



INTERNATIONAL HOLDING COMPANY PJSC

Review report and interim financial information

For the six-months period ended 30 June 2022



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF INTERNATIONAL HOLDING COMPANY PJSC**

Introduction

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

Scope of review

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

Conclusion

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

Signed by:
Anthony O’Sullivan
Partner
Ernst & Young
Registration No 687

8 August 2022
Abu Dhabi

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		<i>(Unaudited)</i> <i>30 June</i> <i>2022</i> <i>AED'000</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>AED'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,887,572	9,306,889
Intangible assets and goodwill		7,694,927	2,442,712
Right-of-use assets	5	1,679,452	970,813
Investment properties		26,990,780	7,926,902
Investment in associates and joint ventures	6	4,142,646	12,103,106
Investments in financial assets	7	2,629,064	1,143,972
Receivables from Islamic financing activities	9	1,171,187	-
Derivative financial instruments		134,702	-
Contract assets	10	468,955	659,938
Trade and other receivables		939,307	200,411
Biological assets		68,892	55,825
Due from related parties	15	951	951
Loan to related parties	15	-	20,000
Deferred tax assets		<u>55,204</u>	<u>16,938</u>
		<u>61,863,639</u>	<u>34,848,457</u>
Current assets			
Inventories		8,753,743	899,351
Development work-in-progress		5,549,381	1,349,824
Biological assets		12,439	5,363
Investment in financial assets	7	26,049,615	9,096,931
Receivables from Islamic financing activities	9	389,478	-
Derivative financial instruments		33,797	-
Due from related parties	15	1,388,860	1,896,162
Loan to related parties	15	1,200	6,200
Contract assets	10	5,112,949	5,201,530
Trade and other receivables		20,966,044	11,213,109
Cash and bank balances	11	<u>31,628,318</u>	<u>20,246,582</u>
		99,885,824	49,915,052
Assets held for sale	8	<u>1,940,276</u>	<u>4,216,639</u>
		<u>101,826,100</u>	<u>54,131,691</u>
TOTAL ASSETS		<u>163,689,739</u>	<u>88,980,148</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,821,429	1,821,429
Merger and acquisition reserve		17,641,927	16,668,311
Statutory reserve		910,715	910,715
Contributed capital		121,832	-
Cumulative changes on revaluation of investments		49,117	360,372
Currency translation reserve		(105,492)	2,038
Hedging reserve		(1,554)	1,627
Retained earnings		<u>2,105,989</u>	<u>7,329,169</u>
Equity attributable to owners of the Company		22,543,963	27,093,661
Hybrid equity instruments	14	1,815,646	-
Non-controlling interests		<u>69,463,092</u>	<u>28,938,365</u>
Total equity		<u>93,822,701</u>	<u>56,032,026</u>

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
 As at 30 June 2022

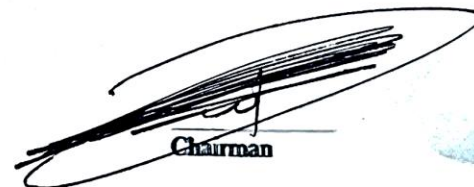
		<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
	<i>Notes</i>		
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefit		1,128,560	809,804
Lease liabilities	5	1,536,114	876,906
Borrowings		25,815,759	6,793,019
Non-convertible sukuk	16	3,641,546	-
Trade and other payables		1,876,633	65,201
Contract liabilities	17	80,197	83,663
Derivative financial instruments		10,525	19,559
Due to related parties	15	25,340	32,963
Deferred tax liabilities		<u>7,351</u>	<u>1,885</u>
		<u>34,122,025</u>	<u>8,683,000</u>
Current liabilities			
Due to related parties	15	2,268,680	2,141,128
Loans from related parties	15	885,240	1,007,072
Lease liabilities	5	197,450	117,629
Borrowings		1,583,184	1,663,542
Non-convertible sukuk	16	36,907	-
Derivative financial instruments		73,732	26,005
Margins against letter of guarantees		827,472	-
Contract liabilities	17	6,996,676	2,762,752
Trade and other payables		<u>22,867,567</u>	<u>14,350,562</u>
		35,736,908	22,068,690
Liabilities directly associated with assets held for sale	8	<u>8,105</u>	<u>2,196,432</u>
		<u>35,745,013</u>	<u>24,265,122</u>
Total liabilities		<u>69,867,038</u>	<u>32,948,122</u>
TOTAL EQUITY AND LIABILITIES		<u>163,689,739</u>	<u>88,980,148</u>



Chief Financial Officer



Managing Director



Chairman

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months and six months periods ended 30 June 2022

	Notes	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2022 AED '000</i>	<i>2021 AED '000</i>	<i>2022 AED '000</i>	<i>2021 AED '000</i>
Revenue	18	11,432,871	7,649,842	21,925,625	9,926,138
Cost of revenue		<u>(8,460,226)</u>	<u>(4,542,892)</u>	<u>(15,525,706)</u>	<u>(5,865,211)</u>
GROSS PROFIT		2,972,645	3,106,950	6,399,919	4,060,927
General and administrative expenses		(1,988,560)	(566,642)	(2,607,286)	(762,157)
Selling and distribution expenses		(38,948)	(8,711)	(76,472)	(34,521)
Share of profit from investment in associates and joint ventures	6	129,003	(5,939)	330,342	436,155
Investment and other income		1,858,306	379,205	2,566,947	700,904
Gain on acquisition of subsidiaries	12.2	1,244,154	-	1,244,403	5,273
Gain on disposal of subsidiaries	12.3	106,336	-	106,336	6,411
Fair value gain on revaluation of previously held equity interest	6	2,758,679	-	2,758,679	-
Gain on disposal of investment in a joint venture	6	37,379	-	37,379	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		(7,077)	-	(7,077)	-
Finance costs		<u>(241,499)</u>	<u>(43,479)</u>	<u>(371,364)</u>	<u>(56,106)</u>
Profit before tax		6,830,418	2,861,384	10,381,806	4,356,886
Taxation		<u>(20,663)</u>	<u>4,141</u>	<u>(26,879)</u>	<u>4,206</u>
PROFIT FOR THE PERIOD		<u>6,809,755</u>	<u>2,865,525</u>	<u>10,354,927</u>	<u>4,361,092</u>
Attributable to:					
Owners of the Company		2,810,384	1,287,134	4,410,479	2,619,806
Non-controlling interests		<u>3,999,371</u>	<u>1,578,391</u>	<u>5,944,448</u>	<u>1,741,286</u>
PROFIT FOR THE PERIOD		<u>6,809,755</u>	<u>2,865,525</u>	<u>10,354,927</u>	<u>4,361,092</u>
Basic earnings per share (AED)	19	<u>1.54</u>	<u>0.71</u>	<u>2.42</u>	<u>1.44</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)**

For the three months and six months periods ended 30 June 2022

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
PROFIT FOR THE PERIOD	6,809,755	2,865,525	10,354,927	4,361,092
Other comprehensive income (loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange difference on translation of foreign operations	(61,979)	(112,236)	(276,416)	(111,950)
Change in fair value of hedging instruments	12,435	1,030	19,814	1,030
Share of other comprehensive income of associates and joint ventures (note 6)	5,011	-	(28,255)	-
Share of other comprehensive income of a joint venture reclassified to profit or loss on disposal	7,077	-	7,077	-
Change in the fair value of financial assets carried at fair value through other comprehensive income (note 7.1)	(6,081)	2,449	(18,588)	2,449
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Change in the fair value of financial assets at fair value through other comprehensive income (note 7.1)	(91,528)	162,672	(260,827)	201,021
Total other comprehensive (loss) income	(135,065)	53,915	(557,195)	92,550
Total comprehensive income for the period	<u>6,674,690</u>	<u>2,919,440</u>	<u>9,797,732</u>	<u>4,453,642</u>
Attributable to:				
Owners of the Company	2,709,913	1,354,764	4,015,217	2,726,031
Non-controlling interests	<u>3,964,777</u>	<u>1,564,676</u>	<u>5,782,515</u>	<u>1,727,611</u>
	<u>6,674,690</u>	<u>2,919,440</u>	<u>9,797,732</u>	<u>4,453,642</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

International Holding Company PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2022

