13,958
Operating Cash Flows Before Changes In Working Capital		**2,401,546**	96,648
Working Capital Changes:			
Increase In Inventories		**(185,176)**	(41,544)
Increase In Biological Assets		**(5,229)**	-
Increase In Due From Related Parties		**(75,097)**	(116,408)
(Increase) Decrease In Trade and Other Receivables		**(1,109,100)**	143,507
Increase In Development Work-in-progress		**(15,056)**	-
Increase In Due to Related Parties		**519,322**	92,869
Increase In Trade and Other Payables		**946,373**	169,590
Cash Generated from Operations		**2,477,583**	344,662
Employees' End-of-Service Benefit Paid	19	**(11,463)**	(8,338)
Tax Payment		**(78)**	(575)
Finance Costs Paid		**(50,295)**	(13,958)
Net Cash Generated From Operating Activities		**2,415,747**	321,791
Investing Activities			
Movement In Term Deposits With Original Maturities More Than Three Months		**(194,430)**	181,392
Addition to Property, Plant and Equipment		**(214,153)**	(78,559)
Addition to Intangible Assets	8	**(6,975)**	(322)
Proceeds from Sale of Property, Plant and Equipment		**4,975**	36

Annual Report 2020

Consolidated Statement of Cash Flows continued
For the year ended 31 December 2020

	Notes	2020 AED'000	2019 AED'000
Addition to Assets Held For Sale	16	**(67,561)**	-
Acquisition of Subsidiaries	6.2	**(185,465)**	199,502
Business Combination of Entities Under Common Control	6.1	**417,001**	334,673
Proceeds From Disposal of Shares of Subsidiaries	6.3	**109,609**	-
Purchase of Investment In Associate		**(30,590)**	-
Proceeds From Disposal of Investment Property	9	**-**	250,000
Purchase of Investment Properties	9	**(224,453)**	-
Purchase of Investment In Financial Assets		**(550,106)**	(19,589)
Proceed From Sale of Investment In Financial Assets	11	**149,675**	-
Dividend Received From Associates and Joint Ventures	10	**637,635**	6,509
Interest and Dividend Received		**30,462**	12,350
Net Cash (Used In) Generated from Investing Activities		**(124,376)**	885,992
Financing Activities			
Net Repayment of Borrowings		**(92,021)**	(6,661)
Repayment of Loan From Related Parties		**-**	(3,145)
Dividend Paid to Non-Controlling Interest	38	**-**	(3,780)
Repayment of Lease Liabilities	22	**(17,957)**	(829)
Net Cash Used in Financing Activities		**(109,978)**	(14,415)
Net Increase In Cash and Cash Equivalents During the Year		**2,181,393**	1,193,368
Cash And Cash Equivalents at Beginning of The Year		**1,284,853**	91,772
Effect of Foreign Exchange Rate Changes		**(5,893)**	(287)
Cash and Cash Equivalents at End of the Year	14	**3,460,353**	1,284,853

Notes to the Consolidated Financial Statements
31 December 2020

1.0 General Information

International Holding Company PJSC (formerly "International Holdings Company PJSC") (the "Company") is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness The Ruler of Abu Dhabi on 23 November 1998. The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates. Royal Group Holding LLC is the Ultimate Parent of the Company.

During the year, the shareholders approved to change the name of the Company from "International Holdings Company PJSC" to "International Holding Company PJSC" in the annual general assembly held on 28 September 2020.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are;

- Management Services and Investment in Diversified Projects;
- Trading In Fish And Fish Products, Exporting, Preserving Fish Products And Other Sea Living Resources Through Cooling And Freezing;
- Sport Enterprises Investment, Institution, Management Services;
- Catering Services And General Trading Of Foodstuff;
- Management of Cinema Shows;
- Installation, Repair and Maintenance of District Cooling and Air Conditioning;
- Buying, Selling, Leasing and Other Services Related to the Management of Plots and Real Estate;
- Performing Technical, Commercial and Contracting Services Related to Marine Works;
- Importing, Maintaining, Trading and Other Services Relating to Spare Parts, Industrial Machineries and Equipment;
- Offering Heath Care Services, Operating Medical Laboratories, and Distributing Medical Supplies and Devices;
- Personal Care and Grooming Services; and
- Motorcycle Trading, Repairing and Rentals.

The consolidated financial statements for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 4 March 2021.

2.0 Basis of Preparation

2.1 Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable requirements of laws of the United Arab Emirates. Federal Decree-Law No. 26 of 2020, which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies, was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

2.0 Basis of Preparation continued

2.2 Basis of Measurement

The consolidated financial statements have been prepared under the historical cost basis, except for investments in financial assets through other comprehensive income, investments in financial assets through profit or loss and biological assets that have been stated at fair value.

2.3 Functional and Presentation Currency

The consolidated financial statements are presented in UAE Dirhams ("AED"), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

2.4 Basis for Consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of subsidiaries as at 31 December 2020 and 31 December 2019 were as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
IHC Holdings RSC Limited	United Arab Emirates	Investment Company	**100%**	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management	**100%**	100%

2.0 Basis of Preparation continued

2.4 Basis for Consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management	**100%**	100%
Alliance Foods Company LLC	United Arab Emirates	Trading, processing and packing of seafood products	**100%**	100%
Alliance Food Security Holdings LLC	United Arab Emirates	General trading, importing, exporting, storing in public store houses; commercial brokers, storekeepers and warehouses management and operations; wholesale of fodder trading, canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading	**80%**	80%
Emirates Stallions Properties LLC	United Arab Emirates	Buying, selling and dividing plots; real estate management; developing and leasing of real estate	**100%**	100%
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Technical, commercial and contracting services specifically marine work contract	**100%**	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution	**100%**	100%
Century Real Estate Management LLC	United Arab Emirates	Labour camp management	**82%**	82%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic; importing and exporting of those products; farming of fish, shrimps and other aquatic; wholesale and retail trading in property, plant and equipment of fish farming	**80%**	80%

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
Alliance Food Security Holdings USA	United States of America	Animal feed trading	**80%**	80%
Forrajes San Mateo S.L.U.	Spain	Trading and production of animal feed	**80%**	80%
Asmak Holding Company Limited	United Arab Emirates	Holding companies and investment in commercial enterprises and management	**100%**	100%
The Gombos Company LLC	United States of America	Trading and production of animal feed	**50%**	50%
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	**100%**	100%
PAL First Cooling LLC (formerly PAL Tamouh Cooling LLC)	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning,;repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	**100%**	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning,;repair district cooling and investment in infrastructure projects	**100%**	100%

2.0 Basis of Preparation continued

2.4 Basis for Consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning; repair district cooling and investment in infrastructure projects	100%	100%
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products	100%	100%
Palms Sports PJSC (v)	United Arab Emirates	Providing sport enterprises investment, institution and management	71.98%	100%
Zee Store PJSC (v)	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods	71.18%	100%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows	100%	100%
International Securities LLC (formerly Shuaa Securities LLC)	United Arab Emirates	Share brokerage services	100%	100%
Trust International Group LLC	United Arab Emirates	Sale of spare parts and repairs for military equipment	100%	100%
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management	80%	80%

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC (ii)	United Arab Emirates	Storehouses and warehouses management and operations	100%	-
Multiply Marketing Consultancy LLC (i)	United Arab Emirates	Advertisement designing and production services	100%	-
WFC Holding - sole proprietorship LLC (ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
Workforce Connexion LLC (i)	United Arab Emirates	Supply of on-demand labours; human service delivery of medical cadres; onshore and offshore oil and gas fields and facilities services	100%	-
Corporate Solutions Consultants LLC (i)	United Arab Emirates	Human resources and administrative consultancy; onshore and offshore oil and gas fields and facilities services	100%	-
Multi Serve Typing and Transactions Follow Up LLC (i)	United Arab Emirates	Typing, documents photocopying and transactions follow up services	100%	-
AGRINV SPV RSC (i)	United Arab Emirates	Investment Company	100%	-
Al-Hashemiya for Land Reclamation and Cultivation S.A.E. (i)	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep providing other services related to farming and livestock	99.99%	-
Royal Technology Solutions LLC (i)	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services	100%	-
Bedashing Holding Company LLC (ii)	United Arab Emirates	Investment Company	100%	-

2.0 Basis of Preparation continued

2.4 Basis for Consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
Dashing International Group - Sole proprietorship LLC (i)	United Arab Emirates	Company representation	**100%**	-
Bedashing Beauty Lounge - Sole proprietorship LLC (i)	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services	**100%**	-
Bedashing Beauty Lounge International Limited (i)	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services	**100%**	-
Nippers & Scissors training Centre - Sole proprietorship LLC (i)	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services	**100%**	-
Easy Lease Motorcycle Rental PJSC (i, iii & v)	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental	**45.07%**	-
Uplift Delivery Services LLC (i)	United Arab Emirates	Renting and delivery services	**67%**	-
Al Tamouh Investments Company LLC (i)	United Arab Emirates	Development, management and sale of real estate properties	**100%**	-
TSL Properties LLC (i)	United Arab Emirates	Development project ownership, sales & leasing	**100%**	-
Eltizam Asset Management LLC (i)	United Arab Emirates	Services management holding company	**100%**	-
Tafawuq Facilities Management LLC (i)	United Arab Emirates	Facilities management services	**100%**	-
Tafawuq Facilities Management Co. LLC (i)	Oman	Facilities management services	**70%**	-
ThreeSixty Communities Estate LLC (i)	United Arab Emirates	Owner association management	**100%**	-

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
ThreeSixty Communities Management for Owners Associations LLC (i)	United Arab Emirates	Owner association management	**100%**	-
ThreeSixty Energy LLC (i)	United Arab Emirates	Utility billing and collection services	**100%**	-
800TEK Facilities Management LLC (formerly known as ThreeSixty Leisure and Event Management LLC) (i)	United Arab Emirates	Organisation and management of events	**100%**	-
Omnius Real Estate Brokerage LLC (formerly known as ThreeSixty Remax Real Estate Brokerage) (i)	United Arab Emirates	Real estate brokerage services	**100%**	-
Omnius Estate Services - Sole Proprietorship LLC (formerly known as Three Sixty Brokerage Estate - Sole Proprietorship LLC) (i)	United Arab Emirates	Real estate brokerage services	**100%**	-
ThreeSixty Communities Estate LLC (i)	Oman	Owner association management	**70%**	-
Wadi Adventures LLC (i)	United Arab Emirates	Adventure Park	**100%**	-
Green Mubazzarah Chalets LLC (i)	United Arab Emirates	Resort and furnished residences leasing	**100%**	-
Tamouh Hotels and Resorts LLC (i)	United Arab Emirates	Management and operation of hotels an hotel apartments	**100%**	-
Tamouh National Contracting LLC (i)	United Arab Emirates	Building projects contracting	**51%**	-
Arch Models Abu Dhabi LLC (i)	United Arab Emirates	Designing and constructing architectural models	**60%**	-
Tamouh Integrated Business Services LLC (i)	United Arab Emirates	Resort and furnished residences leasing	**100%**	-
Qausar Energy Limited (ii)		Consultancy, research and development and testing with respect of energy generation	**50%**	-

Annual Report 2020

2.0 Basis of Preparation continued

2.4 Basis for Consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
Alpha Technologies Limited (ii)	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation	**50%**	-
IHC West Investment – Sole Proprietorship LLC (ii)	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management	**100%**	-
Tamouh Healthcare LLC (i)	United Arab Emirates	Ownership of medical facilities	**100%**	-
Medi Q Healthcare LLC (ii)	United Arab Emirates	Investment, incorporation and management of healthcare service projects	**51%**	-
Sanimed International Lab and Management LLC (ii)	United Arab Emirates	Pharmaceutical studies and researches, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches	**85%**	-
Quant Lase Lab LLC (ii)	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections	**80%**	-
Royal Architect Project Management LLC (i)	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy	**100%**	-
Royal Development Company LLC (i)	United Arab Emirates	Real estate development construction	**100%**	-
Royal Development Company d.o.o Beograd-Vracar (i)	Serbia	Hotel accommodation	**100%**	-

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
Anse La Mouche Property Development L.L.C. (i)	United Arab Emirates	Real estate enterprises investment development, institution and management	**99.99%**	-
Al Seer Marine Supplies and Equipment Company LLC (i)	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment	**100%**	-
Al Seer Marine Boats Building LLC (i)	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats	**100%**	-
Al Seer Marine Services Company LLC (i)	United Arab Emirates	Ship management and operations, onshore and offshore oil and gas fields and facilities services and building of motorboats. Yachts management and running	**100%**	-
Al Seer Marine Training Institute LLC (i)	United Arab Emirates	Training and rehabilitation of marine cadres, technical training on electrical devices, computer software and security training	**100%**	-
Apex Alwataniah Catering Service	United Arab Emirates	Foodstuff catering to private and public sector organisations	**60%**	-
R Med Medical Supplies LLC (i)	United Arab Emirates	Drug store, and trading of medical and surgical articles	**52%**	-
West Investments SPV RSC Ltd. (i)	United Arab Emirates	Investment Company	**100%**	-
Discontinued operations:				
Paragon Malls LLC (i)	United Arab Emirates	Ownership and leasing of retail property	**100%**	-

2.0 Basis of Preparation continued

2.4 Basis for Consolidation continued

(i) Subsidiaries acquired during the year (note 6).

(ii) These are subsidiaries of the Group, incorporated during the year.

(iii) The Group consolidates Easy Lease Motorcycle Rental PJSC based on de facto control (note 5).

(iv) Effective 1 April 2019, the Group increased its ownership interest in Alliance Food Security Holdings LLC from 70% to 80% by subscribing for additional 18 million shares out of 20 million total new shares issued by Alliance Food Security Holdings LLC. As Alliance Food Security Holdings LLC owns 100% of Alliance Food Security Holdings USA and Forrajes San Mateo, S.L.U., the Group's ownership in these entities also increased from 70% to 80%.

(v) During the year, the Group's shareholding in these subsidiaries were reduced without the loss of control (refer note 6.3).

2.5 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the new standards listed below, interpretations and amendments effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 16: COVID-19 Related Rent Concessions
- Conceptual Framework for Financial Reporting issued on 29 March 2018

These amendments and interpretations had no impact on the consolidated financial statements of the Group, except for the following.

Amendments to IFRS 16: Covid-19-Related Rent Concessions

Certain subsidiaries of the Group have applied practical expedient to all rent concessions that meet the following conditions;

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or l less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Total amount recognised in consolidated statement of profit or loss to reflect changes in lease payments that arise from such rent concessions to which the subsidiaries have applied the practical expedient is AED 2,584 thousand (note 22).

3.0 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

3.0 Summary of Significant Accounting Policies

Business combinations and goodwill continued

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group's Ownership Interest in Existing Subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Disposals of interest in a subsidiary to an equity accounted investee

Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

Acquisition of Entities Under Common Control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to the same components within Group entity. Any transaction costs paid for the acquisition are recognised directly in equity.

Investment in Associates and Joint Ventures

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 no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements 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, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates

3.0 Summary of Significant Accounting Policies continued

Investment in Associates and Joint Ventures continued

the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

When the Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Group satisfies a performance obligation.

Sale of Goods

Revenue from sale of goods is recognised when control of the goods has transferred, being when the goods have been delivered to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Construction Contract Revenue

The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time on a cost to cost method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15 Revenue from Contracts with Customers'.

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment as well as costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers classified under trade and other receivables, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers classified under trade and other payables, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

Lease to Own Scheme

Sales under the lease to own scheme are accounted for as follows:

- Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase.
- When the lessee exercises its option to purchase, a sale is recognised in accordance with the revenue recognition policy for the sale of property as stated below.

District Cooling

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an

3.0 Summary of Significant Accounting Policies continued

Revenue Recognition continued

executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

Brokerage services

The Group provides share brokerage services, which mainly include commission income and interest income on margin trading.

(i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.

(ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+4.

Rendering of services

Revenue relating to services is recognised over time. The transaction price is straight lined over the period of service.

Dividend income

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of properties

The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

Government grants

Government grants received by the Group in relation to non-monetary assets such as land and other resources are accounted for at nominal value.

Employee benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end-of-service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end-of-service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

Property, plant and equipment

Recognition and Measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

3.0 Summary of Significant Accounting Policies continued

Property, plant and equipment continued

Depreciation

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	3 – 30 years
Plant and machinery	2 – 35 years
Furniture, fixtures and equipment	3 – 7 years
Motor vehicles and boats	4 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Capital Work-in-progress

Assets under construction ('capital work-in-progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work-in-progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

Derecognition

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Concession Rights

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years from the date of construction of the district cooling plant.

Customer Contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired during 2019 and 2020 (note 6). Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 4 years.

Customer Relationship

Customer relationship represents future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships, which were acquired during 2019 and 2020 (note 6) and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 5 to 8 years.

Brand name

Brand is a unique design, sign, symbol, words or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. A brand name represents future economic benefits in the form of future business linked the brand name of one of subsidiary, Bedashing, acquired during the year (note 6). Brand name has a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 7 years.

Other intangible assets are amortised over a period of 3 to 5 years using straight-line method.

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in consolidated statements of profit or loss in the period during which they are incurred.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the

3.0 Summary of Significant Accounting Policies continued

Leases

right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Land	30 – 50 years
Warehouse and cinema halls	2 – 20 years
Motor vehicles	4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'property, plant and equipment' policy.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'other expenses' in the consolidated statement of profit or loss. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of Property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

3.0 Summary of Significant Accounting Policies continued

Investment properties continued

Investment properties are stated at cost less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranging from 10 to 30 years.

Discontinued operations and non-current assets held for sale

The Group classifies non-current assets and subsidiaries as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.
Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Inventories

Fish and Fish Products

Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

Animal feed products

Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first-in-first-out method.

Packing, raw materials, medical equipments, food and non-food items, other finished goods and spares and consumables

These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Poultry Products

Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

Properties

Properties comprise properties held for sale in the ordinary course of business. Cost comprises construction and other costs necessarily incurred in bringing the inventory to its present location and condition.

Development work-in-progress

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated

3.0 Summary of Significant Accounting Policies continued

Development work-in-progress continued

selling price in the ordinary course of business less applicable variable selling expenses.
Land under development work-in-progress granted to the Group without consideration is carried at nominal value.

Biological Assets

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

Deferred Revenue

Revenue related to infrastructure development in respect of land sold is deferred and is recognised when the related infrastructure development is complete in accordance with the terms of the underlying construction contract and where the Group's obligations under the applicable sale and purchase agreement contract have been met.

Foreign Currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).
In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date, and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

3.0 Summary of Significant Accounting Policies continued

Financial Assets continued

Subsequent Measurement continued

d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial Assets At Amortised Cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, due from related parties, loan to a related party and cash and bank balances.

Cash and Short-Term Deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Financial Assets Designated at Fair Value Through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.
This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset, and substantially all the risks and rewards of ownership of the asset, to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

3.0 Summary of Significant Accounting Policies continued

Financial Liabilities and Equity Instruments continued

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off

3.0 Summary of Significant Accounting Policies continued

Taxation continued

current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Fair Value Measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income, trade and other receivables, due from related parties and cash and bank balances at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be

3.0 Summary of Significant Accounting Policies continued

Provisions continued

recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-Based Payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (note 25), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Dividends

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification

The Group presents assets and liabilities in the statement of consolidated financial position based on current/non-current classification.