	<i>Attributable to equity holders of the Company</i>											
	<i>Share capital</i>	<i>Merger and acquisition reserve</i>	<i>Statutory reserve</i>	<i>Contributed capital</i>	<i>Cumulative changes on revaluation of investments</i>	<i>Currency translation reserve</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Hybrid equity instruments</i>	<i>Non-controlling interests</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Balance at 1 January 2021 (audited)	1,821,429	2,119,615	332,085	-	49,322	969	-	3,145,427	7,468,847	-	353,086	7,821,933
Profit for the period	-	-	-	-	-	-	-	2,619,806	2,619,806	-	1,741,286	4,361,092
Other comprehensive income for the period	-	-	-	-	127,245	(21,325)	305	-	106,225	-	(13,675)	92,550
Total comprehensive income for the period	-	-	-	-	127,245	(21,325)	305	2,619,806	2,726,031	-	1,727,611	4,453,642
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(76,536)	-	-	76,536	-	-	-	-
Business combination of entities under common control	-	5,226,836	-	-	-	-	-	-	5,226,836	-	8,678,240	13,905,076
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	32,950	32,950
Acquisition of investment in financial assets carried at fair value through profit and loss	-	542,537	-	-	-	-	-	-	542,537	-	-	542,537
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(934,906)	(934,906)
Acquisition of non-controlling interest	-	15,146	-	-	-	-	-	51,696	66,842	-	(127,221)	(60,379)
Disposal of partial interest in subsidiaries	-	(85,352)	-	-	-	-	-	-	(85,352)	-	85,352	-
Share based payments	-	-	-	-	-	-	-	-	-	-	52,000	52,000
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	705	705
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,216	2,216
Balance at 30 June 2021 (unaudited)	<u>1,821,429</u>	<u>7,818,782</u>	<u>332,085</u>	<u>-</u>	<u>100,031</u>	<u>(20,356)</u>	<u>305</u>	<u>5,893,465</u>	<u>15,945,741</u>	<u>-</u>	<u>9,870,033</u>	<u>25,815,774</u>
Balance at 1 January 2022 (audited)	1,821,429	16,668,311	910,715	-	360,372	2,038	1,627	7,329,169	27,093,661	-	28,938,365	56,032,026
Profit for the period	-	-	-	-	-	-	-	4,410,479	4,410,479	-	5,944,448	10,354,927
Other comprehensive loss for the period	-	-	-	-	(284,551)	(107,530)	(3,181)	-	(395,262)	-	(161,933)	(557,195)
Total comprehensive income for the period	-	-	-	-	(284,551)	(107,530)	(3,181)	4,410,479	4,015,217	-	5,782,515	9,797,732
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(26,704)	-	-	26,704	-	-	-	-
Business combination of entities under common control (note 12.1)	-	583,906	-	-	-	-	-	-	583,906	-	815,158	1,399,064
Acquisition of subsidiaries (note 12.2)	-	-	-	-	-	-	-	-	-	1,126,639	19,534,585	20,661,224
Additional non-controlling interest from acquisitions of subsidiaries at Group level (note 12.2)	-	-	-	-	-	-	-	(11,376,853)	(11,376,853)	-	11,376,853	-
Acquisition of assets from entities under common control (note 6)	-	783,364	-	-	-	-	-	-	783,364	-	-	783,364
Hybrid equity instruments issued during the period (note 14)	-	-	-	-	-	-	-	-	-	689,007	-	689,007
Capital contribution by Ultimate Parent (note 15.1)	-	-	-	121,832	-	-	-	-	121,832	-	-	121,832
Disposal of subsidiaries (note 12.3)	-	-	-	-	-	-	-	-	-	-	(1,488)	(1,488)
Disposal of partial interest in subsidiaries (note 12.4)	-	(193,090)	-	-	-	-	-	1,812,994	1,619,904	-	1,174,233	2,794,137
Acquisition of non-controlling interest (note 12.5)	-	(200,564)	-	-	-	-	-	(96,504)	(297,068)	-	(489,323)	(786,391)
Non-controlling interest share of newly issued shares	-	-	-	-	-	-	-	-	-	-	3,305,401	3,305,401
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	-	-	92,395	92,395
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,065,602)	(1,065,602)
Balance at 30 June 2022 (unaudited)	<u>1,821,429</u>	<u>17,641,927</u>	<u>910,715</u>	<u>121,832</u>	<u>49,117</u>	<u>(105,492)</u>	<u>(1,554)</u>	<u>2,105,989</u>	<u>22,543,963</u>	<u>1,815,646</u>	<u>69,463,092</u>	<u>93,822,701</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2022

	Notes	Six months period ended 30 June	
		2022 AED'000	2021 AED'000
OPERATING ACTIVITIES			
Profit before tax		10,381,806	4,356,886
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use asset		687,322	172,955
Amortisation of intangible assets		98,791	16,930
Depreciation of investment properties		250,558	29,259
Amortisation of biological asset		-	2,200
Share of profit from investment in associates and joint ventures	6	(330,342)	(436,155)
Change in the fair value of financial assets carried at fair value through profit or loss	7.2	(1,597,098)	(308,025)
Gain on acquisition of subsidiaries	12.2	(1,244,403)	(5,273)
Gain on disposal of subsidiaries	12.3	(106,336)	(6,411)
Change in fair value of biological assets		5,773	-
Loss on sale of biological assets		-	208
Loss on sale of intangible assets		-	54
Provision for employees' end of service benefit		117,546	44,385
Gain on disposal of property, plant and equipment		(297,024)	(2,793)
Gain on disposal of investment properties		-	(648)
Gain on disposal of a joint venture	6	(37,379)	-
Allowance for slow moving inventories		2,201	8,749
Allowance for (reversal of) expected credit losses		38,103	(1,416)
Share based payments		-	46,000
Covid-19 rent concessions	5	(361)	-
Interest and dividend income		(405,979)	(198,889)
Fair value gain on revaluation of previously held equity interest	6	(2,758,679)	-
Fair value gain on revaluation of previously held property, plant and equipment		(116,430)	-
Impairment loss on property, plant and equipment		37,842	-
Impairment loss on investment properties		297,020	-
Finance costs		371,364	56,106
Operating cash flows before changes in operating assets and liabilities		5,394,295	3,774,122
Decrease in inventories		100,833	99,701
Increase in biological assets		(19,238)	(2,522)
Decrease in due from related parties		1,021,406	989,472
Decrease (increase) in loan to related parties		25,000	(25,000)
Increase in trade and other receivables and contract assets		(447,862)	(1,194,262)
Decrease (increase) in development work in progress		252,647	(9,141)
(Increase) decrease in assets held for sale		(546,171)	16,719
Decrease in liabilities directly associated with assets held for sale		(4,144)	-
Decrease in margins against letter of guarantees		(73,968)	-
(Decrease) increase in due to related parties		(302,240)	3,932,901
Decrease (increase) in receivables from Islamic financial activities		96,432	(294,907)
Increase in trade and other payables and contract liabilities		351,079	1,578,982
Cash generated from operations		5,848,069	8,866,065
Employees' end of service benefit paid		(64,474)	(29,413)
Tax paid		(25,169)	(11,537)
Finance costs paid		(319,348)	(44,527)
Net cash generated from operating activities		5,439,078	8,780,588

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) continued
 For the six months period ended 30 June 2022

	Notes	Six months period ended 30 June	
		2022 AED'000	2021 AED'000
INVESTING ACTIVITIES			
Movement in term deposits with original maturities of more than three months		(4,214,072)	(238,421)
Additions to property, plant and equipment	4	(2,508,997)	(451,272)
Additions to intangible assets		(14,897)	(18,726)
Proceeds from sale of property, plant and equipment		358,783	139,769
Proceeds from sale of investment properties		44,112	1,227
Acquisition of associates and joint ventures	6	(1,433,683)	(241,735)
Additions to investment properties		(176,296)	(5,934)
Dividends received from associates and joint ventures	6	7,163	552,424
Proceed from disposal of a subsidiary, net of cash disposed	12.3	105,413	305,819
Payment against acquisition of subsidiaries, net of cash acquired	12.2	8,774,870	(33,835)
Business combination of entities under common control	12.1	92,083	3,157,087
Purchase of investment in financial assets	7	(14,456,533)	(83,759)
Proceed from sale of investment in financial assets	7	1,368,469	218,831
Movement in derivative financial assets		(29,426)	-
Movement in clients' deposits		(714,875)	-
Movement in restricted cash		(4,495,308)	-
Proceeds from disposal of shares of subsidiaries	12.4	65,731	-
Cash paid on acquisition of non-controlling interests		-	(60,379)
Interest and dividends received		<u>405,979</u>	<u>158,947</u>
Net cash (used in) generated from investing activities		<u>(16,821,484)</u>	<u>3,400,043</u>
FINANCING ACTIVITIES			
Proceeds from bank borrowings, net of repayments		13,994,318	(1,234,792)
Loan from a related party		-	885,240
Dividends paid to non-controlling interest		(1,065,602)	(934,906)
Proceeds from share based payments		-	6,000
Hybrid equity instruments issued during the period		689,007	-
Proceeds from issuance of non-convertible sukuku		5,613	-
Capital contribution by non-controlling interests		92,395	-
Repayment of lease liabilities	5	<u>(118,566)</u>	<u>(26,841)</u>
Net cash generated from (used in) financing activities		<u>13,597,165</u>	<u>(1,305,299)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		2,214,759	10,875,332
Cash and cash equivalents at beginning of the period		16,034,057	3,460,353
Effect of foreign exchange rate changes		<u>(183,511)</u>	<u>(111,950)</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11	<u>18,065,305</u>	<u>14,223,735</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

1 GENERAL INFORMATION

International Holding 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.

These interim condensed consolidated financial statements include the results of operations and financial position of International Holding Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”). The main activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing catering, re-packaging and wrapping services;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- sport enterprises investment, institution, management services;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management and development related services 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;
- medical and health care services including management of testing laboratories with their related logistics, operating medical laboratories, distributing medical supplies and devices and management of hospitals and medical clinics;
- wholesale and trading of cosmetics, personal care and other grooming related services;
- motorcycle trading, repairing and rentals;
- engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works;
- engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- oil and gas transmission engineering consultancy oil and gas productions facilities operations and management services;
- Islamic banking and financial services including shariah compliant loans and deposits;
- tourism related investments, development and management;
- forestry and natural vegetation management including farming, agricultural related investments and management;
- manufacturing and supply of concrete and other industrial products including installation and fabrication of aluminium and glass panels;
- organisation and event management, newspaper advertisement and other services related to advertisement designing and production;
- coaching and training of motor vehicle drivers and management of driving license issuance related services;
- clinkers and hydraulic cements manufacturing, whole sale of cement products trading;
- development, sales, construction, leasing, management and associated services in real estate; and
- development, construction, management and operations of hotels, schools, marinas, restaurants, beach clubs and golf courses.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 8 August 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021. In addition, results for the period ended 30 June 2022 are not necessarily indicative of the results for the year ending 31 December 2022.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets, biological assets and derivative financial instruments which are stated fair value.