An asset is classified as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It isexpected to be realised within twelve months after the reporting period; or
- It iscash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Non-Monetary Contributions from Shareholders

Non-monetary contributions received from shareholders are initially recorded at a nominal value. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

4.0 Standards Issued but Not Effective

The following new and amended standards and interpretations which were issued up to the date of issuance of the Group's consolidated financial statements and are not yet effective for the year ended 31 December 2020 have not been applied while preparing these consolidated financial statements. The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements:

4.0 Standards Issued but Not Effective continued

- IFRS 17 Insurance Contracts
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Reference to the Conceptual Framework - Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
- Onerous Contracts - Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements

5.0 Critical Accounting Judgments and Key Sources of Estimation of Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, the Group's management has made certain judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation of Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment, intangible assets and investment properties

The management determines the estimated useful lives of its property, plant and equipment, intangible assets and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Impairment assessment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties, as well as investments in joint ventures and associates are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill is tested for impairment on an annual basis.

Based on the assessment performed, Management has recorded net impairment loss on its investment properties and property, plant and equipment of AED 44,931 thousand (note 9) and AED 4,935 thousand (note 7), respectively, for the year ended 31 December 2020 (2019: nil).

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgement by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Allowance for slow-moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow-moving inventories would be required if the outcome of these indicative factors differs from the estimates.

Estimation of net realisable value for inventories

Inventories are stated at lower of cost or net realisable value ("NRV"). NRV is assessed with reference to expected sale prices, costs of completion, advances received and market conditions existing at the end of the reporting period.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

5.0 Critical Accounting Judgments and Key Sources of Estimation of Uncertainty continued

Key Sources of Estimation of Uncertainty continued

Provision for expected credit losses of trade receivables and contract assets continued

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 2,195,273 thousand (2019: AED 377,688 thousand) and contract assets were AED 121,898 thousand (2019: AED 37,712 thousand), with provision for expected credit losses of AED 122,001 thousand (2019: AED 29,915 thousand) and AED 7,378 thousand (2019: AED 7,378 thousand), respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of development work-in-progress (development properties)

Development properties are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and therefore considering comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development properties for impairment as at 31 December 2020. Based on the review, management has concluded that there is no impairment loss on its development properties for the year ended 31 December 2020 (2019: nil).

Contract Claims

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agrees on an amicable settlement mechanism in the majority of such cases. Some parties might have sought refunds and/or compensation-which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2020. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

Infrastructure Costs

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs, and there was no impact on the Group's financial statements arising from this review (2019: nil).

Revenue recognition on real estate contracts

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 35 for further disclosures.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Critical Accounting Judgements in Applying Accounting Policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of Properties

In the process of classifying projects during construction, management applies judgement to determine whether they should be investment properties under development or development work-in-progress. Subsequently management re-assesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of the respective categories. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

Allocation of development costs

5.0 Critical Accounting Judgments and Key Sources of Estimation of Uncertainty continued
Key Sources of Estimation of Uncertainty continued

The allocation of project development costs between development work-in-progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

Contract variations and claims

Contract variations and claims related to assets under construction are recognised as additions to capital work-in-progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically, and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Assets held for sale

The Group has finalised the sale and purchase agreement for the disposal of Paragon Mall LLC. Operations of Paragon Mall LLC are classified as a subsidiary held for sale (note 16.2). Management considered the subsidiary to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreement, for the Paragon Mall LLC, with the buyer has already been signed;
- Paragon Mall LLC is available for immediate sale and can be sold to the buyer in its current condition; and
- The actions to complete the sale, including the legal proceedings, were initiated and expected to be completed within one year from the date of initial classification.

For more details on the assets held for sale, refer to note 16.

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it has de-facto control over Easy Lease Motorcycle Rental PJSC ("Easy Lease"), even though it owns less than 50% of the voting rights. This is because of the following:

- The Group is the single largest shareholder of Easy Lease with a 45.07% equity interest;
- As per Easy Lease's articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on majority votes, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Impact of novel coronavirus (COVID-19)

The outbreak of COVID-19 continues to evolve, causing disruption to business and economic activity. During the year, there has been macro economic uncertainty with regards to prices and demand for commodities. The scale and duration of these developments remain uncertain, but they could impact earnings, cash flow and financial condition. The Group is monitoring the evolution of the COVID-19 pandemic and will continue to assess further impacts going forward.

The currently known impacts of COVID-19 on the Group are slight delays in customers, collections, but management is closely monitoring the situation and has kept adequate provisions for expected credit losses. Further, the reduction of economic activities during the lock-down period has resulted in a significant reduction in revenue from sale of land and properties. The management does not anticipate a future material impact of this outbreak on the Group's consolidated financial statements at this stage.

6.0 Business Combinations

6.1 Business combination under common control

During the year ended 31 December 2020 and 2019, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1(a) Acquisitions during the year

Al Tamouh Investments Company LLC ("Al Tamouh")

Effective 1 January 2020, the Group acquired 100% of the shares in Al Tamouh Investments Company LLC and its subsidiaries ("Al Tamouh") for nil consideration. Al Tamouh is based in Abu Dhabi, United Arab Emirates, and is involved in development of real estate, which includes land and infrastructure development, property development for sale or lease, property and facilities management as well as an adventure park. From the date of acquisition, Al Tamouh contributed revenue and profit to the Group amounting to AED 543,290 thousand and AED 50,615 thousand, respectively.

Al Seer Marine Supplies and Equipment Company LLC ("Al Seer Marine")

Effective 1 January 2020, the Group acquired 100% of the shares in Al Seer Marine Supplies and Equipment Company LLC ("Al Seer Marine") for nil consideration. Al Seer Marine is based in Abu Dhabi, United Arab Emirates, and is involved in importing, maintaining and trading of marine machinery and equipment; boats repairing and trading; trading in marine transportation spare parts; trading in factories preparation equipment, machinery and accessories thereof and repair

6.0 Business Combinations continued

6.1(a) Acquisitions during the year continued

Al Seer Marine Supplies and Equipment Company LLC ("Al Seer Marine") continued

and maintenance of light and heavy marine equipment; wholesale of spare parts and section trading of ships and boats; retail sale of ships as well as ships, boats, airplanes spare parts and their components; management and operations and yatchs management and running. From the date of acquisition, Al Seer Marine contributed revenue and profit to the Group amounting to AED 507,088 thousand and AED 33,943 thousand, respectively.

AGRINV SPV RSC ("AGRINV")

Effective 1 April 2020, the Group acquired 100% of the shares in AGRINV SPV RSC ("AGRINV") for nil consideration. AGRINV is an investment company, having a 99.99% owned subsidiary, Al-Hashemiya for Land Reclamation and Cultivation S.A.E. ("Al- Hashemiya"). Principal activities of Al-Hashemiya is cultivating, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other services related to farming and livestock. AGRINV is incorporated in Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates. From the date of acquisition, AGRINV contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 3,907 thousand respectively. If the acquisition had taken place at the beginning of the year, AGRINV would have contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 4,412 thousand, respectively.

Royal Technology Solutions ("RTS")

Effective 1 April 2020, the Group acquired 100% of the shares in Royal Technology Solutions ("RTS") for nil consideration. Royal Technology Solutions (the "Company") is a limited liability company incorporated in the Abu Dhabi, United Arab Emirates, and is involved in computer trading, computer and data processing requisites trading, computer networks maintenance, and onshore and offshore oil and gas fields' services. From the date of acquisition, RTS contributed revenue and profit to the Group amounting to AED 52,729 thousand and AED 4,305 thousand, respectively. If the acquisition had taken place at the beginning of the year, RTS would have contributed revenue and profit to the Group amounting to AED 66,980 thousand and AED 5,277 thousand, respectively.

Multiply Marketing Consultancy ("MMC")

Effective 1 April 2020, the Group acquired 100% of the shares in Multiply Marketing Consultancy LLC ("MMC") for nil consideration. MMC is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in advertisement designing and production services. From the date of acquisition, MMC contributed revenue and profit to the Group amounting to AED 13,260 thousand and AED 3,301 thousand, respectively. If the acquisition had taken place at the beginning of the year, MMC would have contributed revenue and profit to the Group amounting to AED 15,784 thousand and AED 3,805 thousand, respectively.

Workforce Connexion LLC ("WFC")

Effective 1 April 2020, the Group acquired 100% of the shares in Workforce Connexion LLC ("WFC") for nil consideration. WFC is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in supply of on-demand labours, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services. From the date of acquisition, WFC contributed revenue and profit to the Group amounting to AED 330,943 thousand and AED 9,987 thousand, respectively. If the acquisition had taken place at the beginning of the year, WFC would have contributed revenue and profit to the Group amounting to AED 396,974 thousand and AED 12,771 thousand, respectively.

Corporate Solutions Consultants LLC ("CSC")

Effective 1 April 2020, the Group acquired 100% of the shares in Corporate Solutions Consultants LLC ("CSC") for nil consideration. CSC is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services. From the date of acquisition, CSC contributed revenue and profit to the Group amounting to AED 4,540 thousand and AED 5,252 thousand, respectively. If the acquisition had taken place at the beginning of the year, CSC would have contributed revenue and profit to the Group amounting to AED 5,314 thousand and AED 2,751 thousand, respectively.

Multi Serve Typing and Transactions Follow Up LLC ("MST")

Effective 1 April 2020, the Group acquired 100% of the shares in Multi Serve Typing and Transactions Follow Up LLC ("MST") for nil consideration. MST is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in typing, documents photocopying and transactions follow-up services. From the date of acquisition, MST contributed revenue and profit to the Group amounting to AED 901 thousand and AED 568 thousand, respectively. If the acquisition had taken place at the beginning of the year, MST would have contributed revenue and profit to the Group amounting to AED 901 thousand and AED 341 thousand, respectively.

Royal Architect Project Management LLC ("RAPM")

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Architect Project Management LLC ("RAPM") for nil consideration. RAPM is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in the provision of project management and architectural design consultancy services. From the date of acquisition, RAPM contributed revenue and profit to the Group amounting to AED 17,341 thousand and AED 4,560 thousand, respectively. If the acquisition had taken place at the beginning of the year, RAPM would have contributed revenue and loss to the Group amounting to AED 24,142 thousand and AED 447 thousand, respectively.

Royal Development Company LLC ("RDC")

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Development Company LLC ("RDC") for nil consideration. RDC is a limited liability company incorporated in Abu Dhabi, United Arab Emirates, and is involved in the development of real estate and all activities that are a part of complementary, collateral, incidental, connected with or relating to such activities. From the date of acquisition, RDC contributed revenue and profit to the Group amounting to AED 7,466 thousand and AED 1,865 thousand, respectively. If the acquisition had taken place at the beginning of the year, RDC would have contributed revenue and loss to the Group amounting to AED 9,810 thousand and AED 2,097 thousand, respectively.

6.1(a) Acquisitions during the year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Al Tamouh AED'000	Al Seer Marine AED'000	AGRINV AED'000	RTS AED'000	MMC AED'000	WFC AED'000	CSC AED'000	MST AED'000	RAPM AED'000	RDC AED'000	Total AED'000
Assets											
Property and equipment	17,747	36,475	114,623	1,241	3,131	46	-	-	105	2,646	176,014
Intangible assets	6,849	-	-	-	18	-	-	-	57	3	6,927
Right-of-use assets	-	8,973	-	-	-	-	-	-	-	-	8,973
Investment properties	1,193,716	-	-	-	-	-	-	-	-	-	1,193,716
Investment in associates and joint ventures	-	-	-	-	35,450	-	-	-	-	-	35,450
Investment in financial assets	32,684	-	-	-	-	-	-	-	-	-	32,684
Assets held for sale	812,715	-	-	-	-	-	-	-	-	-	812,715
Inventories	9,951	1,120	47	36,514	-	-	-	-	-	-	47,632
Development work-in-progress	731,042	-	-	-	-	-	-	-	-	-	731,042
Due from related parties	-	18,264	-	3,596	6,138	11,792	619	838	6,105	25,730	73,082
Trade and other receivables	820,959	266,225	253	10,458	14,311	20,655	2,149	-	9,728	102,778	1,247,516
Cash and bank balances	163,448	145,680	18,682	46,778	9,445	3,825	913	771	17,091	10,368	417,001
	3,789,111	**476,737**	**133,605**	**98,587**	**68,493**	**36,318**	**3,681**	**1,609**	**33,086**	**141,525**	**4,782,752**
Liabilities											
Employees' end-of-service benefit	16,514	9,921	3	1,188	2,347	4,212	-	-	1,461	889	36,535
Borrowings	789,775	-	-	-	-	-	-	-	-	-	789,775
Lease liabilities	-	9,182	-	-	-	-	-	-	-	-	9,182
Due to related parties	-	15,475	-	2,468	1,676	9,736	2,679	365	1,326	48,701	82,426
Trade and other payables	1,657,731	195,844	87,213	63,735	7,836	15,827	2,466	62	6,842	85,708	2,123,264
	2,464,020	**230,422**	**87,216**	**67,391**	**11,859**	**29,775**	**5,145**	**427**	**9,629**	**135,298**	**3,041,182**
Net assets	1,325,091	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,741,570
Less: non-controlling interest	(647)	-	-	-	-	-	-	-	-	-	(647)
Proportionate share of identifiable net assets acquired	1,324,444	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,740,923
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	**1,324,444**	**246,315**	**46,389**	**31,196**	**56,634**	**6,543**	**(1,464)**	**1,182**	**23,457**	**6,227**	**1,740,923**

6.0 Business Combinations continued

6.1(b) Acquisitions in the prior year

PAL Cooling Holding LLC ("PAL")

On 30 June 2019, the Company issued 1,311,428,571 new shares and completed the acquisition of 100% of the issued share capital of PAL Cooling Holding LLC and its subsidiaries ("PAL"). The new shares were issued to the previous owners of PAL. PAL is based in the United Arab Emirates and is involved in the installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects. From the date of acquisition, PAL contributed revenue and profit to the Group amounting to AED 119,311 thousand and AED 45,459 thousand, respectively, for the year ended 31 December 2019. If the acquisition had taken place at the beginning of 2019, PAL would have contributed revenue and profit to the Group amounting to AED 207,402 thousand and AED 71,068 thousand respectively, for the year ended 31 December 2019.

Al Ajban Poultry LLC ("Al Ajban")

On 1 November 2019, the Company acquired 100% of the shares in Al Ajban Poultry LLC ("Al Ajban") for nil consideration. Al Ajban is based in Abu Dhabi, United Arab Emirates, and is involved in rearing, hatching, feed processing and sale of poultry products. From the date of acquisition, Al Ajban contributed revenue and profit to the Group amounting to AED 12,254 thousand and AED 1,829 thousand, respectively, for the year ended 31 December 2019. If the acquisition had taken place at the beginning of 2019, Al Ajban would have contributed revenue and profit to the Group amounting to AED 76,957 thousand and AED 10,380 thousand respectively, for the year ended 31 December 2019.

Palms Sports PJSC ("Palms Sports")

On 1 November 2019, the Company acquired 100% of the shares in Palms Sports PJSC ("Palms Sports") for nil consideration. Palms Sports is based in the United Arab Emirates, and is involved in providing sport enterprises investment, institution and management. From the date of acquisition, Palms Sports contributed revenue and profit to the Group amounting to AED 54,694 thousand and AED 20,735 thousand, respectively, for the year ended 31 December 2019. If the acquisition had taken place at the beginning of 2019, Palms Sports would have contributed revenue and profit to the Group amounting to AED 308,729 thousand AED 76,702 thousand respectively, for the year ended 31 December 2019.

Zee Store PJSC ("Zee Store")

On 1 November 2019, the Company acquired 100% of the shares in Zee Store PJSC ("Zee Store") for nil consideration. Zee Store is based in the United Arab Emirates and is involved in the trading and importing of fresh consumables and, canned, preserved and frozen foods. From the date of acquisition, Zee Store contributed revenue and profit to the Group amounting to AED 48,177 thousand and AED 2,959 thousand, respectively, for the year ended 31 December 2019. If the acquisition had taken place at the beginning of 2019, Zee Store would have contributed revenue and profit to the Group amounting to AED 302,999 thousand and AED 18,636 thousand respectively, for the year ended 31 December 2019.

Cine Royal Cinema LLC ("Cine Royal")

On 1 November 2019, the Company acquired 100% of the shares in Cine Royal Cinema LLC ("Cine Royal") at nil consideration. Cine Royal is based in the United Arab Emirates and is involved in establishment, management services, sale of food and cafeteria items and cinema shows. From the date of acquisition, Cine Royal contributed revenue and profit to the Group amounting to AED 13,888 thousand and AED 579 thousand respectively, for the year ended 31 December 2019. If the acquisition had taken place at the beginning of 2019, Cine Royal would have contributed revenue and profit to the Group amounting to AED 88,059 thousand AED 7,101 thousand respectively, for the year ended 31 December 2019.

	PAL AED'000	Al Ajban AED'000	Palms Sports AED'000	Zee Store AED'000	Cine Royal AED'000	Total AED'000
Assets						
Intangible assets	80,000	124	-	-	-	80,124
Property, plant and equipment	788,157	196,222	1,064	15,887	80,349	1,081,679
Right of use assets	-	-	751	7,273	54,629	62,653
Inventories	-	14,611	1,656	5,224	844	22,335
Due from related parties	1,903	1,221	-	5,701	8,251	17,076
Biological assets	-	3,853	-	-	-	3,853
Cash and bank balances	13,850	10,411	211,789	57,855	40,768	334,673
Trade and other receivables	89,634	21,926	74,508	90,351	12,888	289,307
	973,544	**248,368**	**289,768**	**182,291**	**197,729**	**1,891,700**
Liabilities						
Trade and other payable	131,428	11,852	50,741	33,463	17,546	245,030
Borrowings	383,124	-	-	-	-	383,124
Due to related parties	29,874	44,037	304	1,387	2,054	77,656
Deferred revenue	-	728	-	-	-	728
Lease liabilities	-	-	651	7,522	53,283	61,456
Employees' end-of-service benefit	4,080	932	22,370	3,248	1,369	31,999
	548,506	**57,549**	**74,066**	**45,620**	**74,252**	**799,993**
Proportionate share of identifiable net assets acquired	425,038	190,819	215,702	136,671	123,477	1,091,707
Shares issued for the acquisition	(1,311,429)	-	-	-	-	(1,311,429)
Consideration paid	-	-	-	-	-	-
Merger reserve	**(886,391)**	**190,819**	**215,702**	**136,671**	**123,477**	**(219,722)**

6.0 Business Combinations continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2(a) Acquisitions during the year

During the year, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Dashing International Group of Companies

Effective 1 April 2020, the Group acquired a 100% interest in Dashing International Group of Companies. Dashing International Group of Companies comprises of four limited liability entities ("Dashing"), details of which are as follows:

Name of Entities	Place of incorporation and operation	Principal Activities
Dashing International Group - Sole proprietorship LLC	United Arab Emirates	Company representation
Bedashing Beauty Lounge - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services
Nippers & Scissors training Centre - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming-related services

From the date of acquisition, Dashing contributed revenue and profit to the Group amounting to AED 36,966 thousand and AED 5,828 thousand, respectively. If the acquisition had taken place at the beginning of the year, Dashing would have contributed revenue and profit to the Group amounting to AED 50,502 thousand and AED 7,053 thousand, respectively.

Easy Lease Motorcycle Rental PJSC ("Easy Lease")

Effective 1 April 2020, the Group acquired a 55% interest in Easy Lease Motorcycle Rental PJSC and its 67% owned subsidiary, Uplift Delivery Services LLC. Both companies are limited liability companies, registered and incorporated in Dubai, United Arab Emirates. Easy Lease Motorcycle Rental LLC is engaged in motorcycles trading, repairing and rental services. From the date of acquisition, Easy Lease contributed revenue and profit to the Group amounting to AED 72,492 thousand and AED 21,783 thousand, respectively. If the acquisition had taken place at the beginning of the year, Easy Lease would have contributed revenue and profit to the Group amounting to AED 87,711 thousand and AED 25,108 thousand, respectively.