The interim condensed consolidated financial statements are presented in United Arab Emirates 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.

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- 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 size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 period are included in the interim condensed 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 Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

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.

Details of the Company's subsidiaries as at 30 June 2022 and 31 December 2021 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2022</i>	<i>2021</i>
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%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Education Holding LLC	United Arab Emirates	Education services enterprises investment, institution and management.	100%	100%
IHC Healthcare Holding LLC	United Arab Emirates	Health Services Enterprises Investment, Institution and management.	100%	100%
IHC West Investment - Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	100%	100%
Reset Energy LLC (i)	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	65%	-

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
Diqa Technologies Limited** (i)	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	45%	-
ESG Emirates Stallions Group PJSC	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	85%	85%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and 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%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	75.36%	75.36%
Ghitha Holding PJSC (formerly "Zee Store PJSC")	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	85.27%	74.41%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	100%	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	100%	100%
Serenity Aviation Holding LLC**	United Arab Emirates	Aviation consultancy and commercial enterprises investment, institution and management.	50%	50%
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	80%	80%
Multiply Group PJSC**	United Arab Emirates	Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading.	31.47%	31.77%
Royal Technology Solutions LLC	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%	100%
Easy Lease Motorcycle Rental PSC*	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	49.57%	49.57%
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and researches, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches.	80%	80%
Quant Lase Lab LLC	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%	80%
Al Seer Marine Supplies and Equipment Company PJSC**	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	44.96%	44.96%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
Qausar Energy Limited**	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Alpha Technologies Limited**	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Tamouh Healthcare Group LLC	United Arab Emirates	Medical services related to COVID-19.	100%	100%
West Investments SPV RSC Ltd.	United Arab Emirates	Investment Company.	100%	100%
Fooj Fire Fighting Services LLC	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations.	75%	75%
Retiro Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	100%
Playa Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	100%
Shory Technology LLC	United Arab Emirates	Information Technology Network Services.	70%	70%
Alpha Dhabi Holding PJSC**	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and abroad, primarily through its subsidiaries.	45.41%	45.41%
Afkar Financial & Property Investments LLC	United Arab Emirates	Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.	60%	60%
CH Artillgence LLC	United Arab Emirates	Investment holding company.	100%	100%
Q Holding PSC (formerly "Al Qudra Holding PJSC")	United Arab Emirates	Commercial Enterprises Investment, Institution and Management and investment in properties.	55.83%	67.9%
Rebound Limited	United Arab Emirates	Facilitating global trade of recycled plastic.	80%	80%
Theta Bidco Limited	England	Investment Holding Company.	70%	70%
International Energy Holding LLC (i)	United Arab Emirates	Commercial Enterprises, investment, institution and management	100%	-
Green Energy Investment Holding RSC Limited (i)	United Arab Emirates	Implementation of smart technology solutions	100%	-
Green Enterprises Investment Holding RSC Limited (i)	United Arab Emirates	Solar Manufacturing	100%	-
Green Transmission Investment Holding RSC Limited (i)	United Arab Emirates	Power transmission and distribution	100%	-
Esyasoft Holding Ltd (ii)	United Arab Emirates	Smart utilities and energy efficiency solutions	51%	-
<u>Below are the subsidiaries of ESG Emirates Stallions Group PJSC:</u>				
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Landscaping designing and execution, irrigation works and agricultural trading materials.	100%	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	100%	100%
Century Real Estate Investment LLC	United Arab Emirates	Labour camp management.	79.85%	79.85%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of ESG Emirates Stallions Group PJSC:</i> continued				
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy.	100%	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction.	100%	100%
Royal Development Company d.o.o Beograd - Vracar	Serbia	Hotel accommodation.	100%	100%
ESG Companies Management - SP LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	100%	100%
ESG Capital Holding LLC	United Arab Emirates	Commercial Enterprises Investment, Institution & Management.	100%	100%
Century Village Real Estate Investment LLC (i)	United Arab Emirates	Real estate lease and management services, development construction, facilities management services.	70%	-
Anse La Mouche Property Development LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	99.99%	99.99%
WFC Holding LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	70%	70%
<i>Below are the subsidiaries of ESG Capital Holding LLC:</i>				
ESG Argo LLC (i)	United Arab Emirates	Agricultural enterprises investment, institution and management	100%	-
Vision Furniture & Decoration Factory LLC (ii)	United Arab Emirates	House and office furniture manufacturing.	60%	-
<i>Below are the subsidiaries of WFC Holding - sole proprietorship LLC:</i>				
Workforce Connexion LLC	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	100%	100%
Corporate Solutions Consultants LLC	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	100%	100%
Multi Serve Typing and Transactions Follow Up LLC	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	100%	100%
Tamouh Integrated Business Services LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Connect Outsourcing Temporary Employment LLC	United Arab Emirates	Employees provision services and onshore and offshore oil and gas fields and facilities services	100%	100%
<i>Below are the subsidiaries of Ghitha Holding PJSC (formerly "Zee Store PJSC"):</i>				
Zee Stores International LLC	United Arab Emirates	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	100%	100%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	United Arab Emirates	Storehouses and warehouses management and operations.	100%	100%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Ghitha Holding PJSC (formerly "Zee Store PJSC"):</i> continued				
Tamween Group LLC	United Arab Emirates	Holding Company.	100%	100%
Tamween Companies Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management	100%	-
<i>Below is the subsidiary of Zee Stores International LLC:</i>				
Royal Horizon Holding LLC	United Arab Emirates	Holding Company.	60%	60%
<i>Below are the subsidiaries of Royal Horizon Holding LLC:</i>				
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	100%	100%
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	100%	100%
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores.	100%	100%
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products.	100%	100%
<i>Below are the subsidiaries of Tamween Group LLC:</i>				
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products.	100%	100%
AGRINV SPV RSC	United Arab Emirates	Investment Company.	100%	100%
<i>Below is the subsidiary of AGRINVSPV RSC:</i>				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	99.99%	99.99%
<i>Below are the subsidiaries of Tamween Companies Management LLC:</i>				
Apex Investment PSC (formerly "Ras Al Khaimah Cement Investment PJSC") (ii)	United Arab Emirates	Commercial enterprises investment, institution and management.	51.5%	-
Al Jaraf Fisheries (ii)	United Arab Emirates	Wholesale of fresh fish and marine animal trading	100%	-
Mirak Royal Nature Fruit and Vegetables LLC (ii)	United Arab Emirates	Trading of baby food items, food and beverage, vegetable and fruits	80%	-
Abu Dhabi Vegetable Oil Co (ADVOG) (ii)	United Arab Emirates	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles	75%	-
<i>Below are the subsidiaries of Apex Investment PSC (Formerly "Ras Al Khaimah Cement Investment PJSC"):</i>				
Apex Holding LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	60%
Ras Al Khaimah Cement Co. LLC	United Arab Emirates	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading	100%	-

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<u>Below are the subsidiaries of Apex Holding LLC:</u>				
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food stuff catering to private and public sector organisations.	100%	100%
Boudoir Interiors LLC	United Arab Emirates	Interior design implementation works and sale of furniture.	100%	100%
The Central Tents Company LLC	United Arab Emirates	Retail sale of tents and shades and event management.	100%	100%
Apex National Investment LLC – Sole Proprietorship LLC	United Arab Emirates	Enterprises investments, institutions and management.	100%	100%
R R Facility Management SP LLC	United Arab Emirates	Building maintenance, camps and labour accommodation management, and real estate development, lease and management services.	100%	100%
Support Services and Catering LLC	United Arab Emirates	Building cleaning services	100%	100%
Apex Companies Management LLC*	United Arab Emirates	Management Services of Companies and Private Institutions.	40%	40%
Apex Alwataniah Logistics – Sole Proprietorship LLC	United Arab Emirates	Goods Air, Marine and Land Shipment Services and Customs Clearance Services.	100%	100%
Apex Construction and Development - Sole Proprietorship LLC	United Arab Emirates	Real Estate Development Construction, Commercial Enterprises Investment, Institution and Management.	100%	100%
Riva Marine General Marine Services - Sole Proprietorship LLC	United Arab Emirates	Onshore and offshore oil and gas field facilities services, marine machines and equipment repairing and maintenance.	100%	100%
Apex Padel Sport LLC - Sole Proprietorship PJSC	United Arab Emirates	Tennis Club.	100%	100%
Apex UL Investment LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	51%
Sky Go Transport of Goods LLC*	United Arab Emirates	Air Transport of goods unmanned aerial vehicles (drone).	50%	50%
<u>Below are the subsidiaries of Al Jaraf Fisheries LLC</u>				
Pristine Caviar	United Arab Emirates	Food and Beverages trading	100%	-
Emirates Fish Farms	United Arab Emirates	Food and Beverages trading	100%	-
Pristine Fish Farm – Sole Proprietorship LLC	United Arab Emirates	Land based aquaculture	100%	-
Pristine Seafood Production LLC	United Arab Emirates	Fish and seafood processing and preserving	100%	-
<u>Below is the subsidiary of Abu Dhabi Vegetable Oil Company LLC</u>				
Cebag Middle East LLC	United Arab Emirates	Food and Beverages trading	98%	-
<u>Below are the subsidiaries of Multiply Group PJSC:</u>				
Multiply Companies Management - Sole Proprietorship LLC	United Arab Emirates	Management Services of Companies and Private Institutions.	100%	100%
MG Communications Holding LLC	United Arab Emirates	Investing establishing and managing technology projects. Commercial and Industrial Enterprises Investment, Institution and Management.	100%	100%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2022</i>	<i>2021</i>
<i>Below are the subsidiaries of Multiply Group PJSC:</i> continued				
MG Wellness Holding LLC	United Arab Emirates	Health, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	100%
MG Digital Holding LLC	United Arab Emirates	Investing establishing and managing technology projects. Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	100%
MG Utilities Holding LLC	United Arab Emirates	Infrastructure, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	100%
MG Ventures Holding LLC	United Arab Emirates	Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	100%
Viola Communications LLC	United Arab Emirates	Commercial publication printing.	100%	100%
Spranza Commercial Investment - Sole Proprietorship LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	100%
Emirates Driving Company PJSC*	United Arab Emirates	Drivers training and road safety education	48.01%	48.01%
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	100%
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
Omorfia Group LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	51%
<i>Below is the subsidiary of Emirates Driving Company:</i>				
Tabieah Property Investment – Sole Proprietorship LLC	United Arab Emirates	Manage investment properties	100%	100%
<i>Below are the subsidiaries of Omorfia Group LLC:</i>				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services.	100%	100%
Tips & Toes Beauty and Spa Centre LLC	United Arab Emirates	Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	100%	100%
Jazz Lounge Spa	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.	100%	100%
Ben Suhail Distribution LLC	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, Soap and hair care products trading, and beauty and personal care requisites trading.	100%	100%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			2022	2021
<u>Below are the subsidiaries of Bedashing Company LLC of Emirates</u>				
Dashing International Group – Sole proprietorship LLC	United Arab Emirates	Company representation.	100%	100%
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Nippers & Scissors training Centre – Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Dazzling Beauty Salon – Sole Proprietorship	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling.	100%	100%
Groovy Ladies Beauty Center	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre.	100%	100%
Glam & Glow Beauty Lounge – Sole Proprietorship	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading.	100%	100%
Stella Beauty Lounge Center	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics.	100%	100%
Rose Water Ladies Salon – Sole Proprietorship LLC (ii)	United Arab Emirates	Women personal care and beauty, women hairdressing, trimming, styling and henna pigmentation	100%	-
<u>Below is the subsidiary of Viola Communications LLC:</u>				
Purple Printing LLC	United Arab Emirates	Commercial publication printing.	100%	100%
<u>Below are the subsidiaries of PAL Cooling Holding LLC:</u>				
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	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%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<u>Below are the subsidiaries of PAL Cooling Holding LLC:</u> continued				
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%
<u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:</u>				
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	67%	67%
Yallow Technologies LLC	United Arab Emirates	Computer systems & communication software trading equipment.	80%	80%
1885 Delivery Services LLC	United Arab Emirates	Delivery services.	70%	70%
<u>Below are the subsidiaries of Palm Sports PJSC:</u>				
Direct Trading LLC (ii)	United Arab Emirates	Bicycles, spare parts, sport equipment and sports wear trading	60%	-
<u>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:</u>				
Project Ceres One Limited	Cayman Islands	Commercial vessel management.	100%	100%
Project Ceres Two Limited	Cayman Islands	Commercial vessel management.	100%	100%
Project Ceres Three Limited	Cayman Islands	Commercial vessel management.	100%	100%
Al Seer Marine Boats Building – Sole Proprietorship LLC (formerly “Al Seer Marine Boats Building LLC”)	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	100%	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Sea shipping lines agents, customs clearance services, ships management and operation, onshore and offshore oil and gas fields and facilities services, yacht management and running	100%	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Security and safety training, computer software training, technical training on electrical and electronic devices, training and rehabilitation of marine cadres, onshore and offshore oil and gas fields and facilities services	100%	100%
ASM Chartering (i)	Cayman Islands	Commercial vessel management, cargo management and freight services	100%	-
Alcor Marine Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Alkaid Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Castor Marine Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Pollux Marine Limited (i)	Cayman Islands	Commercial vessel management	100%	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			2022	2021
<u>Below are the subsidiaries of Afkar Financial & Property Investments LLC:</u>				
2XL Furniture – UAE Sharjah	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
2XL Home LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
2XL Furnishing LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
OC Home Furniture LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
<u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u>				
Alpha Dhabi Industries Holding LLC	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management.	100%	100%
Trojan Construction Group – Sole Proprietorship LLC	United Arab Emirates	Real Estate and Construction Services	100%	100%
National Marine Dredging Company PJSC	United Arab Emirates	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	69.11%	69.11%
Sogno Commercial Investment Sole Proprietorship	United Arab Emirates	Investment holding.	100%	100%
Sogno Two Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Sogno Three Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Sublime Two Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Was Two Commercial Investment Sole Proprietorship	United Arab Emirates	Investment holding.	100%	100%
Alpha Dhabi Health Holding LLC	United Arab Emirates	Health services and commercial enterprises Investment, Institution and Management	100%	100%
Sublime Commercial Investment - Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Alpha Dhabi Partners Holding LLC	United Arab Emirates	Commercial enterprises Investment, Institution and Management.	100%	100%
Alpha Dhabi Construction Holding LLC	United Arab Emirates	Infrastructure and commercial enterprises Investment, Institution and Management	100%	100%
Alpha Dhabi Commercial Investment- Sole Proprietorship LLC	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management	100%	100%
Trojan General Contracting LLC	United Arab Emirates	Building projects contracting	100%	100%
Royal Advance Electro mechanical Works	United Arab Emirates	Electromechanical services	100%	100%
Al Maha Modular Industries LLC	United Arab Emirates	Ready-made building manufacturing	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued</i>				
Hi-Tech Concrete Products LLC (KSA)	United Arab Emirates	Construction	100%	100%
Trojan Developments LLC	United Arab Emirates	Real Estate	100%	100%
National Projects and Construction LLC	United Arab Emirates	Construction	100%	100%
Reem Emirates Aluminum LLC	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes	100%	100%
Trojan Property Investments LLC	United Arab Emirates	Real estate enterprises investment, institution and management	100%	100%
Ersa General Contracting LLC	United Arab Emirates	Building projects contracting.	100%	100%
HI-Tech Concrete Products LLC	United Arab Emirates	Building and selling of properties and lands and general contracting	100%	100%
HI-Tech Emirats For General Contracting	United Arab Emirates	Building projects contracting	100%	100%
HI-Tech Line Building Construction	United Arab Emirates	Building projects contracting	100%	100%
Phoenix Timber Factory LLC	United Arab Emirates	Timber Products	100%	100%
Reem Ready Mix LLC	United Arab Emirates	Building projects contracting.	80%	60%
Alpha Dhabi Hospitality Holding LLC	United Arab Emirates	Entertainment and commercial enterprises Investment, Institution and Management	100%	100%
Mawarid Holding Investment LLC	United Arab Emirates	Forestry, tourism, and agriculture.	70%	70%
Murban Energy Limited	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	100%	100%
Pure Health Holding LLC (formerly "Blink Biz Holding LLC") (v)	United Arab Emirates	Commercial Service, Real estate, Industrial, contracting and other type of business.	83.87%	70%
Aldar Properties PJSC* (ii)	United Arab Emirates	Development, sales, investment, construction, leasing, management and associated services for real estate, operation of hotels, schools, marinas, restaurants, beach clubs and golf courses.	33.65%	-
W Solar Investment LLC (ii)	United Arab Emirates	Clean energy business	75%	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Mawarid Holding Investment LLC:</i>				
Pure Health Investment – Sole Proprietorship LLC	United Arab Emirates	Health, Commercial and Industrial Services Enterprises Investment, Institution and Management.	100%	100%
Mawarid Centre for Research and Scientific Laboratories LLC	United Arab Emirates	Veterinarian hospital and research activities.	100%	100%
Mawarid Al Muthahida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC	United Arab Emirates	Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.	100%	100%
Aqua Power Technology LLC	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	100%	100%
Barari Natural Resources LLC	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	100%	100%
Campaign facilities management services LLC	United Arab Emirates	Facilities management services.	100%	100%
Dicon Investment LLC	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management.	100%	100%
Best Twasol Government Services LLC	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	100%
Dicon of Twafouq Services LLC	United Arab Emirates	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratization (MOHRE).	100%	100%
Info Nine Smart Solutions LLC	United Arab Emirates	Designing computer systems and communication equipment.	80%	80%
Twasol Business Men Service LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	100%
Twasol Business Men Service LLC – Ajman	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	100%
Twasol Business Men Service LLC – Br Abu Dhabi	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	100%
Al Forsan Tadbeer Centre LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	100%
Al Tawasol Al Mutamiz Guidance LLC	United Arab Emirates	Workers and employee's guidance centre	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2022</i>	<i>2021</i>
<i>Below are the subsidiaries of Mawarid Holding Investment LLC:</i> continued				
Emirates Safety Laboratory LLC	United Arab Emirates	Compliance certification for building construction products.	100%	100%
Two Five 55 Healthcare Investment LLC	United Arab Emirates	Investment in commercial enterprise & management and healthcare enterprise and development.	90%	90%
Al Forsan Tadbeer Centre LLC – Abu Dhabi	United Arab Emirates	Administrative and business services	100%	100%
Al Forsan Tadbeer Centre LLC – Ajman	United Arab Emirates	Administrative and business services	100%	100%
Mawarid Hotels and hospitality LLC	United Arab Emirates	Management of Hotels, tourist resorts and hotel apartments.	100%	100%
Mawarid International Development Company LLC	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	100%	100%
Mawarid Nurseries LLC	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	100%	100%
Mawarid Security Services LLC	United Arab Emirates	General security services and public security guarding services.	100%	100%
Mawarid Services Company LLC	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	100%	100%
Telal Resort LLC	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises	100%	100%
Aafaq Islamic Finance PSC	United Arab Emirates	Financing and investing activities that are conducted in accordance with Islamic Shari'a Laws	80.2%	80.2%
<i>Below are the subsidiaries of Murban Energy Limited:</i>				
Murban BVI Holding Inc (BVI)	British Virgin Islands	Holding company	100%	100%
Sitax Investment Ltd (BVI)	British Virgin Islands	Holding company	100%	100%
Sitax Holding Ltd (BVI)	British Virgin Islands	Holding company	100%	100%
I & T Management Private Limited	Maldives	Tourist resort operation	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2022</i>	<i>2021</i>
<i>Below are the subsidiaries of Murban Energy Limited:</i> continued				
Hill View (Seychelles) Limited	Seychelles	Hotel resort	100%	100%
Lindere Villa Limited	Seychelles	Management of presidential villas.	100%	100%
M Commodities – Sole Proprietorship LLC	United Arab Emirates	General Trading	100%	100%
Murban Investment Limited – Sole Proprietorship LLC	British Virgin Islands	Investment Holding	100%	100%
Ethiad International Hospitality LLC	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	100%	100%
Int'l Fresh Harvest Fruits and Vegetables Trading – Sole Proprietorship LLC	United Arab Emirates	Trading of foodstuff	100%	100%
Abu Dhabi United Hospitality-Sole Proprietorship LLC	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.	100%	100%
Le Noir Cafe – Sole Proprietorship LLC	United Arab Emirates	Foodstuff catering, hospitality services and restaurants.	100%	100%
St. Regis Saadiyat Island Resort Abudhabi	United Arab Emirates	Hotels.	100%	100%
Al Wathba A Luxury Collection Desert Report & Spa – Sole Proprietorship LLC	United Arab Emirates	Fitness club, relaxation and massage centre.	100%	100%
Magenta Medical Investment LLC	United Arab Emirates	Investment in healthcare enterprises & development.	80%	80%
Magenta Medical Requisites Trading LLC	United Arab Emirates	Trading of paper products, medical and surgical articles & requisites, laboratories tools & requisites, pharmaceutical products and equipment for people of determination.	80%	80%
Magenta International Investment LLC	United Arab Emirates	Holding Company	80%	80%
Magenta Pharma Medical Trading LLC	United Arab Emirates	Medical Equipment Trading	80%	80%
Emirates Gateway Security Services LLC	United Arab Emirates	Public security guarding services. onshore and offshore oil and gas fields and facilities services.	95%	95%
Sandstorm Motor Vehicles Manufacturing LLC	United Arab Emirates	Motor vehicles manufacturing.	65%	65%
Branch of Trojan General Contracting	Chechnya, Russia	Hotel.	100%	100%
C D Properties – Sole Proprietorship LLC	United Arab Emirates	Investment Holding	100%	100%