Subsequent to the acquisition, there was a reduction in the Group's shareholding. Refer to note 6.3.

R-Med Medical Supplies LLC ("R-Med")

Effective 1 July 2020, the Group acquired a 52% interest in R-Med Medical Supplies LLC ("R-Med"). R-Med is a limited liability company, incorporated in Dubai, with its principle activities being procuring, packaging and distributing medical hygiene products and automated sanitizing passthrough gates. From the date of acquisition, R-Med contributed nil revenue and loss to the Group. If the acquisition had taken place at the beginning of the year R-Med would have contributed revenue and loss to the Group amounting to AED 2,403 thousand and AED 1,769 thousand, respectively.

Apex Alwataniah Catering Service LLC ("Apex")

Effective 1 July 2020, the Group acquired a 60% interest in Apex Alwataniah Catering Service LLC ("Apex"). Apex is a limited liability company registered and incorporated in the Emirate of Abu Dhabi and is engaged in the provision of catering services to private and public organisations. From the date of acquisition, Apex contributed revenue and profit to the Group amounting to AED 342,570 thousand and AED 135,335 thousand, respectively. If the acquisition had taken place at the beginning of the year, Apex would have contributed revenue and profit to the Group amounting to AED 362,844 thousand and AED 141,743 thousand, respectively.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Dashing International Group of Companies, Easy Lease Motorcycle Rental PJSC, R-Med Medical Supplies LLC and Apex Alwataniah Catering Service LLC as at the date of acquisition were as follows:

	Dashing AED'000	Easy Lease AED'000	R-Med AED'000	Apex AED'000	Total AED'000
Assets					
Property, plant and equipment	7,304	35,360	-	1,850	44,514
Intangible assets	44,200	57,551	-	-	101,751
Right-of-use assets	8,472	2,522	-	-	10,994
Inventories	4,102	1,173	-	544	5,819
Due from related parties	-	351	66	-	417
Trade and other receivables	3,809	17,645	2,642	14,969	39,065
Cash and bank balances	4,994	2,043	29	469	7,535
Total assets	**72,881**	**116,645**	**2,737**	**17,832**	**210,095**
Liabilities					
Employees' end-of-service benefit	873	607	-	36	1,516
Borrowings	22	19,134	-	-	19,156
Lease liabilities	8,192	2,572	-	-	10,764
Trade and other payables	6,694	9,039	4,205	9,888	29,826

6.0 Business Combinations continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Assets acquired and liabilities assumed continued

	Dashing AED'000	Easy Lease AED'000	R-Med AED'000	Apex AED'000	Total AED'000
Total liabilities	15,781	31,352	4,205	9,924	61,262
Total identifiable net assets (liabilities) at fair value	**57,100**	**85,293**	**(1,468)**	**7,908**	**148,833**
Proportionate share of identifiable net assets (liabilities) acquired	57,100	46,900	(763)	4,745	107,982
Goodwill arising on acquisition (note 8)	35,900	71,100	763	-	107,763
Gain on bargain purchase	-	-	-		(4,745)
Purchase consideration	**93,000**	**118,000**	**-**	-	211,000
Non-controlling interest	-	38,393	(705)	3,163	40,851

The fair value assessment of identifiable net assets is complete for all entities.

The fair value of trade receivables amounts to AED 31,928 thousand. The gross amount of trade receivables is AED 32,001 thousand, and it is expected that the full contractual amounts can be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms, if any.

Intangible assets of AED 101,600 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer contracts, customer relationships, trademarks and brand names.

Goodwill of AED 107,763 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- An assumed discount rate of 14.5 to 16%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 4% to 5%, which has been used to determine income for the future years

Analysis of cashflows on acquisitions is as follows:

	Dashing AED'000	Easy Lease AED'000	R-Med AED'000	Apex AED'000	Total AED'000
Purchase consideration					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Contingent consideration liability	-	18,000	-	-	18,000
Total consideration	**93,000**	**118,000**	**-**	**-**	**211,000**
Analysis of cash flow on acquisition					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Net cash acquired on business combination	(4,994)	(2,043)	(29)	(469)	(7,535)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	88,006	97,957	(29)	(469)	185,465
Transaction costs of the acquisition (included in cash flows from operating activities)	317	463	45	45	870
Net cash used (acquired) on acquisition	**88,323**	**98,420**	**16**	**(424)**	**186,335**

Acquisition-related costs amounting to AED 870 thousand were expensed during the period and are included in general and administrative expenses.

Contingent Consideration

As part of the purchase agreement for the acquisition of Easy Lease, a contingent consideration clause exists, where an additional cash payment of AED 18,700 thousand is to be settled to the previous owner, if Easy Lease achieves a minimum net profit of AED 24,500 thousand during the year ending 31 December 2020. As at the acquisition date, the fair value of the contingent consideration was estimated to be AED 18,000 thousand. The Group had initially recorded the contingent consideration based on the key performance indicators of Easy Lease, where it was highly probable that the targeted profit will be achieved due to significant expansion in the business and the synergies realised. Subsequently, Easy Lease achieved a profit of AED 25,108 thousand for the year ended 31 December 2020, which meets the set minimum target.

The fair value is determined using a discounted cash flow (DCF) method. The significant unobservable inputs used in the fair value measurements, together with a quantitative sensitivity analysis at the date of acquisition were as follows:

6.0 Business Combinations continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Contingent Consideration continued

Valuation techniques and key inputs	Significant unobservable input	Sensitivity of the input to fair value
DCF Method	Assumed probability - adjusted profit before tax of Easy Lease amounting to AED 24,500 thousand	More than 5% decrease in the assumed probability - adjusted profit before tax of Easy lease results in nil additional consideration.
	Discount rate of 15.2%	5% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by AED 570 thousand.

6.2(b) Acquisitions in prior year

During 2019, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Acquisition of The Gombos Company, L.L.C. ("Gombos")

Effective 1 January 2019, the Group increased its ownership interest in The Gombos Company, L.L.C ("Gombos") from 30% to 50% by making an additional capital contribution of AED 6,239 thousand (USD 1,700 thousand). The Gombos Company, L.L.C. is a private limited liability company based in the United States of America that is involved in trading and production of animal feed. The Group has concluded that it controls Gombos as the Group exercises power over Gombos through the supply and distribution agreement between the Group and Gombos, its representation on the board of directors and the right to appoint the managing member of the board of directors of Gombos. The Group recognised non-controlling interest at acquisition of AED 14,563 thousand. From the date of acquisition till 31 December 2019, Gombos contributed revenue and profit to the Group amounting to AED 130,883 thousand and AED 1,512 thousand, respectively.

Acquisition of Trust International Group LLC ("Trust")

Effective 1 November 2019, the Group acquired a 100% interest in Trust International Group L.L.C ("Trust") for AED 100 million payable in 4 instalments over a period of 3 years. Trust is a private limited liability company based in the United Arab Emirates and is involved in sale of spare parts and repairs for military equipment. From the date of acquisition till 31 December 2019, Trust contributed revenue and profit to the Group amounting to AED 29,141 thousand and AED 2,155 thousand, respectively. If the acquisition had taken place at the beginning of 2019, Trust would have contributed revenue and profit to the Group amounting to AED 436,041 thousand and AED 29,093 thousand respectively, for the year ended 31 December 2019.

With respect to the bargain gain on acquisition, the Group re-assessed whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviewed the procedures used to measure the amounts to be recognised at the acquisition date. The re-assessment still resulted in an excess of the fair value of net assets acquired over the aggregate consideration transferred. Even though the business was doing well financially, due to its special nature and advice from Trust's major customer, the previous owners decided to divest their respective shares in Trust, so they could concentrate on their considerable other business interests.

Acquisition of International Securities LLC (formely, Shuaa Securities LLC) ("Shuaa")

Effective 1 November 2019, the Group acquired a 100% interest in International Securities LLC (formely, Shuaa Securities LLC) ("Shuaa") for AED 98.5 Million. Shuaa is a private limited liability company based in the United Arab Emirates and is involved in provision of share brokerage services. From the date of acquisition till 31 December 2019, Shuaa contributed revenue and profit to the Group amounting to AED 3,882 thousand and AED 2,776 thousand, respectively. If the acquisition had taken place at the beginning of the year, Shuaa would have contributed revenue and profit to the Group amounting to AED 18,403 thousand and AED 7,938 thousand respectively, for the year ended 31 December 2019.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Gombos AED'000	Trust AED'000	Shuaa AED'000	Total AED'000
Assets				
Intangible assets	8,514	240,400	2,831	251,745
Property, plant and equipment	11,748	1,586	1,156	14,490
Due from related parties	-	-	37	37
Inventories	37,078	-	-	37,078
Right-of-use assets	3,972	7,213	-	11,185
Cash and bank balances	-	83,068	231,173	314,241
Trade and other receivables	16,422	203,645	72,206	292,273
	77,734	**535,912**	**307,403**	**921,049**
Liabilities				
Trade and other payable	19,858	133,323	223,745	376,926
Borrowings	25,943	-	13,822	39,765
Due to related parties	-	930	-	930
Lease liabilities	2,807	6,059	-	8,866

6.0 Business Combinations continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

Acquisition of International Securities LLC (formely, Shuaa Securities LLC) ("Shuaa") continued

	Gombos AED'000	Trust AED'000	Shuaa AED'000	Total AED'000
Employees' end-of-service benefit	-	2,600	1,082	3,682
	48,608	**142,912**	**238,649**	**430,169**
Total identified net assets at fair value	**29,126**	**393,000**	**68,754**	**490,880**
Proportionate share of identifiable net assets acquired	**14,563**	**393,000**	**68,754**	**476,317**
Goodwill arising on acquisition (note 8)	1,035	-	29,746	30,781
Gain on bargain purchase	-	(293,000)	-	(293,000)
Purchase consideration	**15,598**	**100,000**	**98,500**	**214,098**
The breakup of purchase consideration is as follows:				
Fair value of previously held equity interest (note 10)	9,359	-	-	9,359
Purchase consideration paid	6,239	10,000	98,500	114,739
Purchase consideration payable*	-	90,000	-	90,000
	15,598	**100,000**	**98,500**	**214,098**

The fair value assessment of identifiable net assets is complete for all entities.

* During the year, the purchase consideration payable of AED 90 million was waived off by the previous shareholders of Trust. As a result, the management recorded the amount waived under investment and other income (note 27).

Analysis of cash flows on acquisitions is as follows:

	Gombos AED'000	Trust AED'000	Shuaa AED'000	Total AED'000
Cash paid for the acquisition	**6,239**	**10,000**	**98,500**	**114,739**
Net cash acquired on business combination	**-**	**(83,068)**	**(231,173)**	**(314,241)**
Net cash used (acquired) flow on acquisition	**6,239**	**(73,068)**	**(132,673)**	**(199,502)**

6.3 Reduction in shareholding without a loss of control

Reduction in shareholding in certain subsidiaries due to share-based payments

On 5 November 2020, ordinary shares of three subsidiaries of the Company were granted to certain personnel of the Group, as well as certain personnel of the Ultimate Parent Company and its related entities (note 33), which resulted in a reduction of the Group's shareholding in following entities:

	Easy Lease	Palms Sports	Zee Store	Total
Reduction in shareholding (%)	5%	20%	21%	
Number of shares awarded	**1,500,000**	**30,000,000**	**21,000,000**	**52,500,000**
Increase in non-controlling interest (AED'000)	**10,727**	**63,290**	**33,149**	**107,166**

Partial disposal of shareholding in certain subsidiaries

During the year, the Group disposed of a portion of its shareholding in certain subsidiaries, without loss of control. Cash consideration of AED 109,609 thousand was received from the disposal. Following is a summary of the reduction in shareholding;

	Easy Lease	Palms Sports	Zee Store	Total
Reduction in shareholding (%)	**4.93%**	**8.02%**	**7.82%**	
Number of shares disposed-off	**1,478,000**	**12,028,713**	**7,818,200**	**21,324,913**
Cash consideration received (AED '000)	14,026	72,053	23,530	109,609
Less: carrying value of the shareholding disposed-off (AED '000)	(4,754)	(18,868)	(12,618)	(36,240)
Net gain recognized directly in retained earnings (AED '000)	**9,272**	**53,185**	**10,912**	**73,369**

7.0 Property, Plant And Equipment

	Land AED'000	Building and leasehold improvements AED'000	Plant and machinery AED'000	Furniture, fixtures & equipments AED'000	Motor vehicles & boats AED'000	Capital work in progress AED'000	Total AED'000
Cost:							
At 1 January 2019	-	21,659	38,590	3,713	15,308	57,616	136,886
Acquired in business combination (note 6)	-	313,664	947,781	29,470	15,097	84,996	1,391,008
Additions during the year	-	3,753	13,026	1,179	89	60,512	78,559
Disposals during the year	-	-	(921)	(1,821)	(1,327)	-	(4,069)
Write off during the year	-	-	-	-	-	(508)	(508)
Transfer from capital work-in-progress	-	-	129	169	-	(298)	-
At 31 December 2019	-	339,076	998,605	32,710	29,167	202,318	1,601,876
At 1 January 2020	-	339,076	998,605	32,710	29,167	202,318	1,601,876
Acquired in business combination (note 6)	110,040	164,035	31,220	63,074	54,428	76	422,873
Additions during the year	-	6,853	43,484	18,534	19,746	126,045	214,662
Disposals during the year	-	(3,095)	(643)	(3,320)	(10,601)	(572)	(18,231)
Reclassifications	-	(2,500)	1,781	644	-	75	-
Transfer from capital work-in-progress	-	3,376	33,520	1,242	-	(38,138)	-
Transferred to intangible assets (note 8)	-	-	-	-	-	(104)	(104)
Exchange differences	3,564	1,255	3,034	41	10	585	8,489
At 31 December 2020	**113,604**	509,000	**1,111,001**	**112,925**	**92,750**	**290,285**	2,229,565
Accumulated depreciation and impairment:							
At 1 January 2019	**-**	16,330	35,703	3,368	12,861	-	68,262
Acquired in business combination (note 6)	-	87,065	173,337	23,717	10,720	-	294,839
Charge for the year	-	3,045	16,935	798	1,236	-	22,014
Relating to disposals	-	-	(856)	(1,718)	(1,327)	-	(3,901)
At 31 December 2019	**-**	106,440	225,119	26,165	23,490	-	381,214
At 1 January 2020	-	106,440	225,119	26,165	23,490	-	381,214
Acquired in business combination (note 6)	-	109,705	24,677	52,062	15,901	-	202,345
Charge for the year	-	23,864	43,258	7,647	14,490	-	89,259
Reclassifications	-	(756)	252	504	-	-	-
Impairment loss for the year	-	-	12,425	9,130	-	-	21,555
Reversal of impairment	-	(16,242)	(378)	-	-	-	(16,620)
Relating to disposals	-	(3,094)	(473)	(3,208)	(9,783)	-	(16,558)
Exchange differences	-	665	546	90	84	-	1,385
At 31 December 2020	**-**	**220,582**	**305,426**	**92,390**	**44,182**	**-**	**662,580**
Carrying amount:							
At 31 December 2020	**113,604**	**288,418**	**805,575**	**20,535**	**48,568**	**290,285**	**1,566,985**
At 31 December 2019	**-**	**232,636**	**773,486**	**6,545**	**5,677**	**202,318**	**1,220,662**

7.0 Property, Plant and Equipment continued

During the year, a subsidiary of the Group reversed impairment amounting to AED 16,620 thousand (2019: nil) relating to Group of assets, which were previously impaired in full. The reversal of impairment is resultant from an agreement entered into during the year with a third party to operate and manage the assets. Based on the contractual terms, the agreement will generate a minimum yearly revenue of AED 2.5 million for a period of 10 years. The recoverable value of the assets is derived by using the discounted cash flow method at a discount rate of 10.5%.

Medical equipment, furniture and fixtures amounting to AED 18,639 thousand related to healthcare assets used in a temporary testing center, were impaired in full when acquired, as their useful lives could not be reasonably estimated. The testing center was closed prior to the end of the year 2020.

At 31 December 2020, capital work-in-progress mainly comprises costs incurred towards construction of district cooling plant in Dubai Investment Park, expansion of capacity of plants and construction of a new food processing factory in Dubai Industrial City Park (2019: construction of district cooling plant and construction of a new factory in Dubai Investment Park).

During the year ended 31 December 2020, the Group capitalised finance costs related to its borrowings of AED 2,459 thousand (2019: 2,100 thousand). The capitalisation rate used to determine these finance costs was EIBOR + 3%.

Property, plant and equipment with a carrying value of AED 810,967 thousand (2019: AED 592,296 thousand) are mortgaged as security against borrowings (note 20).

Depreciation charge for the year has been allocated and disclosed in the consolidated financial statements as follows:

	2020 AED'000	2019 AED'000
Cost of revenue (note 24)	**74,061**	19,998
General and administrative expenses (note 25)	**13,423**	1,928
Selling and distribution expenses (note 26)	**1,037**	88
Biological assets	**594**	-
Development work-in-progress (note 15)	**144**	-
	89,259	22,014

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows;

	2020 AED'000	2019 AED'000
Impairment of health-care related assets	**18,639**	-
Impairment of other assets	**2,916**	-
Total impairment – cost of revenue (note 24)	**21,555**	-
Reversal of impairment loss – cost of revenue (note 24)	**(16,620)**	-
Net impairment during the year	**4,935**	-

8.0 Intangible Assets & Goodwill

	Goodwill AED'000	Brand AED'000	Concession rights AED'000	Customer relationship AED'000	Customer contract AED'000	Others AED'000	Total AED'000
At 1 January 2020	30,781	-	78,198	161,382	81,267	360	351,988
Relating to business combinations (note 6)	107,763	34,500	-	40,000	27,100	7,078	216,441
Additions during the year	-	-	-	-	-	6,975	6,975
Transfer from property, plant and equipment (note 7)	-	-	-	-	-	104	104
Amortisation during the year	-	(3,696)	(2,162)	(29,346)	(27,880)	(5,020)	(68,104)
At 31 December 2020	**138,544**	**30,804**	**76,036**	**172,036**	**80,487**	**9,497**	**507,404**
At 1 January 2019	-	-	-	-	-	-	-
Relating to business combinations (note 6)	30,781	-	80,000	166,893	84,800	127	362,601
Additions during the year	-	-	-	-	-	322	322
Amortisation during the year	-	-	(1,802)	(5,511)	(3,533)	(89)	(10,935)
At 31 December 2019	30,781	-	78,198	161,382	81,267	360	351,988

8.0 Intangible Assets & Goodwill continued

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Customer contracts and customer relationship

These represent long-term non-cancellable contracts with customers and non-contractual relationships which were acquired during the year (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

Concession Rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi, for AED 80 million, from its shareholder PAL Group of Companies LLC (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The consideration of AED 80 million was partially settled by AED 58.6 million and the remaining balance is payable on demand. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Brand Name

Brand name represents future economic benefits in the form of future business linked with brand name of one of subsidiary, acquired during the year (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

During the year ended 31 December 2020, management performed its annual impairment review of goodwill and certain intangible assets, using the discounted cash flow model and trading multiples of comparable companies' approach.

The following key assumptions were used in the discounted cash flow review:

- Terminal growth rate: 2% - 4%
- Discount rate: 14.5% - 16.7%

The following key assumptions were used in the trading multiples of comparable companies review:

- EV/revenue trailing multiple: 3x; and
- EV/revenue forward multiple: 2.4x.