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Pure Health Holding LLC:</i>				
Pure Health Medical Supplies LLC	United Arab Emirates	Health care technology and management services.	73%	63%
Tamouh Healthcare LLC	United Arab Emirates	Health Services enterprises Investment, institution and management. Tourist services investment, institution and management	100%	100%
YAS Clinic Group Sole Proprietorship LLC (ii)	United Arab Emirates	Health Services enterprises Investment, institution and management. Tourist services investment, institution and management	100%	-
<i>Below are the subsidiaries of Pure Health Medical Supplies LLC:</i>				
Pure Investment LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	100%
Pure Health Capital LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	100%
Pure Lab LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	100%
Union Health Facilities Management LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	100%
Dawak Healthcare Supplies LLC	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	100%
Telldoc Technology LLC	United Arab Emirates	Investment, establishment and management of technology projects company.	100%	100%
Medclaim Billing Services LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	100%
Pure Health Facilities Management LLC	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	100%
One Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management company. health treatment undertaking services company.	100%	100%
The Medical Office Facilities Management LLC	United Arab Emirates	Health services enterprises investment, institution and management company. health treatment undertaking services company.	100%	100%
Pure Care Facilities Management LLC	United Arab Emirates	Commercial enterprises investment, institution and management company. management and operation of public utilities company.	100%	100%
Rafed Healthcare Supplies LLC	United Arab Emirates	Wholesale trading of medical equipment, medications, medical gas and medical storehouse.	100%	100%
Union 71 Medical Facilities Management LLC	United Arab Emirates	Management of medical facilities.	100%	100%
Pure Health Investment – Sole Proprietorship LLC	United Arab Emirates	Health, commercial and industrial services enterprises investment, institution and management.	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<u>Below are the subsidiaries of Tamouh Healthcare LLC:</u>				
Medi Q Healthcare LLC	United Arab Emirates	Investment, incorporation and management of healthcare service projects.	51%	51%
Somerian Health LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management	51%	51%
Protect 7 Health Care - Sole Proprietorship LLC (ii)	United Arab Emirates	Retail sale of medical equipment and apparatuses.	100%	-
Society Travel L.L.C.(i)	United Arab Emirates	Health Services enterprises Investment, institution and management. Tourist services investment, institution and management	100%	-
INOCHI Healthcare Sole Proprietorship LLC (i)	United Arab Emirates	Health Services enterprises Investment, institution and management.	100%	-
American Crescent Health Care Centre - Sole Proprietorship LLC (ii)	United Arab Emirates	Medical Complex, Onshore and Offshore Oil and Gas Fields and Facilities Services	100%	-
Genqore Drug Store L.L.C (ii)	United Arab Emirates	Para Pharmaceutical Products Trading, Beauty and personal care Requisites Trading, Baby Care Requisites Trading, Soap & Hair Care Products Trading, Medical, Surgical Equipment Trading, Laboratories Tools & Requisites Trading	90%	-
<u>Below are the subsidiaries of National Marine Dredging Company PJSC:</u>				
National Petroleum Construction Company PJSC ("NPCC")	United Arab Emirates	Engineering construction and procurement.	100%	100%
Emarat Europe Fast Building Technology System Factory LLC (Emarat Europe)	United Arab Emirates	Manufacturing and supply of precast concrete.	100%	100%
National Marine Dredging Company (Industrial)	United Arab Emirates	Manufacturing of steel pipes and steel pipe fittings.	100%	100%
ADEC Engineering Consultancy LLC	United Arab Emirates	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.	100%	100%
Abu Dhabi Marine Dredging S.P.C.	Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.	100%	100%
National Marine and Infrastructure India Private Limited	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			2022	2021
<i>Below are the subsidiaries of National Petroleum Construction Company PJSC ("NPCC"):</i>				
National Petroleum Construction Company (Saudi) Ltd.	Saudi Arabia	Engineering construction and procurement	100%	100%
NPCC Engineering Limited	India	Engineering	100%	100%
ANEWA Engineering Pvt. Ltd.	India	Engineering	80%	80%
<i>Below are the subsidiaries of Subsidiaries of Aldar Properties PJSC:</i>				
Aldar Education - Sole Proprietorship LLC	United Arab Emirates	Investment in, and management of entities providing educational services	100%	-
Aldar Academies - Sole Proprietorship LLC	United Arab Emirates	Investment in, and management of entities providing educational services	100%	-
Aldar Hotels and Hospitality LLC	United Arab Emirates	Investment in, and management of, entities providing hotels and hospitality services	100%	-
Aldar Marinas LLC	United Arab Emirates	Managing and operating marinas, sports clubs and marine machinery	100%	-
Provis Real Estate Management - Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate	100%	-
Provis Real Estate Brokers LLC	United Arab Emirates	Real estate brokerage	100%	-
Yas Links LLC	United Arab Emirates	Ownership and management of golf courses and golf clubs	100%	-
Pivot Engineering & General Contracting Co. (WLL)	United Arab Emirates	Engineering and general construction works	65.2%	-
Aldar Investment Properties LLC	United Arab Emirates	Investment, management and associated services for real estate assets and the operation of hotels	100%	-
Aldar Investment Holding Restricted Limited	United Arab Emirates	Special purpose vehicle, proprietary asset management company	100%	-
Khidmah - Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate	100%	-
Saadiyat Accommodation Village LLC	United Arab Emirates	Accommodation village	100%	-
Aldar Sukuk (No. 1) Ltd.	Cayman Island	Funding company	100%	-
Aldar Sukuk (No. 2) Ltd.	Cayman Island	Funding company	100%	-
Aldar Sukuk (No. 3) Ltd.	Cayman Island	Funding company	100%	-
Cloud Spaces - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services	100%	-
Eastern Mangroves Marina - Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas	100%	-