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2020 AED'000	2019 AED'000
Cost of revenue (note 24)	2,321	-
General and administrative expenses (note 25)	65,783	10,935
	68,104	10,935

9.0 Investment Properties

	Land AED'000	Leased properties AED'000	Properties under development AED'000	Total AED'000
2020 Cost:				
At 1 January 2020	-	68,415	-	68,415
Acquired in business combinations (note 6.1(a))	135,213	1,394,298	211,185	1,740,696
Addition during the year	-	222,875	1,578	224,453
Transfer to inventories (note 12)	-	(29,613)	-	(29,613)
At 31 December 2020	**135,213**	**1,655,975**	**212,763**	**2,003,951**
Accumulated depreciation				
At 1 January 2020	-	68,087	-	68,087
Acquired in business combinations (note 6.1(a))	29,849	306,072	211,059	546,980
Charge for the year	-	52,290	-	52,290
Impairment loss for the year (note 24)	7,042	37,889	-	44,931
Transferred to inventories (note 12)	-	(2,058)	-	(2,058)
At 31 December 2020	**36,891**	**462,280**	**211,059**	**710,230**
Net carrying amount:				
At 31 December 2020	**98,322**	**1,193,695**	**1,704**	**1,293,721**
2019 Cost				
At 1 January 2019	97,438	68,415	-	165,853
Disposals during the year	(97,438)	-	-	(97,438)
At 31 December 2019	-	68,415	-	68,415
Accumulated depreciation:				
At 1 January 2019	-	67,673	-	67,673
Charge for the year	-	414	-	414
At 31 December 2019	-	68,087	-	68,087
Net carrying amount:				
At 31 December 2019	-	328	-	328

9.0 Investment Properties continued

Land:

During the year, the Group recorded an impairment loss of AED 7 million relating to one plot of land (2019: nil).

A market-based valuation suggests that the fair value of the Group’s plots of land approximates AED 2.8 billion at 31 December 2020 (2019: nil).

Land fair valued at AED 751 million (2019: nil) is pledged against borrowings (note 20).

Leased Properties:

The fair value of the leased properties as at 31 December 2020 amounted to AED 1.19 billion (2019: AED 14 million). As a result of the valuation, an impairment of AED 37.9 million was recorded during the year (2019: nil).

Properties Under Development:

Investment properties under development comprise real estate projects in which are in the process of construction and development primarily on Al Reem Island, in the Emirate of Abu Dhabi.

During the year, there were no borrowing costs capitalised under investment properties under development.

The fair value of the Group’s investment properties as at 31 December 2020 and 2019 has been arrived at management by reference to valuation carried out on the respective dates by internal management specialists and an independent valuer not related to the Group. The independent valuer has appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market-based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs, such as rent-free periods, and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy for the year ended 31 December:

	Level 1 AED’000	Level 2 AED’000	Level 3 AED’000	Total AED’000
31 December 2020				
Investment properties (excluding properties under development)	-	**2,800,000**	**1,190,000**	**3,990,000**
31 December 2019				
Investment properties (excluding properties under development)	-	-	14,000	14,000

There were no transfers between Level 1, Level 2 and Level 3 during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties.

Property	Valuation technique	Significant unobservable inputs
Land	Sales comparison	Sales rate: AED 130–135/sq. ft.; Acquisition fee: 2%; and Discount rate: 14%.
Leased properties	Discounted cash flow (DCF)	Estimated rental value per annum, for the different leased properties, is as follows: ● Residential properties: AED 19,200–AED 210,000 per unit; ● Commercial properties: AED 80/sq. ft.–AED 108/sq. ft.; ● Retail: AED 97/sq. ft.–AED 108/sq. ft.; and ● Car park: AED 5,400 per unit. Operating expenses: AED 15.72/sq. ft.–AED 45.73/sq. ft.; Discount rate: 9%–10.5%; and Terminal capitalisation rate: 8%–9.5%.

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases, and the direct operating expenses arising on the investment properties are as follows:

	2020 AED’000	2019 AED’000
Rental income	**107,630**	-
Direct operating expenses	**(81,979)**	-
	25,651	

In 2019, the Group entered into an agreement for the sale of plots of land located in the Meena area, Abu Dhabi, for a consideration of AED 250 million. This resulted in a gain of AED 152,562 thousand. The Group has recorded revenue from sale of land of AED 250,000 thousand (note 23) and cost of revenue of AED 97,438 thousand (note 24) as the performance obligations stipulated in the agreement were satisfied before 31 December 2019.

10. Investment In Associates and Joint Ventures

Details of the Group's associates and joint ventures are as follows:

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest 2020	Ownership interest 2019
Associates:				
Abu Dhabi Mountain Gate LLC	Real estate enterprise investment, development, institution and management.	UAE	**47%**	47%
Tafseer Contracting & General Maintenance Company LLC (i)	Real estate enterprise investment, development, institution and management.	UAE	**20%**	20%
Pure Health Medical Supplies LLC (ii)	Operating medical laboratories and distributing medical supplies	UAE	**31.5%**	-
Emirates Refreshments P.S.C. (iii)	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	**20%**	-
Viola Communications LLC (iv)	Commercial publication printing	UAE	**50%**	-
Noopl Inc. (v)	Integrated solution company	USA	**40%**	-
Joint ventures:				
Lazio Real Estate Investment LLC (vi)	Real estate enterprise investment, development, institution and management	UAE	**65%**	65%
Progressive Real Estate Dev. LLC	Real estate enterprise investment, development, institution and management	UAE	**65%**	65%
Bunya LLC (vii)	Real estate enterprise	UAE	**34%**	-

(i) Tafseer Contracting & General Maintenance Company LLC ("Tafseer")

Tafseer Contracting & General Maintenance Company LLC, an associate, is under liquidation. As at 31 December 2020, the carrying amount of the investments is nil (31 December 2019: nil).

(ii) Pure Health Medical Supplies LLC ("Pure Health")

During the year, the Group acquired a 31.5% ownership in Pure Health Medical Supplies LLC for a total consideration of AED 1. During the year, share of profits from the newly acquired associate amounted to AED 946,894 thousand, and dividend received during the year amounted to AED 630,000 thousand.

The transaction is an acquisition of an associate under common control given that the Company and the associate are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the consolidated financial statements using the pooling of interest method, and accordingly, the Group recognised the investment in associate based on its carrying value on the date of acquisition of AED 54,750 thousand. The Group recognised the excess of the carrying value over the consideration paid within merger reserve. The following table illustrates the summarised financial information of the Group's investment in Pure Health Medical Supplies LLC at the date of acquisition:

	AED'000
Current assets	**206,638**
Non-current assets	**240,052**
Current liabilities	**(107,210)**
Non-current liabilities	**(165,670)**
Net assets	**173,810**
Group's share in equity (31.5%)	**54,750**
Consideration paid	**-**
Merger reserve	**54,750**

(iii) Emirates Refreshments P.S.C. ("ERC")

During the year, the Group acquired a 20% ownership in Emirates Refreshments P.S.C, an entity listed in Dubai Financial Market, for a total consideration of AED 12,215 thousand, being the fair value of the investment based on its market price at the date of acquisition.

(iv) Viola Communications LLC ("Viola")

During the year, Viola Communications LLC became an associate of the Group due to the acquisition of Multiply Marketing Consultancy LLC (note 6.1(a)). Viola Communications LLC ("Viola") is involved in advertisements designing and production and other commercial publication printing.

(v) Noopl Inc ("Noopl")

During the year, the Group acquired a 40% stake in Noopl Inc, through the acquisition of 13,936 preferred seed **stock,** for consideration of AED 18,375 thousand. The preferred seed stock ranks the same in terms of voting and distribution

10. Investment In Associates and Joint Ventures continued

(v) Noopl Inc ("Noopl") continued

rights and ranks ahead for the purpose of liquidation. Further, the Group has committed to invest an amount of AED 14,700 thousand (USD 4,000 thousand) convertible loan notes of Noopl Inc in 2021.

(vi) Lazio Real Estate Investment LLC ("Lazio")

During 2018, the directors of Lazio Real Estate Investment LLC, a joint venture, elected to liquidate the joint venture. As at 31 December 2020, carrying amount of the investments is AED 0.2 million (31 December 2019: AED 0.2 million). The liquidation process is still on going.

(vii) Bunya

Bunya is a venture jointly formed by a subsidiary under common control, acquired during the year (note 6.1(a)), and two other parties ("the Venturers"), for the development of infrastructure on Al Reem Island in the Emirate of Abu Dhabi. In accordance with the terms of the joint venture agreement, the Venturers are committed to providing financial support to Bunya for losses incurred. Owing to that, the subsidiary of the Group contributed an amount of AED 180,600 thousand at the time of establishment along with investment in share capital that constituted 34% equity interest.

During 2009, the Government of Abu Dhabi, represented by the Department of Municipalities and Transport (previously, Abu Dhabi Urban Planning Council), has taken responsibility of funding the operations of Bunya. Therefore, the Venturers will no longer contribute any cash towards the operations of Bunya.

As at 31 December 2020, the balance recoverable from Bunya relating to the joint venture amounted to AED 111,669 thousand, being as follows:

	2020 AED'000	2019 AED'000
Contributed amount	**180,600**	-
Current account in the books of Bunya*	**(68,931)**	-
	111,669	-

* Current account at 31 December 2020 in the books of Bunya amounting to AED 136,773 thousand has been adjusted for works conducted by Bunya on behalf of the Group amounting to AED 67,842 thousand which are outside the scope of the joint venture agreement (i.e. classified under trade payables in the Group's consolidated financial statements).

The Group has not recorded any receivables in its books since these are recoverable only on the completion of the development of infrastructure on Al Reem Island and subject to direction of relevant government authorities.

Accordingly, the balance contributed by the Group toward working capital of Bunya has been recorded as infrastructure cost incurred by the Group on its properties being developed (i.e. development work-in-progress), as opposed to investment in joint venture.

Movements in investment in associates and joint ventures are as follows:

	2020 AED'000	2019 AED'000
At 1 January	**7,331**	12,928
Acquired in business combinations (note 6.1(a))	**35,450**	-
Acquisition of associates	**85,340**	-
Disposal during the year*	**-**	(3,864)
Group's share of profit for the year	**948,247**	4,776
Dividend received during the year	**(637,635)**	(6,509)
At the end of the year	**438,733**	7,331

*Gain on previously held equity interest in an associate is set out below:

	2020 AED'000	2019 AED'000
Fair value of equity interest (note 6.2(b))	-	9,359
Less: carrying value of equity interest	-	(3,864)
Fair value gain on equity interest (note 27)	-	5,495

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	ERC 2020 AED'000	**Noopl 2020 AED'000**	**Pure Health 2020 AED'000**	**Viola 2020 AED'000**	**Others 2020 AED'000**	**Total 2020 AED'000**	**2019 AED'000**
Non-current assets	19,771	8,201	354,098	13,645	244	395,959	-
Current assets	24,840	-	1,309,158	115,657	22,285	1,471,940	22,595
Non-current liabilities	(7,470)	(628)	(165,525)	(12,720)	-	(186,343)	-
Current liabilities	(18,171)	-	(317,907)	(50,752)	(10,464)	(397,294)	(8,603)
Equity (100%)	**18,970**	**7,573**	**1,179,824**	**65,830**	**12,065**	**1,284,262**	13,992
Group percentage holding	20%	40%	31.50%	50%	20%-65%		

10. Investment In Associates and Joint Ventures continued

	ERC 2020 AED'000	Noopl 2020 AED'000	Pure Health 2020 AED'000	Viola 2020 AED'000	Others 2020 AED'000	Total 2020 AED'000	2019 AED'000
Group's share in net assets	3,794	3,029	371,645	32,922	6,348	417,738	7,331
Group's carrying amount of the investment	**10,778**	**17,088**	**371,645**	**32,922**	**6,300**	**438,733**	7,331

Summarised Statements of Profit or Loss:

	ERC 2020 AED'000	Noopl 2020 AED'000	Pure Health 2020 AED'000	Viola 2020 AED'000	Others 2020 AED'000	Total 2020 AED'000	2019 AED'000
Revenue	24,757	-	3,725,472	34,226	35,302	3,819,757	32,873
Cost of sales	(14,396)	-	(436,269)	(24,665)	(22,740)	(498,070)	(19,661)
Operating expenses	(16,927)	(3,218)	(270,659)	(10,252)	(4,015)	(305,071)	(3,543)
Finance (cost) income	(617)	-	(12,530)	136	-	(13,011)	-
(Loss) profit from operations	**(7,183)**	**(3,218)**	**3,006,014**	**(555)**	**8,547**	**3,003,605**	9,669
Group percentage holding	20%	40%	31.50%	50%	20%-65%		
Share of (loss) profit	**(1,437)**	**(1,287)**	**946,894**	**(278)**	**4,355**	**948,247**	4,776

Contingencies and Commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows;

	2020 AED'000	2019 AED'000
Letters of guarantees and credits	**25,993**	-
Capital commitments	**301**	

11. Investment In Financial Assets

	Notes	2020 AED'000	2019 AED'000
Investments carried at fair value through other comprehensive income	11.1	**447,057**	43,183
Investments carried at fair value through profit or loss	11.2	**622,525**	-
		1,069,582	43,183

11.1 Investments carried at fair value through other comprehensive income

	2020 AED'000	2019 AED'000
Quoted	**234,929**	43,183
Unquoted	**212,128**	-
	447,057	43,183

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management of the Group has elected to designate these investments in equity instruments as FVTOCI. The management believes 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.

The geographical distribution of investments is as follows:

	2020 AED'000	2019 AED'000
Inside the UAE	**234,929**	43,183
Outside the UAE	**212,128**	-
	447,057	43,183

The investments are recorded at fair value using the valuation techniques as disclosed in note 35. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

11. Investment In Financial Assets continued

11.1 Investments carried at fair value through other comprehensive income continued

	2020 AED'000	2019 AED'000
At 1 January	**43,183**	22,868
Additions	**448,450**	19,589
Acquired in business combinations (note 6.1(a))	**32,684**	-
Disposals during the year	**(118,188)**	-
Changes in fair value	**40,928**	726
At 31 December	**447,057**	43,183

As of 31 December 2020, shares with a fair value of AED 17,607 thousand, are pledged against a borrowing relating to a subsidiary classified as assets held for sale in the consolidated statement of financial position (note 16.2).

As of 31 December 2020, investment in shares with a fair value of AED 884 thousand (2019: AED 606 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

11.2 Investments Carried at Fair Value Through Profit or Loss

	2020 AED'000	2019 AED'000
Quoted	**68,571**	-
Unquoted	**553,954**	-
	622,525	-

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

The geographical distribution of investments is as follows:

	2020 AED'000	2019 AED'000
Inside the UAE	**74,719**	-
Outside the UAE	**547,806**	-
	622,525	-

The investments are recorded at fair value using the valuation techniques as disclosed in note 35. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2020 AED'000	2019 AED'000
At 1 January	**-**	-
Additions*	**645,320**	-
Disposals during the year	**(31,487)**	-
Changes in fair value	**8,692**	-
At 31 December	**622,525**	-

* Included in additions, is an investment acquired during the year from a related party under common control for a consideration of AED 1. Given that the related party and the Group are ultimately controlled by the same party, the acquisition is accounted for as an additional contribution made by the Ultimate Parent Company. Accordingly, at acquisition, the investment was recorded at its fair value of AED 543,664 thousand, and the excess of the fair value over the consideration paid was recognised within equity under merger reserve.

12. Inventories

	2020 AED'000	2019 AED'000
Medical supplies	**265,280**	-
Animal feed	**56,553**	58,940
Food and non-food items	**27,418**	6,213
Fish and fish products	**21,991**	44,328
Real estate properties	**5,110**	-
Poultry products	**4,727**	3,889
Other finished goods	**5,731**	4,749
Work in process	**41,253**	-
Packing and raw material	**28,285**	9,093
Spares and consumables	**11,445**	751

12. Inventories continued

	2020 AED'000	2019 AED'000
	467,793	127,963
Goods in transit	**7,966**	12,291
Less: allowance for slow-moving inventories	**(27,547)**	(2,430)
	448,212	137,824

Movement in allowance for slow-moving inventories is as follows:

	2020 AED'000	2019 AED'000
At 1 January	**2,430**	740
Acquired in business combinations	**3,393**	1,444
Charge for the year	**21,724**	246
At 31 December	**27,547**	2,430

Inventories with a carrying value of AED 25,207 thousand (2019: AED 30,926 thousand) are mortgaged as security against a borrowing (note 20).

As of 31 December 2020, AED 5.1 million of completed properties were committed under a settlement agreement (2019: nil) and are recorded at the realisable value. All properties are located in the United Arab Emirates.

During the year, completed properties amounting to AED 27,555 thousand (note 9) and AED 65,930 thousand (note 15) were transferred to inventories from investment properties and development working-in-progress respectively (2019: nil). The same were sold during the year and recognised as direct cost.

Charge of allowance for slow-moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2020 AED'000	2019 AED'000
Cost of revenue (note 24)	**20,803**	-
General and administrative expenses (note 25)	**921**	246
	21,724	246

13. Trade and Other Receivables

	2020 AED'000	2019 AED'000
Trade receivables	**2,195,273**	377,688
Unbilled revenue	**44,725**	571
Less: fair value loss on discounting	**(27,986)**	-
Less: allowance for expected credit losses	**(122,001)**	(29,915)
	2,090,011	348,344
Retention receivables	**147,223**	11,511
Prepayments	**42,180**	9,039
Due from security markets	**4,595**	5,445
Margin receivables, net*	**219,916**	118,862
Contract assets from customers, net	**114,520**	30,334
Accrued interest receivable	**28,251**	-
Advances to suppliers and sub-contractors	**241,843**	32,123
Deposits and other receivables	**91,736**	61,850
	2,980,275	617,508
Less: non-current portion	**(267,011)**	(571)
	2,713,264	616,937

* Margin receivables relate to net receivable from customers from margin trading services. Margin trading is the funding by the Group of a proportion of the market value of the securities financed on a margin and are secured by the securities available in the margin trading account as a collateral. As at 31 December 2020, the securities available in the margin trading account amounted to AED 492,644 thousand (2019: AED 254,590 thousand). Provision for impairment on margin trade receivables as of 31 December 2020 amounts to AED 43 thousand (31 December 2019: nil).

13. Trade and Other Receivables continued

Contract assets from customers:

	2020 AED'000	2019 AED'000
Contract assets	**121,898**	37,712
Less: allowance against due from customers for contract work	**(7,378)**	(7,378)
	114,520	30,334

Non-current portion consists of the following:

	2020 AED'000	2019 AED'000
Trade receivable, net of allowance for expected credit losses	**174,947**	571
Retention receivable	**92,064**	-
	267,011	571

The average credit period on sale of goods and rendering of services is 30-90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Below is the information about the credit risk exposure on the Group's trade receivables:

	Total AED'000	Not past days AED'000	<30 days AED'000	31-60 days AED'000	61-120 days AED'000	121-360 days AED'000	>360 days AED'000
31 December 2020							
Expected credit loss rate	**5.60%**	**0.50%**	**0.30%**	**0.60%**	**1.20%**	**7.30%**	**29.40%**
Estimated total gross carrying amount at default	**2,195,273**	**310,489**	**629,617**	**471,976**	**242,848**	**209,026**	**331,317**
Life time ECL	**122,001**	**1,643**	**1,997**	**2,806**	**2,875**	**15,157**	**97,523**
31 December 2019							
Expected credit loss rate	7.90%	2.40%	2.70%	12.10%	9.50%	4.40%	48.20%
Estimated total gross carrying amount at default	377,688	136,035	103,259	41,221	39,526	37,792	19,855
Life time ECL	29,915	3,202	2,819	4,974	7,709	1,647	9,564

The movement in the undiscounted portion of long-term receivables during the year is as follows:

	2020 AED'000	2019 AED'000
Acquired in business combinations	**52,425**	-
Unwinding of discounting of long-term receivables (note 27)	**(24,439)**	-
Balance at 31 December	**27,986**	-

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	2020 AED'000	2019 AED'000
Balance at 1 January	**29,915**	14,411
Acquired in business combinations	**62,088**	8,746
Charge for the year (note 25)	**29,998**	8,266
Reversals during the year	-	(1,259)
Allowance written off during the year	-	(249)
Balance at 31 December	**122,001**	29,915

13. Trade and Other Receivables continued

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

	2020 AED'000	2019 AED'000
Balance at 1 January	**7,378**	7,165
Charge for the year	**-**	213
Balance at 31 December	7,378	7,378

14. Cash and Cash Equivalents

	2020 AED'000	2019 AED'000
Cash on hand	**8,484**	1,164
Bank balances:		
Current and call accounts	**3,330,179**	1,134,068
Term deposits	**325,704**	170,007
Margin accounts	**1,017**	-
Less: allowance for expected credit loss	**(50)**	(54)
Cash and bank balances	**3,665,334**	1,305,185
Less: term deposits with an original maturity of more than three months	**(214,762)**	(20,332)
Less: bank overdrafts (note 20)	**(47)**	-
	3,450,525	1,284,853
Add: cash and bank balances attributable to subsidiary held for sale (note 16.2)	**9,828**	-
Cash and cash equivalents	**3,460,353**	1,284,853

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

15. Development Work-In-Progress

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group, including the land and completed property in the city of Al Ain, is accounted for at nominal value.

Movement during the year is as follows:

	2020 AED'000	2019 AED'000
Acquired in business combinations (note 6.1(a))	**1,076,196**	-
Additions during the year	**15,056**	-
Depreciation capitalised (note 7)	**144**	-
Transferred to inventories (note 12)	**(65,930)**	-
	1,025,466	-
Less: provision for impairment	**(345,154)**	-
At 31 December	**680,312**	-

There are no borrowing costs included in the additions during the year (2019: nil).

Movement in provision for impairment is as follows:

	2020 AED'000	2019 AED'000
Acquired in business combination (note 6.1(a))	**345,154**	-
At 31 December	**345,154**	-

16. Discontinued Operations and Assets Held For Sale

	2020 AED'000	2019 AED'000
Assets held for sale – buildings (note 16.1)	**376,730**	-
Discontinued operations (note 16.2)	**540,399**	-
Liabilities directly associated with assets held for sale (note 16.2)	**242,983**	-

Annual Report 2020

16. Discontinued Operations and Assets Held For Sale continued

16.1 Assets Held For Sale – Buildings

In 2019, and prior to its acquisition by the Group, Al Tamouh Investments Company LLC committed to sell two of its assets based on sale and purchase agreements. Accordingly, these assets were classified as held for sale in its 2019 financial statements.

On 31 October 2020, the buyer and Al Tamouh Investments Company LLC revised the sale and purchase agreement of one of the assets, whereby the entire subsidiary, Paragon Mall LLC, will be disposed of and not only the asset. Accordingly, the subsidiary has been classified as discontinued operations (note 16.2).

The movement during the year is as follows:

	2020 AED'000	2019 AED'000
Acquired in business combination (note 6.1(a))	**812,715**	-
Additions during the year	**67,561**	-
Transfer to assets related to a subsidiary held for sale (note 16.2)	**(503,096)**	-
Impairment loss during the year (note 24)	**(450)**	-
At 31 December	**376,730**	-

16.2 Discontinued Operations

On 31 October 2020, the Group signed a sale and purchase agreement to sell the subsidiary, Paragon Mall LLC (note 16.1). The sale was not completed at year-end, and is expected to be completed within a year from the reporting date.

At 31 December 2020, Paragon Mall LLC's major assets and liabilities classified as held for sale, are as follows:

	2020 AED'000
Assets	
Assets held for sale – building* (note 16.1)	**503,096**
Trade and other receivables	**27,475**
Cash and cash equivalents (note 14)	**9,828**
TOTAL ASSETS	**540,399**
Liabilities	
Borrowings (note 20)	**241,750**
Advances from customers	**868**
Trade and other payables	**365**
TOTAL LIABILITIES	**242,983**
NET ASSETS	**297,416**

*As of 31 December 2020, shares with a fair value of AED 17,607 thousand, are pledged against a borrowing (note 11).

The results of the operations of the discontinued subsidiary was not segregated on the face of the consolidated profit or loss, as the amounts are insignificant.

17. Share Capital

	2020 AED'000	2019 AED'000
Authorised issued and fully paid		
1,821 million shares of AED 1 each (31 December 2019: 1,821 million shares of AED 1 each)	**1,821,429**	1,821,429

During 2019, the Company issued additional 1,311,428,571 shares of AED 1 each to acquire PAL Cooling Holding LLC group (note 6.1(b)).

18. Statutory Reserve

In accordance with United Arab Emirates Federal Law No. (2) of 2015 and the Company's articles of association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

19. Employees' End-of-Service Benefits

	2020 AED'000	2019 AED'000
At 1 January	**49,544**	16,900
Acquired in business combinations (note 6)	**38,051**	35,681
Charge for the year	**39,625**	5,125
Paid during the year	**(11,463)**	(8,338)
Transfer (to) from related parties	**(868)**	176
At 31 December	**114,889**	49,544

20. Borrowing

Movement in bank borrowings during the year is as follows:	2020 AED'000	2019 AED'000
Balance at 1 January	**444,872**	28,644
Acquired in business combinations (note 6)	**822,707**	422,889
Drawdowns during the year	**211,351**	31,525
Repayments during the year	**(303,325)**	(38,186)
	1,175,605	444,872
Less: transferred to liabilities related to a subsidiary held for sale (note 16.2)	**(241,750)**	-
Less: unamortised transaction cost	**(7,696)**	-
	926,159	444,872

Disclosed in the consolidated statement of financial position as follows:	2020 AED'000	2019 AED'000
Non-current portion	**743,053**	326,937
Current portion	**183,106**	117,935
	926,159	444,872

Borrowings from financial institutions:	Security	Interest rates	Maturity	2020 AED'000	2019 AED'000
Term loan 1	Secured	EIBOR + 3%	Mar-25	**60,937**	55,022
Term loan 2	Secured	EIBOR + 1.85%	Dec-26	**40,026**	53,771
Term loan 3	Secured	EIBOR + 1.85%	Dec-24	**173,372**	197,653
Term loan 4	Secured	EIBOR + 1.85%	-	**-**	33,277
Term loan 5	Secured	EIBOR + 1.85%	Jun-29	**14,975**	9,246
Term loan 6	Secured	EIBOR + 1.85%	Dec-27	**53,960**	-
Term loan 7	Secured	6.90%	May-22	**19**	-
Term loan 8	Secured	3.04%-3.25%	Dec-22	**16,689**	-
Term loan 9	Secured	3.25%	Dec-23	**4,797**	-
Term loan 10	Secured	EIBOR + 2.4%	Sep-24	**201,553**	-
Term loan 11	Secured	EIBOR + 3%	Dec-28	**271,598**	-
Term loan 12	Secured	EIBOR + 4%	Dec-27	**241,750**	-
Term loan 13	Unsecured	3.50%	Oct-21	**11**	-
Term loan 14	Secured	5%-12%	Aug-24	**6,436**	4,115
Term loan 15	Secured	8%	Aug-24	**172**	344
Term loan 16	Secured	5%	-	**-**	5,521
Term loan 17	Secured	1.8%-2.6%	Nov-25	**3,288**	-
Trust receipts	-	EIBOR + 3%	Jun-21	**1,689**	-
Short term loan I	Secured	LIBOR + 3.5%	Mar-21	**28,472**	34,933
Short term loan II	Secured	2.95%	Jun-21	**5,686**	-
Bank overdraft (note 14)	-	EIBOR + margin	Mar-21	**47**	-
				1,125,477	393,882

Borrowings from non-financial institutions:	Security	Interest rates	Maturity	2020 AED'000	2019 AED'000
Loan from a related party	Secured	5%	Dec-26	**41,002**	40,998
Term loan 18	Unsecured	Interest free	Apr-23	**9,126**	9,992
				50,128	50,990
Total Borrowings				**1,175,605**	**444,872**

Term Loan 1

Term loan 1 was obtained to finance the construction of a new factory for the processing of frozen and fresh sea food. The loan is repayable in quarterly instalments of AED 3.5 million each, starting from 30 June 2020 till 31 March 2025. Borrowing cost included in the cost of qualifying assets for the year was AED 2.1 million (31 December 2019: AED 2.2 million). The loan is secured by the corporate guarantee of a subsidiary of the Group and is mortgaged over the factory under construction.

Term Loan 2

Term loan 2 was obtained to finance 50% of the total cost of the Abu Dhabi National Exhibitions Company's ("ADNEC") District Cooling Plant project in Abu Dhabi. The loan is repayable in 12 annual instalments, starting from 31 December

20. Borrowing continued

2015 till 31 December 2027. The loan is secured by the notarized mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment that has been installed at capital center - Phase 4 District Cooling Project and subordination of a loan from a related party.

Term Loan 3

Term loan 3 was obtained to finance the construction of district cooling plants. In 2016, the loan was restructured, whereby the restructured term loan is repayable in 8 annual instalments with a bullet payment of the residual amount to be paid on 31 December 2024. The restructured loan is secured through personal guarantee of a related party and mortgage of the property constructed.

Term Loan 4

Term loan 4 was obtained to finance 60% of the total cost of the Saraya District Cooling Plant project in Abu Dhabi. The loan is repayable in 16 semi-annual instalments starting from 30 June 2017 till 30 June 2024 and a bullet payment of the residual amount in December 2024. The loan was secured against the mortgage of the plant and machinery and an irrevocable corporate guarantee of a subsidiary. During the year, the subsidiary settled 100% of the outstanding balance.

Term Loan 5

Term loan 5 was obtained to finance the District Cooling Plant ("DCP") Phase I at Danat. The loan was repayable in 7 semi annual instalments of AED 4.75 million each starting from 30 June 2017 till 30 June 2020 and a bullet payment of the residual amount in December 2020. During the year, the subsidiary renewed the facility with a total limit of AED 120 million to finance the District Cooling Plant ("DCP") Phase 2 at Danat, Abu Dhabi, which is repayable in 32 quarterly instalments with the final maturity on 30 June 2029. The loan is secured against the mortgage of plant and machineries of District Cooling Plant at Danat and an irrevocable corporate guarantee of a related party covering the overall facility.

Term Loan 6

Term loan 6 loan was obtained to finance the District Cooling Plant ("DCP") Phase I at Shams Development, Abu Dhabi. The loan is repayable in 22 quarterly instalments starting from 22 June 2022 till 22 September 2027 and a bullet payment of the residual amount on 22 December 2027. The loan is secured against mortgage of plant and machineries of the District Cooling Plant and an irrevocable corporate guarantee of the Company.

Term Loan 7

Term loan 7 was obtained to finance the purchase of motor vehicles. The loan is repayable in 48 equal monthly instalments, starting from 10 June 2018 till 10 May 2022. The loan is secured by a mortgage of the motor vehicles purchased.

Term Loan 8

Term loan 8 includes a number of facilities obtained from Islamic banks in United Arab Emirates. The loans are repayable in 12 to 36 equal monthly instalments, starting from 2019. These loans are secured through the personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account with the banks to the extent of overall facility amounts, general assignment of receivables and proceeds in favour of the banks.

Term loan 9

Term loan 9 includes a number of loans obtained from a commercial bank in United Arab Emirates. These loans are repayable in 12 to 36 equal monthly instalments starting from 2020. These loans are secured through the personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account with the commercial bank to the extent of overall facility amount, general assignment of receivables and proceeds in favor of the commercial bank and direct debit account to be established.

Term loan 10

Term loan 10 was obtained with a total limit of AED 458 million. In 2018, the term loan was refinanced wherein the facility was split into two tranches: Term Loan – I with a limit of AED 346 million and Term Loan – II with a limit of AED 130 million. The interest on the term loan was reduced to EIBOR plus 2.4% starting from March 2020.

As at 31 December 2020, the outstanding balance of the loan being AED 201.6 million, is repayable in instalments of AED 14.4 million each on a quarterly basis from 31 March 2021 up to 30 September 2024. The facility is secured by an assignment of project proceeds and first-degree mortgage over certain properties of the subsidiary located on Reem Island (note 9).

Term loan 11

Term loan 11 was obtained under an Ijara agreement to finance a mixed-use development which primarily consists of residential apartments, with a total limit of AED 600 million. During February 2020, the loan was restructured and will be repayable in 36 instalments beginning 2020 with a bullet repayment in 2029.

As at 31 December 2020, the outstanding balance was AED 271.6 million and the unamortised transaction cost balance was AED 7.7 million. The facility is secured by assignment of property proceeds and a first-degree mortgage over the property and the land where the property is located.

Term loan 12

Term loan 12 was obtained under an Ijara agreement to finance the completion of Paragon Bay Mall with a total limit of AED 310 million. The loan will be repayable in 31 quarterly instalments beginning 2020 with a bullet repayment in 2027.

The facility is secured by assignment of project proceeds and a first-degree mortgage over the land upon which the project is being constructed. The outstanding term loan of AED 241.8 million was classified as liabilities related to a subsidiary held for sale (Note 16.2). The unamortised deferred financing costs balance of AED 6.8 million was expensed out in full during the year.

Term loan 13

Term loan 13 was obtained to finance purchase of vehicle and the final instalment is due in October 2021.

Term loan 14

Term loan 14 is denominated in USD and includes a number of facilities which were obtained from a financial institution in the United States of America to purchase equipment. These loans are repayable in monthly instalments with a final maturity in August 2024 and are secured by mortgage over equipment of the subsidiary.

Term loan 15

Term loan 15 is denominated in USD and was obtained from a financial institution in the United States of America to purchase equipment. The loan is repayable in quarterly instalments maturing in August 2024. The loan is secured by mortgage over equipment of the subsidiary.

20. Borrowing continued

Term loan 16

Term loan 16 is denominated in Euro and was obtained from a financial institution in Spain. The loan is secured against property and equipment and corporate guarantees of the shareholders.

Term loan 17

Term loan 17 is denominated in Euro and includes a number of related facilities which were obtained from a financial institution in Spain. These loans are repayable in monthly instalments maturing between April 2023 to November 2025. These loans are secured by the state-owned financial institution of Spain under the COVID-19 support campaign initiated by the Government of Spain.

Term loan 18

Term loan 18 was obtained from Aldar Properties PJSC, a company listed on Abu Dhabi Securities Exchange ("ADX"), in July 2013, and was novated to another subsidiary upon incorporation, without any changes to the terms and conditions of the original loan agreement. The loan does not carry any interest and was initially recognised at fair value, which is equal to the present value of the expected future cash flows discounted using the average rate of interest applicable to internal borrowings and is repayable in 8 yearly instalments commencing on 1 April 2016 and ending on 1 April 2023.

Trust receipt

These trust receipts have a maturity of 180 days.

Short term loan I

This loan was obtained from a lender in the United States of America, and is denominated in USD. This facility is secured against subsidiary's trade receivables and inventories to the extent of the amount of loan outstanding at 31 December 2020.

Short term loan II

This loan was obtained from a lender in Spain for the procurement of frozen seafood and related to the fish farming business. The loan is denominated in Euro and is secured by corporate guarantee of the owner of the Company.

Loan from a related party

This loan was obtained from a related party, under common control, to finance 20% of the total cost of the Abu Dhabi National Exhibitions Company ("ADNEC") District Cooling Plant project in Abu Dhabi. The principal portion of the loan is repayable in 4 equal annual instalments starting from 31 December 2023, and the interest portion is repayable in 12 annual instalments starting 31 December 2018. The loan is secured by the notarised mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment (note 7) that has been installed at capital center - Phase 4 District Cooling Project (refer term loan 2).

Movement of unamortised transaction cost during the year is as follows:	**2020 AED'000**	2019 AED'000
Balance at 1 January	**-**	-
Acquired in business combinations (note 6)	**13,776**	-
Paid during the year	**1,657**	-
Amortised during the year (note 31)	**(7,737)**	-
	7,696	-

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	2020 AED'000	2019 AED'000
Less than 3 months	**4,561**	-
After 3 months but no more than 12 months	**195,682**	118,039
After one but no more than five years	**453,903**	341,554
More than 5 years	**424,198**	9,671
	1,078,344	469,264

21. Trade and Other Payables

	2020 AED'000	2019 AED'000
Trade payables	**932,304**	142,891
Advances from customers	**1,744,421**	537,304
Provisions, accruals and other liabilities	**809,636**	239,546
Deferred revenue	**392,476**	-
Other payables	**116,087**	82,808
Retention payable	**40,333**	20,576
	4,035,257	1,023,125
Less: non-current portion	**(219,882)**	(161,413)
	3,815,375	861,712

Non-current portion consists of the followings:

	2020 AED'000	2019 AED'000
Trade payables	**47,655**	-
Advances from customers	**79,001**	78,605
Retention payables	**3,298**	-
Other payables	**89,928**	82,808
	219,882	161,413

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade and other payables.

Notes to the Consolidated Financial Statements

31 December 2020

22. Right-Of-Use Assets And Lease Liabilities

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED'000	Warehouses and Cinema Hall AED'000	Motor vehicles AED'000	Total AED'000
2020				
At 1 January 2020	**21,614**	**64,052**	**-**	**85,666**
Acquired in business combinations (note 6)	**7,360**	**11,751**	**856**	**19,967**
Additions	**-**	**4,785**	**565**	**5,350**
Depreciation expense	**(1,143)**	**(16,701)**	**(181)**	**(18,025)**
Adjustment*	**(736)**	**-**	**-**	**(736)**
Derecognition**	**-**	**(3,656)**	**(135)**	**(3,791)**
At 31 December 2020	**27,095**	**60,231**	**1,105**	**88,431**
2019				
At 1 January 2019	14,139	-	-	14,139
Acquired in business combinations (note 6)	8,025	65,813	-	73,838
Depreciation expense	(550)	(1,761)	-	(2,311)
At 31 December 2019	21,614	64,052	-	85,666

Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2020 AED'000	2019 AED'000
As at 1 January 2020	**84,961**	13,876
Acquired in business combinations (note 6)	**19,946**	70,322
Additions during the year	**3,428**	-
Interest expense	**5,252**	1,592
Adjustment*	**(652)**	-
Derecognition of lease liability**	**(3,885)**	-
COVID-19 related rent concessions (note 2.3 & 27)	**(2,584)**	-
Repayment made during the year	**(17,957)**	(829)
As at 31 December 2020	**88,509**	84,961

* This represents elimination of a lease of Palms Sports PJC ("Lessee"), which become an intercompany lease, after the acquisition of Al Tamouh Investment Company LLC ("Lessor").

** Right-of-use asset and related lease liability is derecognised as a result of modification in a lease agreement. During the year, the terms of one of the subsidiary's lease agreement changed from a fixed lease payments to variable lease payments which do not depend on an index or rate.