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Subsidiaries of Aldar Properties PJSC:</i> continued				
Marsa Al Bateen - Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas	100%	-
Advanced Real Estate Services - Sole Proprietorship LLC	United Arab Emirates	Real estate services	100%	-
Aldar Investments Limited	United Arab Emirates	Holding Company	100%	-
Pacific Owners Association Management Services LLC	United Arab Emirates	Management of real estate	100%	-
Aldar Ventures International Holding RSC Limited	United Arab Emirates	Restricted scope company	100%	-
Aldar Projects LLC	United Arab Emirates	Project management services	100%	-
Six October for Development and Investment Co. S.A.E. (SODIC)	United Arab Emirates	Real estate development	59.9%	-
Tasareeh Engineer Services - Sole Proprietorship LLC	United Arab Emirates	Development consultancy	100%	-
Aldar Investment Management Limited	United Arab Emirates	Assets management	100%	-
Asteco Property Management LLC	United Arab Emirates	Property management services	100%	-
Aldar Logistics - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services	100%	-
The Gateway Engineering Services - Sole Proprietorship LLC	United Arab Emirates	Development consultancy	100%	-
Al Seih Real Estate Management LLC	United Arab Emirates	Management and leasing of real estate; real estate projects investment	91%	-
Seih Sdeirah Real Estate LLC	United Arab Emirates	Property rental and management; real estate projects investment	91%	-
Saadiyat Grove - Sole Proprietorship LLC	United Arab Emirates	Real estate	100%	-
Aldar Logistics - Holding Limited	United Arab Emirates	Holding company	70%	-
Twafq Projects Development Property LLC (ii)	United Arab Emirates	Logistics	70%	-
Aldar Lifestyle - Sole Proprietorship LLC	United Arab Emirates	Hospitality services	100%	-
TDIC Education – Sole Proprietorship LLC	United Arab Emirates	Educational activities	100%	-
Al Shohub Private School LLC (ii)	United Arab Emirates	Educational activities	100%	-

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2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of O Holding PSC (formerly Al Qudra Holding PJSC):</i>				
Al Qudra Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Al Qudra Trading LLC	United Arab Emirates	Commercial project investment.	100%	100%
Al Qudra Investment RCS Ltd.	United Arab Emirates	Real Estate Investment.	100%	100%
Q Malls LLC	United Arab Emirates	Real estate lease & management services.	100%	100%
Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Envo Scape LLC	United Arab Emirates	Irrigation network contracting, constructing, maintaining parks and landscape design and planning activities.	100%	100%
Al Qudra Services LLC (iv)	United Arab Emirates	Environmental plants maintenance.	-	100%
Manarah Bay Real Estate	United Arab Emirates	Real estate management.	100%	100%
Q International Limited	United Arab Emirates	General Investment.	100%	100%
Al Qudra Education LLC (iv)	United Arab Emirates	Education services.	-	100%
Al Qudra for Agriculture and Development Company	United Arab Emirates	Agricultural development.	100%	100%
Q Link Transport	United Arab Emirates	Transportation.	85%	85%
Emirates Simulation Academy LLC	United Arab Emirates	Construction, operation management and development of training centre.	100%	100%
Q For Commercial Markets Management	United Arab Emirates	Setup, ownership and development of commercial market, parks and entertainment facilities.	60%	60%
Q Car Park LLC**	United Arab Emirates	Developing, operating, renting and equipping of car parking.	50%	50%
Q Active for Technologies LLC	United Arab Emirates	Telecommunication system installation and maintenance.	51%	51%
ABNIA for Industrial Holding LLC**	United Arab Emirates	Activities of cement, glass, iron, wood, and electromechanical industries.	50%	50%
Al Qudra Holding Industrial LLC	United Arab Emirates	Consultancy in alternative power and industrial projects.	100%	100%
Q Construction LLC	United Arab Emirates	General contracting	100%	100%
QP International LLC	United Arab Emirates	Project management	60%	60%
Island Villas LLC	United Arab Emirates	Real estate management	100%	100%
Marina Square Community Real Estate LLC	United Arab Emirates	Real estate management	100%	100%
Team Builders LLC	United Arab Emirates	Real estate management	51%	51%
Q Properties LLC	United Arab Emirates	Real estate management	100%	-
Q Companies Management LLC	United Arab Emirates	Real estate management	100%	-

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30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of O Holding PSC (formerly Al Qudra Holding PJSC):</i>				
Q Hospitality LLC	United Arab Emirates	Real estate management	100%	-
Reem Investments PSC	United Arab Emirates	Real estate management	100%	-
Reem Developers – Sole proprietorship LLC	United Arab Emirates	Real estate management	100%	-
Reem for Energy Investment Services – Sole proprietorship LLC	United Arab Emirates	Oil and gas projects	100%	-
Al Qudra Facilities Management LLC	United Arab Emirates	Cleaning and general maintenance for holdings and establishments management services	100%	100%
Q Parks Establishment	United Arab Emirates	Touristic resort management & entertainment investment.	100%	100%
Al Qudra Holding LLC	United Arab Emirates	Industrial enterprises and financial management.	100%	100%
Barary Ain Al Fayda Development Company LLC	United Arab Emirates	Real estate management	100%	100%
Buhyarat Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Al Qudra Healthcare LLC	United Arab Emirates	Health care & hospitality.	100%	100%
Q Energy LLC	United Arab Emirates	Oil & Gas equipment installation and maintenance services.	100%	100%
Al Qudra and Ravago Investment LLC (iv)	United Arab Emirates	General investment.	-	100%
Danat Facility Management LLC	United Arab Emirates	Facilities management service.	100%	100%
Al Rayan Investment	United Arab Emirates	Develop, manage and invest in real estate enterprises.	99.97%	99.97%
Construction Workers Residential City LLC	United Arab Emirates	Real Estate Investment.	65%	65%
Moon Flower Real Estate Development LLC	United Arab Emirates	Real estate investment.	100%	100%
Green Precast Systems Technology LLC	United Arab Emirates	General contracting.	100%	100%
Earth Care Agricultural Products LLC	United Arab Emirates	Agriculture business.	100%	100%
Al Rayan Global Real Estate LLC	United Arab Emirates	Real estate investment.	100%	100%
Radiant & Moonflower Real Estate Development LLC	United Arab Emirates	Real estate investment.	65%	65%
Al Qudra Holding – Morocco	Morocco	General investment.	100%	100%
Smart Hotel Management	Morocco	Hotel management	100%	100%
Smart Hotel Properties	Morocco	Hotel management.	100%	100%

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30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<i>Below are the subsidiaries of Q Holding PSC (formerly Al Oudra Holding PJSC):</i> continued				
Kasr Al Bahar	Morocco	Hospitality.	100%	100%
Atlantic Coast Hospitality	Morocco	General investment.	100%	100%
Al Qudra Holding Offshore	Morocco	Holding company.	100%	100%
Q General Investment Ltd.	British Virgin Islands	General investment.	100%	100%
Al Qudra Holding - Syria	Syrian Arab Republic	General Investment	100%	100%
Al Qudra Real Estate	Syrian Arab Republic	Real estate management.	100%	100%
Al Qudra Holding - Algeria	Algeria	General investment.	100%	100%
Al Qudra Belarus Ltd.	Belarus	General investment.	100%	100%
Al Qudra Holding - Yemen	Yemen	General investment.	100%	100%
Apex Residential LLC	United Arab Emirates	Real estate investment.	100%	100%
Al Qudra New Line Oil & Gas LLC (iv)	United Arab Emirates	Oil & Gas maintenance.	-	100%
Winds Laundry-Sole Proprietorship LLC	United Arab Emirates	Laundry services.	100%	100%
Al Qudra General Trading Establishment	United Arab Emirates	Commercial project investment.	100%	100%
Reem Hills -Sole Proprietorship LLC (i)	United Arab Emirates	Real estate management	100%	-
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	100%	100%
<i>Below are the subsidiaries of Al Tamouh Investments Company LLC:</i>				
TSL Properties LLC	United Arab Emirates	Development project ownership, sales & leasing.	100%	100%
Wadi Adventures LLC	United Arab Emirates	Adventure Park.	100%	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Tamouh Hotels and Resorts LLC	United Arab Emirates	Management and operation of hotels and hotel apartments.	100%	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	51%	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	60%	60%
<i>Discontinued operations:</i>				
Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	100%	100%
Dana Hospitality LLC / Holiday Inn Hotel	United Arab Emirates	Hotel management.	100%	100%
Asmak Holding Company Limited (iii)	United Arab Emirates	Holding companies and investment in commercial enterprises and management.	100%	100%
Mega mart Establishment UAE (iii)	United Arab Emirates	Retail trading of fast moving consumer products.	100%	100%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			2022	2021
<i>Discontinued operations: continued</i>				
Abu Dhabi Mountain Gate LLC (iii)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	70%	70%
Magenta Investments LLC	United Arab Emirates	Investment in healthcare enterprises & development and commercial enterprises & management	80%	80%
Pure Capital Investment LLC and its subsidiaries	United Arab Emirates	Investment in Commercial Enterprises & Management	90%	90%
Q Scape komtec LLC	United Arab Emirates	Building maintenance and landscaping.	-	51%

* Subsidiaries consolidated based on de-facto control.