Lease liabilities are disclosed in the consolidated statement of financial position as:

	2020 AED'000	2019 AED'000
Non-current	**72,559**	76,133
Current	**15,950**	8,828
	88,509	84,961

Maturity analysis of lease liabilities is disclosed in note 37.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2020 AED'000	2019 AED'000
Depreciation expense (included in cost of revenue) (note 24)	**13,086**	-
Depreciation expense (included in general and administrative expenses) (note 25)	**4,430**	1,804
Interest expense on lease liabilities (included in finance cost)	**4,463**	802
COVID-19 related rent concessions adjustment (note 27)	**(2,584)**	-
	19,395	2,606

During the year, depreciation of right-of-use assets amounting to AED 509 thousand (2019: AED 507 thousand) and interest expense on lease liabilities amounting to AED 789 thousand (2019: AED 790 thousand) were capitalised to capital work-in-progress within property, plant and equipment.

Notes to the Consolidated Financial Statements
31 December 2020

23. Revenue

	2020 AED'000	2019 AED'000
Type of goods or services		
Healthcare and other medical supplies	**2,919,702**	-
Maintenance and service revenue	**1,040,420**	-
Sale of food products	**833,908**	450,590
Sale of industrial and medical equipment	**576,850**	29,141
Coaching and training services	**291,162**	54,694
Infrastructure and construction contracting revenue	**207,379**	190,449
District cooling services	**218,707**	119,311
Asset management	**234,385**	-
Animal feed	**188,664**	161,005
Rental income	**304,935**	-
Sale of properties	**34,115**	-
Sale of land	**62,337**	250,000
Revenue from brokerage services	**48,127**	3,883
Revenue from sale of cosmetics and rendering of related personal care services	**36,966**	-
Revenue from rendering marketing and consultancy services	**11,230**	-
Others	**37,682**	-
	7,046,569	1,259,073

	2020 AED'000	2019 AED'000
Timing of revenue recognition		
Revenue at a point in time	**5,654,923**	897,533
Revenue over time	**1,391,646**	361,540
	7,046,569	1,259,073
Geographical markets		
UAE	**6,743,988**	962,190
Outside the UAE	**302,581**	296,883
	7,046,569	1,259,073

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied.

	2020 AED'000	2019 AED'000
Within one year	**86,040**	3,914
After one but no more than five years	**71,211**	7,781
More than five years	**37,551**	37,741
	194,802	49,436

Notes to the Consolidated Financial Statements

31 December 2020

24. Cost of Revenue

	2020 AED'000	2019 AED'000
Cost of healthcare and other medical supplies	1,553,291	-
Food products related cost	521,810	465,093
Other direct materials and charges	1,017,834	147,373
Subcontracting and maintenance costs	444,566	96,570
Staff costs	367,640	76,184
Asset management costs	289,594	-
Cost of properties sold	27,258	-
Cost of land	12,865	97,438
Cost incurred on leased properties	29,689	-
Depreciation (note 7,9 & 22)	139,437	20,412
Amortisation (note 8)	2,321	-
Impairment of non-financial assets*	50,316	-
Allowance for slow moving inventories (note 12)	20,803	-
Royalty fees	12,704	4,660
Others	125,033	12,695
	4,615,161	920,425

* The breakup of impairment of non-financial assets is as follows:

	2020 AED'000	2019 AED'000
Reversal of impairment loss on property, plant and equipment (note 7)	(16,620)	-
Impairment loss on property, plant and equipment (note 7)	21,555	-
Impairment loss on investment properties (note 9)	44,931	-
Impairment loss on assets held for sale – buildings (note 16.1)	450	-
	50,316	-

25. General And Administrative Expenses

	2020 AED'000	2019 AED'000
Staff costs*	254,406	56,711
Management fees (note 28)	6,804	6,220
Rent, utilities and communication	21,624	6,630
Government fees, professional and legal expenses	48,720	16,839
Allowance for expected credit loss (note 13 and 28)	30,678	8,266
Depreciation (note 7 and 22)	17,853	3,732
Amortisation (note 8)	65,783	10,935
Allowance for slow- moving inventories (note 12)	921	246
Other expenses	30,898	10,056
	477,687	119,635

* Included in staff costs is share-based payments of AED 79,706 thousand (note 33).

26. Selling And Distribution Expenses

	2020 AED'000	2019 AED'000
Staff cost	14,750	14,083
Sales, promotion and marketing	16,648	13,619
Rent, utilities and communication	8,781	3,957
Freight and other direct selling expenses	4,919	6,706
Depreciation (note 7)	1,037	88
Other expenses	368	3,185
	46,503	41,638

Notes to the Consolidated Financial Statements

31 December 2020

27. Investment And Other Income

	2020 AED'000	2019 AED'000
Interest and dividends income	**30,462**	15,492
Write back of other payables	**106,030**	-
Unwinding of discounting of long-term receivables (note 13)	**24,439**	-
Change in the fair value of financial assets carried at fair value through profit or loss (note 11)	**8,692**	-
Royalty income	**9,307**	1,024
Gain on disposal of property, plant and equipment	**3,302**	36
COVID-19 related rent concessions (note 22)	**2,584**	-
Commission income	**1,046**	1,079
Change in fair value of biological assets	**328**	670
Fair value gain on revaluation of previously held equity interest (note 10)	**-**	5,495
Others	**30,221**	21,211
	216,411	45,007

28. Related Party Transactions And Balances

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties

	Nature of relationship	2020 AED'000	2019 AED'000
Current:			
Hydra Properties LLC	Entity under common control	**128,534**	-
Meena Holdings LLC	Entity under common control	**113,947**	6,465
Chimera Investments LLC	Entity under common control	**81,635**	-
Pal Technology Services LLC	Entity under common control	**49,422**	34,306
Tafseer Contracting & General Maint. Co.	Associate	**28,106**	-
Royal Group Companies Management LLC	Entity under common control	**22,244**	-
Trojan General Contracting LLC	Entity under common control	**25,029**	-
Meena Palace	Other related party	**22,815**	25,752
RG Procurement RSC LTD	Entity under common control	**13,150**	15,170
Pure Health Medical Supplies LLC	Associate	**10,624**	-
Reem Emirates Aluminum LLC	Entity under common control	**6,223**	-
Mauqah Technology LLC	Entity under common control	**6,018**	-
Bunya Enterprises LLC	Joint venture	**4,124**	-
AFKAR Financial & Property Investment LLC	Entity under common control	**3,702**	21,765
International Golden Company LLC	Entity under common control	**-**	8,110
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	**1,356**	4,542
Three 60 Estate management	Entity under common control	**-**	3,463
Pal Group of Companies	Entity under common control	**-**	3,306
Royal Group – Corporate Office	Entity under common control	**-**	1,582

Notes to the Consolidated Financial Statements

31 December 2020

28. Related Party Transactions and Balances continued

	Nature of relationship	2020 AED'000	2019 AED'000
Paragon Mall LLC**	Entity under common control	-	1,169
Multiply Marketing Consultancy LLC**	Entity under common control	-	812
TSL Properties LLC**	Entity under common control	-	774
PAL 4 Solar Energy**	Entity under common control	-	582
Others	Entities under common control	114,242	74,355
		631,171	202,153
Less: Allowance for expected credit losses		(286,433)	(1,305)
		344,738	200,848
Non-current			
Royal Group Companies Management LLC*	Entity under common control	4,706	-
Total due from related parties, net		**349,444**	200,848

* Non-current portion of balances due from related parties, pertains to retention receivables on contracts signed with related parties.

** During the year, the Group acquired 100% shareholdings in these entities, which resulted in these balances being eliminated as of 31 December 2020.

Movement in allowance for expected credit losses of due from related parties is as follows;

	2020 AED'000	2019 AED'000
Balance at 1 January	1,305	842
Acquired in business combinations	284,448	1,462
Charge (reversal) for the year (note 25)	680	(999)
Balance at 31 December	286,433	1,305

Loan to a related party

The Group has granted a loan to a key management personnel amounting to AED 1.2 million (2019: AED 1.2 million) which is unsecured and non-interest bearing and due on 3 November 2022

Due to related parties

	Nature of relationship	2020 AED'000	2019 AED'000
Current:			
Trojan General Contracting LLC	Entity under common control	187,765	27,415
Chimera Investment LLC	Entity under common control	152,021	-
Infinity TV FZ LLC	Entity under common control	68,703	-
Bunya Enterprises LLC	Joint venture	31,558	-
International Golden Group PJSC	Entity under common control	51,453	-
Power House Group for Company Management LLC	Entity under common control	38,852	-
National Projects and Construction LLC	Entity under common control	1,311	9,743
Royal Group Management LLC	Entity under common control	12,556	2,611
Pal Technology Services LLC	Entity under common control	6,848	10,045
Royal Group Holding LLC	Entity under common control	4,295	-
Al Maha Modular Industries LLC	Entity under common control	6,512	6,512
Al Tamouh Investments Company LLC*	Entity under common control	-	15,673
Royal Group Procurements RSC LTD	Entity under common control	2,290	1,478
Al Jaraf Travel & Tourism	Entity under common control	4,582	1,121
Multiply Marketing Consultancy LLC*	Entity under common control	-	752
Hi-Tech Concrete Projects LLC	Entity under common control	635	563
Others	Entities under common control	87,292	103,226
		656,673	179,139

Notes to the Consolidated Financial Statements
31 December 2020

28. Related Party Transactions and Balances continued

	Nature of relationship	2020 AED'000	2019 AED'000
Non Current:			
Trojan General Contracting LLC	Entity under common control	**69,021**	-
Bunya Enterprises LLC	Joint Venture	**30,484**	-
National Projects and Construction LLC	Entity under common control	**22,444**	-
Royal Group Holding LLC	Entity under common control	**2,520**	-
H2O Interior Design LLC	Entity under common control	**613**	-
		125,082	-
Total due to related parties		**781,755**	179,139

* During the year, the Group acquired 100% shareholdings in these entities, which resulted in these balances being eliminated as of 31 December 2020.

Loan from a related party, under common control, amounted to AED 41,002 thousand as at 31 December 2020 (2019: AED 40,998 thousand). Refer to note 20.

During the year, the Group entered into the following transactions with related parties:

	2020 AED'000	2019 AED'000
Revenue		
Entities under common control	**844,265**	115,635
Other related parties	**5,087**	-
	849,352	115,635
Cost of revenue		
Entities under common control	**1,027,210**	32,622
Other related parties	**93,312**	-
	1,120,522	32,622
General and administrative expenses		
Entities under common control	**31,899**	2,241
Interest income		
Entities under common control	**-**	636

Refer to notes 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets, respectively, that fall under entities under common control.

Transactions and balances with a financial institution (other related party)

	2020 AED'000	2019 AED'000
Balances with a financial institution	**2,337,558**	636,378
Borrowings	**296,523**	349,102
Interest expense for the year	**21,513**	19,372
Interest income	**1,741**	5,210
Drawdown	**86,995**	26,378
Repayment of borrowings	**130,022**	58,218

Transactions with related parties were entered into on terms agreed with the management.

Key management remuneration

	2020 AED'000	2019 AED'000
Salaries and other benefits – short term	**23,433**	8,729
End-of-service benefits – long term	**739**	159
Share-based payments	**27,632**	-
Management fees (note 25)	**6,804**	6,220

Notes to the Consolidated Financial Statements

31 December 2020

29. Basic Earnings Per Share

Basic earnings per share are calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year as follows:

	2020 AED'000	2019 AED'000
Profit attributable to owners of the Company (AED '000)	2,868,936	505,560
Weighted average number of shares (shares in '000)	1,821,429	1,165,715
Basic earnings per share for the year (AED)	1.58	0.43

30. Contingent Liabilities And Commitments

	2020 AED'000	2019 AED'000
Letters of guarantee	711,695	173,376
Letters of credit	123,225	55,254
Commitments for capital expenditure	351,148	205,268

Commitments for capital expenditure includes commitments relating to the Group's development work in progress and investment properties under development as at 31 December 2020, amounting to AED 136 million (2019: nil), spread over a period extending up to 5 years. The underlying agreements all contain clauses allowing the Group to revoke the commitment if necessary, which may be exercised depending on market conditions.

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

31. Finance Costs

	2020 AED'000	2019 AED'000
Interest on bank borrowings	30,580	13,322
Interest on lease liabilities	4,463	560
Unwinding of discounting of long-term payables	17,269	-
Amortisation of transaction costs	7,737	-
Remeasurement of contingent consideration (note 6.2(a))	700	-
Others	878	76
	61,627	13,958

32. Taxation

The Group's subsidiaries in the United States of America, Spain and the Arab Republic of Egypt are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The Group is not subject to income tax in the UAE. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

	2020 AED'000	2019 AED'000
Accounting profit before tax	3,014,994	506,200
Income not subject to tax	(3,021,924)	(505,467)
Accounting (loss) profit subject to tax	(6,930)	733
At effective tax rate of 8% (2019: 16%)	(587)	119
Temporary differences	966	354
Others	-	102
Income tax charge reported in the consolidated statement of profit or loss	379	575

The major components of income tax expenses are as follows:

	2020 AED'000	2019 AED'000
Current income tax: Current income tax (benefit) charge – current year	(587)	119
Deferred income tax: Timing differences – current year	966	456
Income tax expense reported in the statement of comprehensive income	379	575

As at 31 December 2020, the Group had no uncertain tax positions (2019: same).

Amounts reported in the consolidated statement of financial position are as follows:

	2020 AED'000	2019 AED'000
Deferred tax assets	38	1,143
Deferred tax liabilities	(795)	(1,599)
	(757)	(456)
Provision for income tax (recorded under trade and other payables)	929	119

Corporate tax rate applicable in USA, Spain and Egypt is 21%, 25% and 22.5%, respectively.

Notes to the Consolidated Financial Statements

31 December 2020

33. Share-Based Payments

On 5 November 2020, ordinary shares of three subsidiaries of the Company were granted to certain personnel of the Group, as well as certain personnel of the Ultimate Parent Company and its related entities. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date. The breakup of the shares awarded is as follows;

	Number of shares of the subsidiaries
Share awards to certain personnel of the Group	41,338,030
Share awards to certain personnel of the Ultimate Parent Company and its related entities	11,161,970
	52,500,000

The fair values at the grant date (being the measurement date) were estimated at AED 1.58 per share, 2.11 per share and AED 7.15 per share considering the terms and conditions on which the shares were granted. The total fair value of the share awards amounted to AED 107,166 thousand and was recorded as follows, with a corresponding increase in non-controlling interests:

	Number of shares	**2020 AED'000**
Charged to general and administrative expenses (staff cost)	41,338,030	**79,706**
Charged to retained earnings	11,161,970	**27,460**
	52,500,000	**107,166**

34. Material Partly-Owned Subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	**Country of incorporation and operation**	**2020**	2019
Apex Alwataniah Catering Service LLC	United Arab Emirates	**40%**	-
Matrix International Solutions LLC	United Arab Emirates	**20%**	-
Quant Lase Lab LLC	United Arab Emirates	**20%**	-
Palms Sports PJSC	United Arab Emirates	**28%**	-
Zee Store PJSC	United Arab Emirates	**28.80%**	-
EasyLease Motorcycle Rental PJSC	United Arab Emirates	**54.90%**	-

	2020 AED'000	2019 AED'000
Accumulated balances of material non-controlling interest:		
Apex Alwataniah Catering Service LLC	**57,297**	-
Matrix International Solutions LLC	**41,405**	-
Quant Lase Lab LLC	**38,163**	-
Palms Sports PJSC	**84,661**	-
Zee Store PJSC	**44,919**	-
Easy Lease Motorcycle Rental PJSC	**64,328**	-

Notes to the Consolidated Financial Statements
31 December 2020

34. Material Partly-Owned Subsidiaries continued

	2020 AED'000	2019 AED'000
Profit allocated to material non-controlling interest:		
Apex Alwataniah Catering Service LLC	**54,134**	-
Matrix International Solutions LLC	**41,345**	-
Quant Lase Lab LLC	**38,103**	-
Palms Sports PJSC	**2,502**	-
Zee Store PJSC	**(848)**	-
EasyLease Motorcycle Rental PJSC	**10,455**	

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Apex AED'000	Matrix AED'000	Quant Lase AED'000	Palms AED'000	Zee AED'000	Easy Lease AED'000
Revenue	342,570	438,832	238,681	291,162	289,029	72,492
Cost of sales	(201,036)	(229,964)	(43,976)	(181,960)	(257,008)	(43,445)
General and administrative expenses	(6,217)	(2,176)	(4,189)	(29,712)	(19,825)	(13,193)
Finance cost	-	-	-	(1,006)	(478)	(851)
Other income	18	35	-	4,550	577	6,780
Profit for the year	**135,335**	**206,727**	**190,516**	**83,034**	**12,295**	**21,783**
Attributable to non-controlling interests	**54,134**	**41,345**	**38,103**	**2,502**	**(848)**	**10,455**

Summarised statement of financial position as at 31 December 2020:

	Apex AED'000	Matrix AED'000	Quant Lase AED'000	Palms AED'000	Zee AED'000	Easy Lease AED'000
Non-current assets	5,983	6,086	-	1,303	26,790	163,939
Current assets	274,580	269,179	241,611	280,388	283,663	36,342
Non-current liabilities	142	-	-	26,499	11,192	10,519
Current liabilities	137,178	68,239	50,795	19,898	137,860	22,175
Equity (100%)	**143,243**	**207,026**	**190,816**	**235,294**	**161,401**	**167,587**
Attributable to:						
Equity holders of parent	**85,945**	**165,621**	**152,653**	**150,633**	**116,482**	**103,259**
Non-controlling interest	**57,297**	**41,405**	**38,163**	**84,661**	**44,919**	**64,328**

Summarised cash flow information for year ended 31 December 2020:

	Apex AED'000	Matrix AED'000	Quant Lase AED'000	Palms AED'000	Zee AED'000	Easy Lease AED'000
Operating	10,828	221,394	18,639	9,705	25,158	25,073
Investing	(7,762)	(8,628)	(18,639)	64,493	(6,345)	(15,173)
Financing	-	-	-	(34,100)	(79,716)	(1,024)
Net increase in cash and cash equivalents	**3,066**	**212,766**	**-**	**40,098**	**98,529**	**8,876**

Notes to the Consolidated Financial Statements
31 December 2020

35. Fair Value Measurement

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of the Group's assets that are measured at fair value on recurring basis
Some of the Group's financial assets and biological assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's assets are determined.

	Fair value as at					
Financial assets	**31 December 2020 AED'000**	31 December 2019 AED'000	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Quoted equity investments – investment in financial assets	**303,500**	2,127	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	**766,082**	41,056	Level 2	Transaction price paid for identical or similar instrument of an investee.	None	Not applicable
Other Assets						
Biological assets*	**1,164**	1,206	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of the levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

* As at 31 December 2020 and 31 December 2019, biological assets include nursery plants which are carried at fair value and chicken livestock which is carried at cost. Fair value of nursery plants is determined based on current market prices of similar type of assets. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

36. Segmental Analysis

For operating purposes, the Group is organised into business segments as follows:

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Real estate includes technical, commercial and contracting services specifically marine work contract, landscaping design and execution, labour camp management and sale of properties.

Digital includes providing services with respect to sport enterprises investment, institution, management services, sale of food and cafeteria items and cinema shows.

Industrial includes sale of spare parts and repairs for military equipment as well as sale of medical equipments and supplies.

Food belongs to IHC food vertical includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

Capital belongs to IHC capital vertical includes brokerage services provided with respect to securities.

Others (unallocated) includes head office expenses and income not allocated to any segment.

Notes to the Consolidated Financial Statements
31 December 2020

36. Segmental Analysis Continued

	Utilities		Real Estate		Digital	
	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000
Revenue	218,707	119,311	659,356	440,449	455,942	68,582
Cost of sales	(85,361)	(65,683)	(526,926)	(261,501)	(421,149)	(42,822)
Gross profit	133,346	53,628	132,430	178,948	34,793	25,760
Selling and administrative expenses	-	-	(1,948)	-	-	-
General and administrative expenses	(21,287)	(5,799)	(91,929)	(26,653)	(31,949)	(8,146)
Operating profit (loss)	112,059	47,829	38,553	152,295	2,844	17,614
Investment and other income	1,238	6,975	59,195	16,118	5,852	4,346
Share of profit from investment in associates and joint ventures	-	-	4,354	4,776	(278)	-
Gain on acquisition of subsidiary	-	-	-	-	-	-
Finance costs	(11,528)	(9,347)	(42,637)	(798)	(3,081)	(646)
Income tax expense	-	-	-	-	-	-
Profit (loss) for the year	101,769	45,457	59,465	172,391	5,337	21,314
Add: depreciation and amortisation	29,236	15,041	64,721	1,789	27,338	1,681
Add: finance costs	11,528	9,347	42,637	798	3,081	646
Add: income tax expense	-	-	-	-	-	-
Less: gain on acquisition of subsidiary	-	-	-	-	-	-
EBITDA	142,533	69,845	166,823	174,978	35,756	23,641
Segment assets	1,093,440	964,043	4,218,050	561,534	561,023	397,665
Segment liabilities	471,565	493,547	2,578,946	103,019	215,242	138,434

	Industrial		Food		Capital		Others		Total	
	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000	2020 AED’000	2019 AED’000
Revenue	4,122,164	29,141	1,178,632	597,708	411,768	3,882	-	-	7,046,569	1,259,073
Cost of sales	(2,407,805)	(24,027)	(948,592)	(526,392)	(225,328)	-	-	-	(4,615,161)	(920,425)
Gross profit	1,714,359	5,114	230,040	71,316	186,440	3,882	-	-	2,431,408	338,648
Selling and administrative expenses	-	-	(44,555)	(41,638)	-	-	-	-	(46,503)	(41,638)
General and administrative expenses	(105,200)	(4,120)	(88,724)	(43,874)	(102,310)	(2,233)	(36,288)	(28,810)	(477,687)	(119,635)
Operating profit (loss)	1,609,159	994	96,761	(14,196)	84,130	1,649	(36,288)	(28,810)	1,907,218	177,375
Investment and other income	9,257	1,215	13,269	14,293	30,946	1,469	96,654	591	216,411	45,007
Share of profit from investment in associates and joint ventures	(1,287)	-	-	-	945,458	-	-	-	948,247	4,776
Gain on acquisition of subsidiary	-	-	4,745	-	-	-	-	293,000	4,745	293,000
Finance costs	(665)	(53)	(3,513)	(2,640)	(103)	(342)	(100)	(132)	(61,627)	(13,958)
Income tax expense	-	-	(379)	(575)	-	-	-	-	(379)	(575)
Profit (loss) for the year	1,616,464	2,156	110,883	(3,118)	1,060,431	2,776	60,266	264,649	3,014,615	505,625
Add: depreciation and amortisation	61,774	162	30,005	8,812	19,296	139	15	7,772	232,385	35,396
Add: finance costs	665	53	3,513	2,640	103	342	100	132	61,627	13,958
Add: income tax expense	-	-	379	575	-	-	-	-	379	575
Less: gain on acquisition of subsidiary	-	-	(4,745)	-	-	-	-	(293,000)	(4,745)	(293,000)
EBITDA	1,678,903	2,371	140,035	8,909	1,079,830	3,257	60,381	(20,447)	3,304,261	262,554
Segment assets	3,161,322	206,035	1,409,100	848,131	3,455,624	684,435	113,721	316,306	14,012,280	3,978,149
Segment liabilities	1,143,826	53,370	573,707	343,651	1,199,616	548,704	7,445	102,515	6,190,347	1,783,240

Notes to the Consolidated Financial Statements

31 December 2020

37. Financial Risk Management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and short term deposits. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	2020 AED'000	2019 AED'000
Borrowings	**926,159**	444,872
Lease liabilities	**88,509**	84,961
Loan from a related party	**-**	-
Cash and bank balances	**(3,665,334)**	(1,305,185)
Net debt	**(2,650,666)**	(775,352)
Equity	**7,468,847**	2,172,481
Debt/equity ratio	**-**	-

Financial risk management objectives

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and cash flow risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance

Market risk management

Foreign exchange risk

The Group does not have any significant exposure to currency risk as most of its monetary assets and liabilities are denominated in UAE Dirhams or in US Dollars, the latter being pegged to the UAE Dirham.

Price risk

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 303,500 thousand (2019: AED 43,183 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2020 AED'000	2019 AED'000
Impact on the Group's profit for the year (increase/decrease)	**3,429**	-
Impact on the Group's other comprehensive income for the year (increase/decrease)	**11,746**	2,159

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. At a31 December 2020, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 10,884 thousand (2019: AED 3,839 thousand).

Credit risk management

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Notes to the Consolidated Financial Statements

31 December 2020

37. Financial Risk Management Continued

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	on Demand AED'000	Less than 3 months AED'000	3-12 months AED'000	1-5 years AED'000	Morer than 5 years AED'000	Total AED'000
At 31 December 2020						
Borrowings	-	4,561	195,682	453,903	424,198	1,078,344
Lease liabilities	-	-	15,950	58,900	45,459	120,309
Due to related parties	162,620	213,635	280,418	130,889	-	787,562
Trade and other payables	19,681	1,257,617	480,180	155,670	-	1,913,148
Total	**182,301**	**1,475,813**	**972,230**	**799,362**	**469,657**	**3,899,363**
At 31 December 2019						
Borrowings	-	-	118,039	341,554	9,671	469,264
Lease liabilities	-	-	8,828	84,199	-	93,027
Due to related parties	-	179,139	-	-	-	179,139
Accounts payable and accruals	58,600	388,613	394,746	67,423	-	909,382
Total	**58,600**	**567,752**	**521,613**	**493,176**	**9,671**	**1,650,812**

38. Dividends

Dividends attributable to non-controlling interest amounting to AED 3,780 thousand was declared in 2019. No such dividends were declared during the current year.

39. Subsequent Events

Subsequent to year-end, the Group acquired following entities:
(i) Royal Horizon Holding LLC - 60% equity interest
(ii) Afkar Financial & Property Investment LLC - 60% equity interest

Furthermore, subsequent to year-end, the Group's Board of Directors resolved to incorporate the following:

(i) New business segment, being "IHC Education Holding LLC", for the purpose of investing in the education sector;
(ii) CH Artilligence LLC, with a 100% ownership interest;
(iii) Fooj Fire Fighting Services LLC, with a 75% ownership interest;
(iv) Medi Q Healthcare & Clinic LLC, with a 51% ownership interest; and
(v) Apex Holding LLC, with a 60% ownership interest.

5.0 Overview of ESG

5.0 Overview of ESG

About

This section presents IHC's Environment, Social and Governance (ESG) report, outlining the company's ESG performance over the period from 1 January 2020 to 31 December 2020 and documenting our sustainability performance, future commitments and strategic objectives to integrate ESG best practices across IHC and its verticals.

Our inaugural ESG Report focuses on IHC at a holding level. It involves IHC's acquisition portfolio across four industry verticals: Food, Industrial, Leisure and Digital Communications, covering the subsidiary companies below.

This report presents IHC's efforts to support international and national standards, visions and objectives, including the Global Reporting Initiative (GRI) Standards, United Nations Sustainable Development Goals (SDGs), Abu Dhabi Stock Exchange (ADX) ESG Guidance and the United Arab Emirates (UAE) Vision 2021.

Our Stakeholders

We have developed our stakeholder map which incorporates and categorises key internal and external stakeholders based on their influence on IHC and our verticals.

We aim to seek feedback by actively engaging with our stakeholders to identify and understand their priorities and requirements and address potential sustainability risks and opportunities. Their involvement directs our sustainability approach and the material issues we focus on.

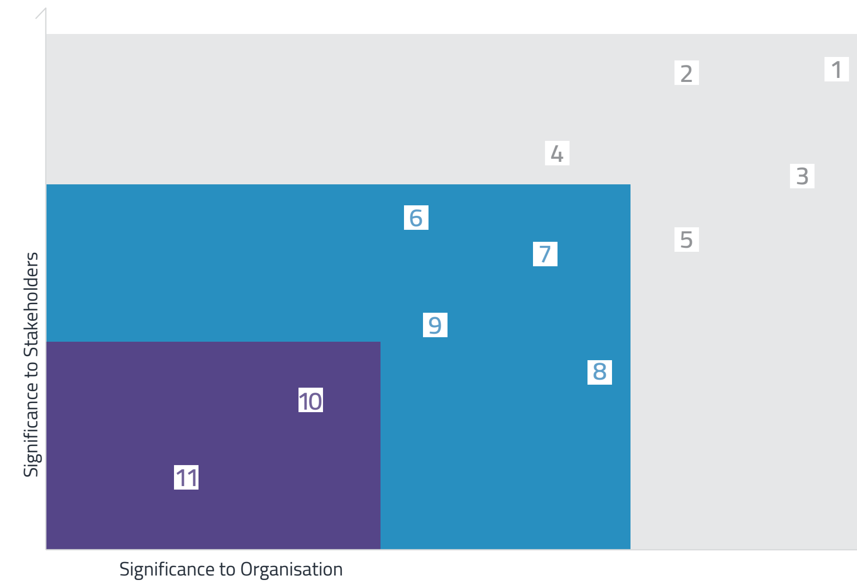
Our key stakeholder groups are shown below, and a detailed stakeholder map can be found in the appendices.

Stakeholders

- Customers
- Our People
- Shareholders and Investors
- Communities
- Government Regulators
- Partners

Our Materiality Assessment

We have identified 12 material issues that can have a material impact on IHC and its verticals if not managed appropriately. We have ranked these material issues based on their significance to IHC and importance to stakeholders.



Most Important

1. Environmental Management
2. Water Management
3. Governance, Complaince and Ethics
4. Energy and Climate Change
5. Sustainable Procurement

More Important

6. Health and Safety
7. Waste Management
8. Economic Development
9. Community Engagement and Investment

Important

10. Diversity and Inclusion
11. Product Innovation and Quality

Our Sustainability Framework

IHC's sustainability framework identifies the key areas that need to be continuously addressed to ensure sustainable practices. Our sustainability framework comprises four pillars that adhere to IHC's corporate mission and values and align with our material issues.

1 Empowering our People and Supporting our Communities

1. Health and Safety
2. Diversity and Inclusion
3. Community Engagement and Investment

2 Good Governance and Strong Intuition

1. Governance, Compliance and Ethics
2. Economic Development

3 Managing our Environmental Impacts

1. Environmental Management
2. Water Management
3. Energy and Climate Change
4. Waste Management

4 Responsible Business Practices

1. Product Quality and Innovation
2. Sustainable Procurement

5.1 Environment

Managing our Environmental Impacts

We aim to manage our environmental impact by reducing the adverse effects of our operations. In our attempt to safeguard our planet and protect our natural resources, we set out to combat climate change by reducing energy and water consumption, utilising renewable energy sources whenever possible and limiting waste generation.

Material Issues Covered	Environmental Management Water Management Energy and Climate Change Waste Management
UAE Vision Pillars	Sustainable Environment and Infrastructure
UN Sustainable Development Goals	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Environmental Management

At IHC, we recognise the importance of environmental management across our operations and activities.

Our subsidiary, Ghitha, implements and maintains an Occupational Health, Safety and Environment system which aims to minimise our environmental footprint through pollution prevention practices.

Al Ajban Poultry (Al Ajban) follows its own Environmental Policy to ensure its operations are environmentally sensitive. The farming activities at Al Ajban are regularly inspected and audited by external consultants to ensure compliance with the requirements of Environmental Agency - Abu Dhabi (EAD). Third party environmental audits are periodically carried out to inspect the farm site and the surrounding areas, including evaluating air pollution, the storage of medicines and medical waste, wastewater treatment, solid waste disposal in addition to the disposal of deceased animals.

Water Management

At IHC, we aim to keep our waterways clean by treating our operational waste and, by consuming water more responsibly. We aspire to continue finding sustainable solutions for water consumption to reduce the company's impact on the environment.

In 2020, the water consumption from the IHC food verticals amounted to an 8% increase from the previous year. Similarly, the water consumption intensity also increased by 12% from 2019 (ADX #E4). This was largely due to the heightened demand for food products which resulted in larger volumes of water required for livestock watering along with maintenance of animals and equipment general hygiene.

Our food verticals regularly recycle their wastewater for reuse for irrigation and related activities. In 2020, the IHC Food verticals generated a total of 139,019 cubic metres (m3) of wastewater of which over 85% was recycled and reused (ADX #6).

Water Management [1]	2018	2019	2020
Total water consumption (m^3) (ADX #E6)	230,556	191,831	207,468
Water consumption intensity (m^3/employee) (ADX #E6)	361	285	318

[1] Data includes Al Ajban Chicken and Ghitha

Energy and Climate Change

Over the past several years, environmental responsibility at IHC has expanded beyond compliance with all applicable government regulations, to include focus on limiting energy consumption and Greenhouse Gas (GHG) Emissions.

To reduce carbon emissions, Asmak's new factory has installed 29 solar streetlights for its external roads, reducing its total electrical consumption by 43,800 kilowatt per hour (kWh) per annum.

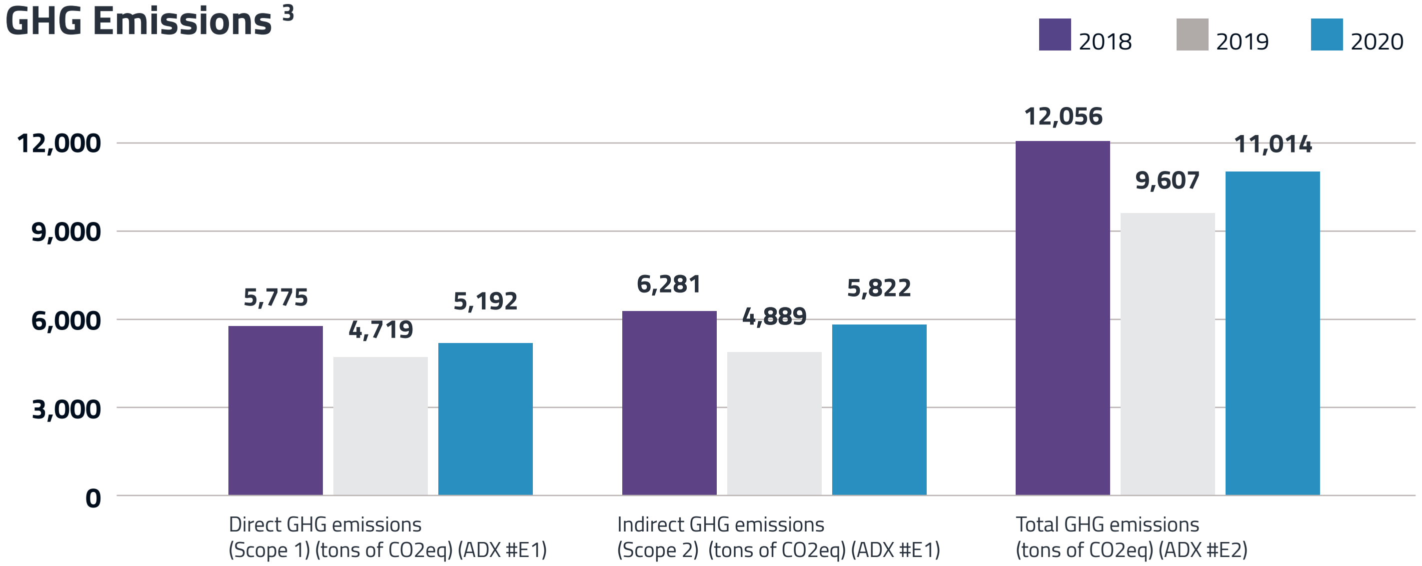
In 2020, our Food vertical's direct and indirect energy consumption amounted to a 13% increase compared to the previous year. This is largely due to the heightened demand for food products which resulted in higher energy consumption required for production and other operations.

Consequently, a higher energy consumption in 2020, resulted in an increase of 18% in GHG Emissions through both direct and indirect sources.

Energy Consumption [2]	2018	2019	2020
Total energy consumption (direct and indirect; GJ) (ADX #E3)	97,415	78,040	88,293
Direct energy consumption	-	-	-
Petrol consumption from operations and vehicles (L) (ADX #E3)	76,841	104,085	156,779
Diesel consumption from operations and vehicles (L) (ADX #E3)	2,615,688	2,093,623	2,258,604
Indirect energy consumption	-	-	-
Electricity consumption (office, storage, facilities, etc.; kWh) (ADX #E3)	10,665,958	8,301,050	9,886,027
Renewable energy consumption (office, storage, facilities, etc.; kWh) (ADX #E3)	-	-	43,800

[2] Data includes Al Ajban Chicken and Ghitha

GHG Emissions [3]



[3] Data Includes Al Ajban and Ghitha

Waste Management

As an environmentally responsible company operating in the UAE, we continuously strive to reduce waste going to landfills. As such, we have undertaken various initiatives across our food verticals over the years to recycle and reuse office supplies, packaging materials, used vegetable oils as well as fish waste.

Between 2018 and 2020, Ghitha has consistently improved its energy consumption by increasing its reliance on the usage of renewable materials to achieve a circular economy. In 2020, Ghitha's consumption of renewable materials increased by 9% compared to the previous year. Ghitha also reuses the vegetable oil, initially employed in flash frying of breaded fish, by selling it to third parties that recycle it to generate bio diesel. Through this initiative, Ghitha recycles an estimated 5,040 litres per annum.

Al Ajban uses environmentally friendly food-grade biodegradable chemicals and oils for cleaning, sanitisation and lubricating machines in farms and factories. Al Ajban also opts for ammonia-based systems for refrigeration instead of the traditional systems based on freon, a chemical known to change the ozone layer.

To reduce packaging waste, Al Ajban also took initiatives to recycle packaging generated from its operations, where feasible. This has contributed to reducing landfills and assisted packaging companies to reuse packaging materials for new products. The total packaging waste recycled in 2020 is estimated at 336,000 kilograms per year. The used cartons are sent to special local suppliers, who sanitise and compact them into bales to reduce their volume, before handing them to paper mills. These are then used to produce corrugated paper (cardboard) or are rolled to produce core pipes. In order to tackle Styrofoam waste, a supplier transforms it into plastic polystyrene (PS) pellets which are eventually used to produce decorative mouldings and profiles, as well as hangers and picture frames.

5.2 Social

Empowering our People and Supporting our Communities

Our employees play an integral role in the success of IHC. We ensure that they are genuinely appreciated and valued. We provide them with training and development opportunities to advance their learning and enhance their skills. By offering employees a safe, healthy, and inclusive work environment, we promote equal opportunities, and encourage a culture of feedback and transparent communication. We recognise our huge role and are committed to supporting the communities where we operate by participating and investing in initiatives directed at improving people's holistic well-being.

Material Issues Covered	Health and Safety Diversity and Inclusion Community Engagement and Investment
UAE Vision Pillars	Competitive Knowledge Economy Cohesive Society and Preserved Identity
UN Sustainable Development Goals	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Health and Safety

At IHC, we are committed to creating a safe workplace for our employees, contractors and visitors. We believe that operating safely is essential to protecting our employees and with that, driving business success. We adhere to safe labour practices and laws regarding working hours to protect and ensure the well-being of our people.