** Subsidiaries consolidated by virtue of contractual arrangement between the shareholders.

- (i) These are subsidiaries of the Group, incorporated during the period
- (ii) Subsidiaries acquired during the period (note 12)
- (iii) Subsidiaries under liquidation
- (iv) Subsidiaries liquidated during the period
- (v) Pure Health Holding LLC is a 70.83% subsidiary of Alpha Dhabi Holding PJSC, with the remaining 13.04% being held directly by the Company

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of the following new standards and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements
- Amendments to IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2021 except for the following new accounting estimates and judgements due to acquisition of new subsidiaries during the period.

Hybrid equity instruments

In the process of classifying a financial instrument, management has made various judgments. Judgment is needed to determine whether a financial instrument, or its component parts, on initial recognition should be classified as a financial liability, a financial asset or an equity instrument in accordance with their respective definitions and the substance of the contractual arrangement. In making its judgment, the Group considered the detailed criteria and related guidance for classification as set out in IAS 32. This included assessing whether the instrument includes a contractual obligation to deliver cash or other financial asset to another entity and whether it may be settled through an equity instrument of a Group entity. Based on the criteria, the Group concluded that the hybrid equity instruments are a part of equity.

Use of practical expedient in recognising management fee

In line with a tripartite agreement with the Government of Abu Dhabi (the "Government"), and an entity (the "Entity"), the Group is managing the Entity's operations and all its projects. In return, the Group is entitled to a fee for provision of the management services. The Group has assessed that it has a right to the management fee to the extent of performance obligations completed as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses the practical expedient and recognises management fees on the basis of the actual cash paid for projects of the Entity.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

3.2 Significant accounting estimates and judgements continued

Defacto control over Aldar Properties PJSC

The Group obtained control of Aldar Properties PJSC (“Aldar”) and classified it as a subsidiary of the Group, notwithstanding its ownership of less than half of the outstanding share capital. The Group determined that it controls Aldar based on the following criteria:

- a) the Group has appointed four out of the total seven members of Aldar’s board (“Board”) with effect from 11 April 2022;
- b) resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- c) in accordance with Aldar’s articles of association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Aldar’s business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Aldar’s senior management; and
- d) the Group is the single largest shareholder of Aldar with almost 33.65% of the outstanding share capital.

In making this judgement, the Group considered the absolute size of its holding in Aldar, ability of other shareholders to limit its nominations to the Board, and the Group’s majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has defacto control over Aldar, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these interim condensed consolidated financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 2,508,997 thousand (six months period ended 30 June 2021: AED 451,272 thousand), excluding property, plant and equipment acquired through business combinations and depreciation and impairment charge for the six months period ended 30 June 2022 amounted to AED 628,512 thousand (six months period ended 30 June 2021: AED 146,146 thousand). Property, plant and equipment acquired through business combinations amounted to AED 4,946,331 thousand (note 12) (six months period ended 30 June 2021: AED 6,709,810 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Right-of-use assets:		
Balance at the beginning of the period / year	970,813	88,431
Acquired through business combination (note 12)	621,566	858,826
Additions	228,194	137,769
Transferred from assets held for sale	3,686	-
Depreciation expense	(95,063)	(74,732)
Derecognition on disposal of subsidiaries (note 12.3)	(1,070)	(13,009)
Adjustment*	(23,889)	-
Termination of a lease	(25,334)	(15,127)
Lease modifications	2,487	(7,842)
Foreign exchange translation	(1,938)	-
Impairment	-	(3,503)
	<u>1,679,452</u>	<u>970,813</u>
Balance at the end of the period / year		
Lease liabilities:		
Balance at the beginning of the period / year	994,535	88,509
Acquired through business combination (note 12)	640,678	863,207
Additions	217,754	136,057
Transferred from assets held for sale	1,991	-
Interest expense	33,019	28,508
Payments	(118,566)	(80,883)
Derecognition on disposal of subsidiaries (note 12.3)	(1,133)	(13,241)
Adjustment*	(23,527)	-
Termination of a lease	(6,856)	(12,681)
Lease modifications	2,644	(9,102)
Covid-19 related rent concessions	(361)	(3,848)
Foreign exchange translation	(6,614)	-
Transfer to assets held for sale	-	(1,991)
	<u>1,733,564</u>	<u>994,535</u>
Balance at the end of the period / year		

* Represents elimination of a lease between Pure Health Holding LLC, and Aldar Properties PJSC ("Aldar"), as a result of the Group's acquisition of Aldar during the period.

Lease liabilities is analysed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Current	197,450	117,629
Non-current	<u>1,536,114</u>	<u>876,906</u>
	<u>1,733,564</u>	<u>994,535</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2022</i>	<i>2021</i>
Associates:				
Tafseer Contracting & General Maintenance Company LLC	Real estate enterprise investment, development, institution and management	UAE	20%	20%
Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	20.35%	20.35%
Canal Sugar S.A.E	Sugar farming and production	Egypt	33%	33%
Principia SAS	Engineering and consultancy services	France	33%	33%
Al Jazira Technical Solutions & Consulting LLC	Consulting in computer devices and equipment	UAE	35%	35%
Response Plus Holding PJSC	Healthcare services and medical facilities	UAE	36.16%	36.16%
Sawaeed Holding PJSC	Manpower and investment solutions	UAE	36.69%	36.69%
NRTC Food Holding LLC	Commercial enterprises investment, institution and management	UAE	41%	41%
Aldar Properties PJSC (i)	Real estate enterprise investment, development, institution and management	UAE	-	31.11%
Esyasoft Holding Ltd. (ii)	Meter data management, billing and collection management, mobility software and big data analytics	UAE	-	-
Al Bustan Farms Limited	Agriculture enterprise investment	Mozambique	30%	30%
Lynx Technology Group Ltd. (iii)	Custom software application development services and IT consulting services	British Virgin Islands	25%	-
Iskandar Holdings Limited* (iv)	Real estate enterprise	Cayman Islands	19%	-
Al Sdeirah Real Estate Investment*	Real estate enterprise	UAE	30%	-
Abu Dhabi Finance PJSC*	Finance company	UAE	32%	-
Mena Tour*	Professional and amateur development golf tour	UAE	40%	-
Invictus Investment Company PLC** (iii)	Holding company	UAE	23.53%	-
Royal Gardens for Investment Property Co.*	Real estate development	Egypt	20%	-
DecoVision Company – WLL (v)	Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.	UAE	45%	-
Joint ventures:				
Lazio Real Estate Investment LLC	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	70%	70%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Details of the Group's associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2022</i>	<i>2021</i>
China Railway Construction	Construction	UAE	49%	49%
The Challenge Egyptian Emirates Marine Dredging Company ("CEEMDC")	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction	Egypt	49%	49%
Eltizam Asset Management LLC	Services management holding company	UAE	50%	50%
Agriculture Investment Holding Company (Ethmar) Ltd. (vi)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading	UAE	-	50%
EDE Research Institute LLC	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions	UAE	50%	50%
Emirates International Gas LLC	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant	UAE	50%	50%
Al Qudra Sports Management LLC	Building maintenance, interior design implementation works (décor), facilities management services, sports services and contracting and onshore and offshore oil and gas fields and facilities services	UAE	50%	50%
Al Qudra ICSM (vii)	Import and export and trading of oil and gas related material	UAE	-	51%
Al Qudra Addoha pour L'Investissement Immobilier	Import and export and trading of oil and gas related material	UAE	50%	50%
ABGC DMCC (viii)	Activities related to shipping lines of freight and passenger transportation, ship charter, sea freight and passenger charters, sea cargo services, ship management and operation and freight broker	UAE	51%	-
WIO Holding Restricted Ltd. (viii)	Digital Banking services	UAE	51%	-
Exceed Holding for Sports LLC (viii)	Sport enterprises investment, institution and management	UAE	50%	-
Safeen Survey and Subsea Services LLC (ix)	Survey and diving business	UAE	49%	-
Al Raha International Integrated Facilities Management LLC*	Facilities management	UAE	50%	-
Royal House LLC*	Hotel operations	UAE	50%	-
Palmyra SODIC Real Estate Development*	Real estate development	Syria	50%	-
Deyafah Holding Limited	SPV Special Purpose Vehicle	UAE	50%	-

* These became associates or joint ventures of the Group during the period as a result of business combination.

** The investment is accounted for based on provisional fair values / net asset values, which will be finalised within 12 months from the date of acquisition.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 30 June 2022

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(i) Aldar Properties PJSC ("Aldar")

During the period, an additional 2% shareholding in Aldar was transferred to the Group for nil consideration, increasing the total shareholding to 33.11%. The additional interest has been recorded as acquisition under common control given that the Company and the transferor are ultimately controlled by the same party before and after the transfer. The Group recognised the fair value of the additional shareholding amounting to AED 754,820 thousand within merger and acquisition reserve.