Our subsidiaries abide by their company's health and safety policies and regulations to ensure the protection of their employees as well as the communities they serve. Accordingly, Ghitha undertakes several Occupational Health and Safety (OHS) measures to guarantee the continual improvement of its OHS management system, and development of a positive healthy and safe culture.

In 2020, our Food and Industrial verticals maintained their employee total recordable injuries to a minimum level. One employee fatality was recorded at Ghitha, which was a result of a car accident. Consequently, the total employee recordable and lost time injuries decreased by 42% compared to 2019.

Health & Safety[4]	2018	2019	2020
Total employee manhours (#) (ADX #S7)	3,403,365	3,979,706	4,841,024
Employee fatalities (#) (ADX #S7)	-	-	1
Employee total recordable injuries (#) (ADX #S7)	9	16	16
Employee lost-time injuries (#) (ADX #S7)	5	8	4

[4] Data includes Al Ajban, Ghitha and Eltizam

Diversity and Inclusion

IHC strives to maintain respect for personal dignity, privacy and the rights of every employee. We are committed to maintaining a workplace free from discrimination and harassment. Based on our Code of conduct, employees are expected not to discriminate based on origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment.

The impact of the COVID-19 pandemic and containment measures led to a contraction across our workforce. In 2020, a 3% reduction in the total workforce was noted from 2019 (ADX #S5). Although there were numerous global challenges faced by the economy, we managed to control our workforce size and limit the decrease. In 2020, our total workforce was composed of over 15% females.

Workforce Profile[5]	2018	2019	2020
Workforce size			
Total number of employees (#) (ADX #S5)	2,477	3,015	2,917
▪ Full-time employees (#) (ADX #S5)	2,477	3,015	2,916
▪ Part-time employees (#) (ADX #S5)	-	-	1
Workforce by gender profile			
Female full-time employees (#) (ADX #S4)	363	448	444
Male full-time employees (#) (ADX #S4)	2,114	2,567	2,473

[5] Data includes Al Ajban, Ghitha, Eltizam and Palm Sports

The employee turnover rate in 2020 increased by 10% compared to 2019, mainly due to impacts of COVID-19, which includes both voluntary and involuntary turnover. Despite the increase in employee turnover, our food and industrial verticals also hired a total of 308 new employees out of which over 23% were female.

Hiring and Turnover	2018	2019	2020
Employee turnover[6]			
Total number of employees who left the company (#) (ADX #S3)	416	451	495
▪ Full time (ADX #S3)	416	451	495
▪ Part time (ADX #S3)	-	-	-
New employee hires by gender[7]			
Total new employee hires (#)	576	933	308
▪ Female (#)	93	142	58
▪ Male (#)	483	791	250

[6, 7] Data includes Al Ajban, Ghitha, Eltizam and Palm Sports

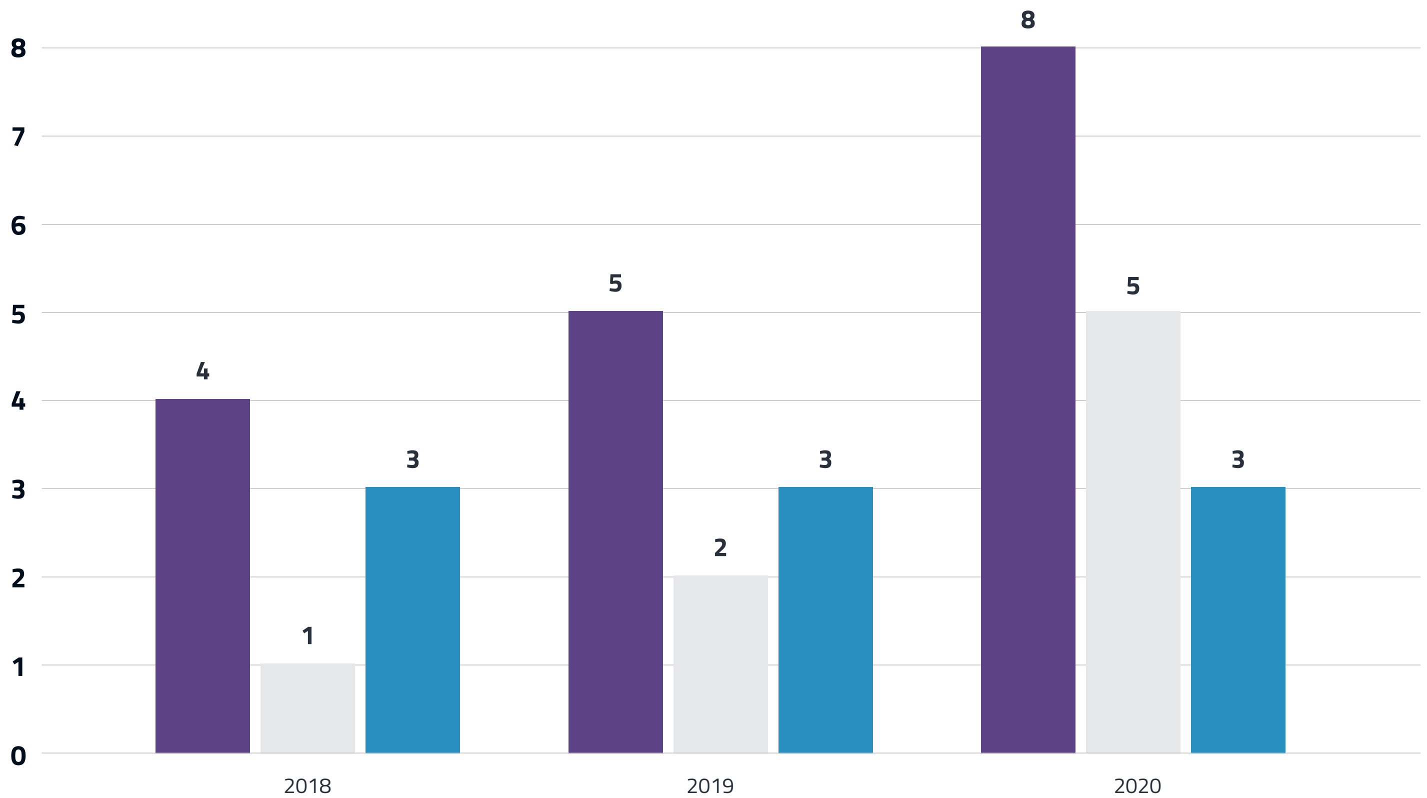
Talent Development and Nationalisation

We consider it imperative that we continue to retain high-calibre experts across IHC and its verticals. Through vocational, technical and compliance training, we ensure that our employees obtain the necessary certifications and qualifications and pursue their professional growth.

Palms Sports has a targeted professional development programme which aims to provide coaches with the skills and knowledge for personal development and career advancement. Professional development is scheduled throughout the year and encompasses all types of facilitated training along with informal practical learning opportunities. Palms Sports applies several approaches to professional development, including coaching and mentoring, case studies, reflective supervision and technical assistance. The programme is delivered through a combination of lectures, collaborative group work and technical coaching assistance.

In line with the UAE Vision 2021, our Food and Industrial verticals have increased the number of UAE Nationals in its total workforce by 60% in 2020, out of which over 62% are female UAE Nationals.

Nationalisation[8]



UAE Nationals among total full-time workforce (#) (ADX S#11)
Female UAE National full-time employees (#)
Male UAE National full-time employees (#)

[8] Data includes Al Ajban, Ghitha, Eltizam and Palm Sports

Community Engagement and Investment

We are committed to investing in the communities where we operate in a way that has a positive, measurable and lasting effect. In 2020, IHC and its subsidiaries rolled out a series of social and environmental programmes to confirm their role as responsible citizens.

During the Holy Month of Ramadan in 2020, Al Ajban donated 23,850 kg of chicken to the UAE's Emirates Red Crescent in support of those impacted by the COVID-19 pandemic.

Zee Stores began producing sanitisers under the brand name ZEAL in response to the increased market demand. Zee Stores also provided food packs to several non-profits to be distributed to victims of the pandemic and social workers. All packed goods converted to using paper products to keep plastic products under 1% of the total waste.

Palms Sports also carried out several community engagement initiatives in 2020. Palms Sports conceptualised the 'UAE Warriors' platform for local and international fighters to showcase their combat skills. UAE Warriors has, to date, delivered nineteen events, including five in 2020, despite the significant challenges presented by COVID-19. In January 2020, a swimming tournament was held for students of determination, in partnership with Zayed Higher Organisation for People of Determination and Al Ghazali School. Over fifty students participated in the event, showcasing their athletic competencies. The event incorporated the highest standards in health and safety.

Despite 2020 being a challenging year for all sectors and industries, Eltizam recognised national frontline workers on a weekly basis. It also provided financial management assistance to two non-profit educational institutions.

Additionally, Eltizam was a Gold Sponsor of Cityscape Real Estate Summit 2020, the first ever summit to be organised by the leading industry event, to provide investors, developers, analysts, government and legal professionals, consultants, and architects a common platform to tackle the sector's challenges and co-create a new era of real estate, all in a safe and secure environment.

Our digital communications company Multiply carried out a successful initiative 'Food Not Trash', aimed to raise awareness about food waste in the UAE. The initiative urged community members to gain an understanding of the problem of food waste by educating them about the importance of planning and purchasing responsibly, storing food effectively and reusing leftovers efficiently. Tamouh Investments supported the initiative through providing access to all their communities across Abu Dhabi to host the activities.

'Food Not Trash' also held an art exhibition, showcasing food waste assembled into art pieces. The show displayed photographs and various food art installations. The initiative garnered interest and support from several renowned international and local agencies such as World Food Programme, Tadweer and Red Crescent.

Responsible Business Practices

Using disruptive technology and digital advancements, we offer sustainable products and services spanning across different categories, including eco-packaging and green buildings. We are committed to ethical sourcing by applying social and environmental screening when selecting suppliers, sourcing locally whenever possible.

Material Issues Covered	Product Quality and Innovation Sustainable Procurement
UAE Vision Pillars	Sustainable Environment and Infrastructure Competitive Knowledge Economy
UN Sustainable Development Goals	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Product Quality and Innovation

We aim to deliver value-added solutions and the highest quality products and services for our customers enabling us to widen the current scope and get additional business. We continuously aim to identify areas of improvement with the latest technology to deliver an unmatched experience.

The raw material suppliers at Al Abjan are verified by the highest certifications in the industry, therefore solidifying our determination to provide the best poultry products on the market. Similarly, Ghitha strives for continuous improvement with the aim to exceed both international and local best practices.

To engage with customers and encourage sustainability goals, Al Ajban, uses social media channels such as Facebook, Twitter and Instagram, managed by Multiply.

Sustainable Procurement

As a responsible major purchaser, we engage with suppliers and associates in fostering commitment to sustainability. We ensure that goods and services are sourced sustainably and that our suppliers are certified according to the highest industry standards. As part of our sustainable procurement goals, we aim to make a significant contribution to raising social and environmental standards throughout our supply chain. To achieve this, we require all suppliers to adhere to our Supplier Code of Conduct where applicable.

The Supplier Code of Conduct at Ghitha ensures that suppliers put into place safe working conditions, while managing responsible and environmentally friendly production processes.

Al Ajban routinely carries out supplier audits and evaluations to measure the ability of suppliers to deliver products and/or services as required, as well as to assess the degree of compliance with Quality, Environmental and Occupational Health and Safety requirements. In 2020, Al Ajban increased its local procurement to 31% compared to the previous year – subsequently increasing its procurement spending on local suppliers by 9%. A similar trend was seen with Palm Sports, which also increased its local procurement by 26% from 2019.

In 2020, Eltizam adopted its first Sustainable Procurement Policy which also aims to prioritise eco-friendly suppliers as well as achieve the goal of complete eradication of single-use plastic by the end of 2021.

5.3 Governance

Good Governance and Strong Intuition

IHC is committed to conducting its business according to the highest standards of integrity, transparency, and accountability. Our robust governance structure is guided by a sound risk management framework. We work diligently to eliminate all sorts of fraud, bribery, corruption, and all forms of financial crime, while advocating human rights. IHC is a valuable contributor to the economic vitality of UAE and the overall attainment of the UAE Vision 2021. We aim to achieve continual, stable financial growth and attract investment for the benefit of our stakeholders.

Material Issues Covered	Governance, Ethics and Anti-Corruption Economic Development
UAE Vision Pillars	Competitive Knowledge Economy
UN Sustainable Development Goals	5 GENDER EQUALITY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Governance, Ethics and Anti-corruption

Our Board of Directors is composed of five members, four male and one female (ADX #G1). There are three Board of Director Committees: Audit Committee, Nomination and Remuneration Committee and Follow-Up and Insider Transaction Supervision Committee. All committees consist of three members each, all of whom are non-executive (ADX #G2). Furthermore, 100% of the Board Committee members are independent. There are currently one female members in two committees (ADX #G1).

The Code of Conduct and business ethics at Ghitha encourages staff members to conduct themselves with competence and integrity while respecting confidentiality where necessary. The Code of Conduct covers all imperative subjects related to governance including fraud, bribery, corruption, discrimination and harassment.

Economic Development

Our aim is to drive growth and value through business combinations, supply chain integration and cost efficiency across all our verticals. Expanding our horizons was the beginning of the success and growth that IHC is looking to achieve.

We consider ourselves as one of the UAE's foremost holding companies with investments in diversified businesses across the UAE and beyond. IHC's acquisition portfolio spans six industry verticals, namely IHC Food, IHC Utilities, IHC Real Estate, IHC Digital, IHC Industrial and IHC Capital.

Our economic performance has continually improved year on year. IHC's mission and vision are underpinned by a clear objective of enhancing strategic acquisitions and business conditions, and maximising cost efficiency through operational synergies.

IHC subsidiaries have positioned themselves to contribute substantially to the development and diversification of the UAE's economy. As an active agent in the UAE's economic growth, Al Ajban Chicken produced over 8 million birds, holding 37% of the egg market, the largest share in the UAE. To further promote the development of society and the positive economic implications that come with it, Palms Sports completed over 116,000 weekly trainings, awarding 63,000 Jiu-Jitsu belts, and hosted five UAE Warriors events.

For further details on our economic performance please refer to the Financial Statements in this Annual Report.

Appendices

A. IHC Stakeholder Map

Stakeholder Group	Importance to IHC	Needs and Expectations	Methods of Engagement
Customers	The success and growth of IHC and its verticals depends on our ability to maintain strong and healthy relationships with our customers. Through expansions of geographic footprint and customer distribution, we are building customer partnership models while maintaining the highest quality of products and services. We continuously aim to identify areas of improvement with the latest technology to deliver an unmatched experience to our customers.	• Innovative and sustainable products and services • Efficient and pro-active customer channels • Friendly and responsive customer service	• Social media channels such as Twitter, Facebook, Instagram and LinkedIn • Customer service offices for IHC vertical companies
Our People	The hard work, commitment, and contribution of every employee is integral to the success of IHC. Our goal has always been to establish an outstanding workplace where every employee can show commitment and seek out opportunities for personal growth, while undertaking new tasks and initiatives.	• Employee engagement and growth, through cultivating a diverse and inclusive workforce • A safe and secure work environment • Fair compensation • Recognition and rewards	• Employee trainings including orientations, professional training, and certifications • Health and safety policies • Social gatherings such as annual picnics
Shareholders & Investors	We aim to diversify our investments across operating asset classes and generate solid returns, to create value for our shareholders. Our efforts are coordinated towards capturing a higher market share to generate sustainable income for our shareholders.	• Strong balance sheet and continuous cash flows • Transparency and disclosure • ESG criteria incorporation into business operations and activities • Dynamic risk management • Strong market position	• Annual reports • Corporate Governance reports • Quarterly financial statements • Annual General Meeting (AGM)
Communities	IHC aims to contribute to the development of the community and the preservation of the environment. Corporate social responsibility is deeply integrated into our business activities, reflecting our commitment to make a positive impact on the world and reduce our operations' environmental footprint.	• Charitable initiatives to help less privileged communities • Social initiatives and programmes to promote health, education, security, sports and culture • Partnerships with other organisations to address social concerns	• Sponsorship of educational expenses for people with disabilities • Participation in seminars and lectures related to sustainability and the environment • Donation to charitable causes • Social welfare campaigns
Government Regulators	Promoting a compliance culture is paramount to our strategy. IHC demonstrates its responsibilities to its various stakeholders though developing and enhancing the Company's transparency and accountability. We are committed to complying with all rules and regulations and strive to raise the standards and levels of corporate governance in line with the regional and global best practices.	• Alignment with national strategies and visions (UAE Vision 2021) • Compliance with legal and regulatory requirements • Protection of customers and shareholders • Transparency and disclosure	• Internal audit • External audit • Internal control and risk management systems • Compliance department • Audit Committee • Annual Reports
Partners	IHC creates and maintains alliances with various partners to facilitate consistent growth and strategic positioning. Strengthening partnerships with the best suppliers, distributors and trade partners allows us to meet our customers' needs.	• New opportunities for engagement and interaction • Open communication channels • Fair and respectful treatment of suppliers • Timely payments • Fair and transparent bidding procedures	• Supplier survey to obtain feedback • Supplier portal • Procurement department

B. ADX ESG Guidence

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
Environment				
E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016	13 CLIMATE ACTION	Energy and Climate Change
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016	13 CLIMATE ACTION	Energy and Climate Change
E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Energy and Climate Change
E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Energy and Climate Change
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	7 AFFORDABLE AND CLEAN ENERGY	Environmental Management
E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018	6 CLEAN WATER AND SANITATION	Water Management

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No E7.3) Does your company use a recognised energy management system?	GRI 103: Management Approach 2016		Environmental Management Water Management No
E8. Environmental Oversight	Does your management team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		Yes
E9. Environmental Oversight	Does your board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development		13 CLIMATE ACTION	Environmental Management
Social				
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation	GRI 102: General Disclosures 2016	10 REDUCED INEQUALITIES	N/A
	S1.2) Does your company report this metric in regulatory filings? Yes/No			No
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	5 GENDER EQUALITY	N/A

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors/consultants	GRI 401: Employment 2016		Diversity and Equality
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry and mid-level positions held by men and women S4.3) Percentage: Senior and executive-level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	5 Gender Equality	Diversity and Equality
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016		Diversity and Equality
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	GRI 103: Management Approach 2016*	10 Reduced Inequalities	Governance, Ethics and Anti-corruption
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	3 Good Health and Well-Being	Health and Safety
S8. Global Health and Safety	Does your company follow an occupational health and/or global health and safety policy? Yes/No	GRI 103: Management Approach 2016*	3 Good Health and Well-Being	Health and Safety

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labour policy? Yes/No S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	8 Decent Work and Economic Growth	Yes Yes
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016	10 Reduced Inequalities	Yes, we abide by UAE regulations covering human rights.
S11. Nationalisation	Percentage of national employees		8 Decent Work and Economic Growth	Talent Development and Nationalisation
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	GRI 413: Local Communities 2016	8 Decent Work and Economic Growth	Community Engagement and Investment
Governance				
G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	5 Gender Equality	Governance, Ethics and Anti-Corruption
G2. Board Independence	G2.1) Does your company prohibit CEO from serving as board chair? Yes/No G2.2) Percentage: Total board seats occupied by independent board members			Governance, Ethics and Anti-Corruption

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
G3. Incentivised Pay	Are executives formally incentivised to perform on sustainability?			No
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainable Procurement
G5. Ethics and Prevention of Corruption	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Governance, Ethics and Anti-corruption
G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No			N/A
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No			Yes
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No			Yes Yes No
G9. External Assurance	Are your sustainability disclosures assured or validated by a third party audit firm? Yes/No	* GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards		No

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