Effective 11 April 2022, the Group obtained control of Aldar and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED'000</i>
Fair value of previously held interest (note 12.2)	13,404,976
Carrying value of previously held interest	<u>(10,662,711)</u>
Fair value gain on revaluation of previously held equity interest	<u>2,742,265</u>

(ii) Esyasoft Holding Ltd. ("Esyasoft")

During the period, Esyasoft, previously classified as an investment in financial assets (note 7.2), became an associate due to the increase in the Group's shareholding by 20%, which was allocated for no consideration on 7 January 2022. On 1 June 2022, the Group obtained control over Esyasoft through acquiring an additional 21% equity interest. Accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED'000</i>
Fair value of previously held interest (note 12.2)	26,250
Carrying value of previously held interest	<u>(9,836)</u>
Fair value gain on revaluation of previously held equity interest	<u>16,414</u>

(iii) Lynx Technology Group Ltd ("Lynx Technology") and Invictus Investment Company PLC ("Invictus")

During the period, the Group acquired a 25% shareholding in Lynx Technology and a 23.53% shareholding in Invictus for a consideration of AED 3,680 thousand and AED 568,171 thousand respectively.

(iv) Iskandar Holdings Limited

Iskandar Holdings Limited is classified as an associate of the Group although the Group owns a 19% ownership interest, as the Group has significant influence by virtue of its contractual right to appoint two out of six directors to the board of directors of the investee.

(v) Deco Vision Company – WLL ("Deco Vision")

During the period, the Group acquired a 45% shareholding in Deco Vision for nil consideration which has been recorded as an acquisition 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 28,544 thousand. The Group recognised the excess of the carrying value over the consideration paid within merger and acquisition reserve.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 30 June 2022

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(vi) Agriculture Investment Holding Company (“Ethmar”) Ltd.

On 1 April 2022, the Group disposed of its investment in Ethmar to a related party for a consideration of AED 101,000 thousand.

Gain on disposal of investment in a joint venture is calculated as follows:

	<i>(Unaudited)</i>
	<i>30 June</i>
	<i>2022</i>
	<i>AED’000</i>
Carrying value of the investment at the beginning of the period	101,014
Share of loss for the period	(30,316)
Share of other comprehensive loss for the period	<u>(7,077)</u>
Carrying value at the date of disposal	63,621
Less: sale consideration	<u>(101,000)</u>
Gain on disposal	<u>(37,379)</u>

(vii) Al Qudra ICSM

During the period, the liquidation of Al Qudra ICSM was completed, and the entity was formally dissolved. Impact on liquidation amounted to AED 510 thousand.

(viii) ABGC DMCC (“ABGC”), WIO Holding Restricted Ltd (“WIO Holding”) and Exceed Holding for Sports LLC (“Exceed”)

ABGC, WIO Holding and Exceed were incorporated by the Group during the period. The Group injected their share of capital of AED 250 thousand, AED 847,167 thousand and AED 150 thousand respectively. Further, an additional contribution was paid to ABGC amounting to AED 75,761 thousand.

(ix) Safeen Survey and Subsea Services LLC (“Safeen”)

During the period, the Group incorporated Safeen as a joint venture with Abu Dhabi Ports as a JV partner. The Group made an in-kind contribution to Safeen with a transfer of its Diving and Subsea Division property, plant and equipment, employees and revenue contracts. The Group measured its 49% interest at a fair value of value of AED 140,067 thousand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Movements in investment in associates and joint ventures are as follows:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
At the beginning of the period / year	12,103,106	438,733
Acquired in business combinations (note 12)	148,738	480,382
Additions during the period / year *	2,427,798	11,407,654
Disposals during the period / year	(64,131)	(42,546)
Transferred to investment in subsidiaries **	(10,708,081)	(299,413)
Share of profit for the period / year	330,342	672,186
Share of other comprehensive loss for the period / year	(28,255)	-
Foreign exchange translation	(59,708)	-
Dividend received during the period / year	<u>(7,163)</u>	<u>(553,890)</u>
At the end of the period / year	<u>4,142,646</u>	<u>12,103,106</u>

* Included in additions are

- AED 9,188 thousand, being the fair value of the previously held interest in Esyasoft Holding Ltd. at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 7.2).
- AED 61,496 thousand advance paid during 2021 to ABGC, which was included in trade and other receivables in 2021.
- AED 140,067 thousand, being the fair value of the non-monetary assets contributed to Safeen (note 6(ix)).
- AED 28,544 thousand and AED 754,820 thousand relating to Deco Vision and Aldar respectively, that were transferred from related parties under common control.

** Included within transfers to investment in subsidiaries is an amount of AED 35,534 thousand relating to Reem Ready Mix LLC, which was acquired upon acquisition of RAKCIC (note 12.5(A)).

Summary of fair value gain on revaluation of previously held equity interests:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Aldar Properties PJSC (note 6(i))	2,742,265	-
Esyasoft Holding Ltd. (note 6(ii))	<u>16,414</u>	<u>-</u>
	<u>2,758,679</u>	<u>-</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

7 INVESTMENT IN FINANCIAL ASSETS

		<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
	<i>Notes</i>		
Investments carried at fair value through other comprehensive income	7.1	2,184,799	1,143,972
Investments carried at fair value through profit or loss	7.2	26,389,713	9,096,931
Investments carried at amortised cost	7.3	<u>104,167</u>	<u>-</u>
		<u>28,678,679</u>	<u>10,240,903</u>

Disclosed in the interim consolidated statement of financial position as follows:

Current	26,049,615	9,096,931
Non-current	<u>2,629,064</u>	<u>1,143,972</u>
	<u>28,678,679</u>	<u>10,240,903</u>

7.1 Investments carried at fair value through other comprehensive income

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Quoted equity investments	305,208	622,878
Unquoted equity investments	1,548,974	547,646
Quoted sukuku	330,617	490,014
Other debt instruments	<u>-</u>	<u>8</u>
	2,184,799	1,660,546
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>(516,574)</u>
	<u>2,184,799</u>	<u>1,143,972</u>

The geographical distribution of investments is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Inside the UAE	696,114	860,186
Outside the UAE	<u>1,488,685</u>	<u>800,360</u>
	2,184,799	1,660,546
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>(516,574)</u>
	<u>2,184,799</u>	<u>1,143,972</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

7 INVESTMENT IN FINANCIAL ASSETS continued

7.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 22. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	30 June 2022 (Unaudited)			31 December (Audited)		
	<i>Sukuks and debt instruments</i> AED'000	<i>Equity Securities</i> AED'000	<i>Total</i> AED'000	<i>Sukuks and debt instruments</i> AED'000	<i>Equity securities</i> AED'000	<i>Total</i> AED'000
At the beginning of the period / year	-	1,143,972	1,143,972	-	447,057	447,057
Additions	12,408	1,053,063	1,065,471	11,668	96,577	108,245
Acquired in business combinations (note 12)	-	221,954	221,954	561,482	4,198,634	4,760,116
Transferred from assets held for sale	490,022	26,552	516,574	-	-	-
Disposals	(153,225)	(20,771)	(173,996)	(78,875)	(230,321)	(309,196)
Transfer to investment in associates	-	-	-	-	(4,107,271)	(4,107,271)
Transfer to investment in subsidiaries*	-	(309,731)	(309,731)	-	(8,172)	(8,172)
Foreign exchange loss	-	(30)	(30)	-	-	-
Changes in fair value	<u>(18,588)</u>	<u>(260,827)</u>	<u>(279,415)</u>	<u>(4,253)</u>	<u>774,020</u>	<u>769,767</u>
	330,617	1,854,182	2,184,799	490,022	1,170,524	1,660,546
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>(490,022)</u>	<u>(26,552)</u>	<u>(516,574)</u>
At the end of the period / year	<u>330,617</u>	<u>1,854,182</u>	<u>2,184,799</u>	<u>-</u>	<u>1,143,972</u>	<u>1,143,972</u>

As of 30 June 2022, investment in shares with a fair value of AED 29,973 thousand (31 December 2021: AED 29,937 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

* Represents the following:

	AED'000
Previously held interest in Ras Al Khaimah Cement Investment PJSC (note 12.1)	12,162
Q Holding PJSC shares acquired in business combination (note 12.5(A))	287,917
Alpha Dhabi Holding PJSC shares acquired through business combination (note 12.5(A))	<u>9,652</u>
	<u>309,731</u>

7.2 Investments carried at fair value through profit or loss

	(Unaudited) 30 June 2022 AED'000	(Audited) 31 December 2021 AED'000
Quoted equity investments	15,333,900	1,920,333
Unquoted equity investments	11,006,449	7,576,453
Unquoted debt instruments	<u>49,364</u>	<u>-</u>
	26,389,713	9,496,786
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>(399,855)</u>
	<u>26,389,713</u>	<u>9,096,931</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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7 INVESTMENT IN FINANCIAL ASSETS continued

7.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Inside the UAE	7,761,344	1,912,198
Outside the UAE	<u>18,628,369</u>	<u>7,584,588</u>
	26,389,713	9,496,786
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>(399,855)</u>
	<u>26,389,713</u>	<u>9,096,931</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 22. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	<u>30 June 2022 (Unaudited)</u>			<i>(Audited)</i> 31 December 2021
	<i>Debt</i> <i>Instruments</i> AED'000	<i>Equity</i> <i>Securities</i> AED'000	<i>Total</i> AED'000	<i>Equity</i> <i>Securities</i> AED'000
At the beginning of the period / year	-	9,096,931	9,096,931	622,525
Additions	-	13,294,937	13,294,937	6,995,311
Acquired in business combinations (note 12)	49,314	3,356,128	3,405,442	629,512
Transferred from assets held for sale	-	399,855	399,855	-
Derecognition on disposal of a subsidiary	-	-	-	(3,039)
Disposals during the period / year	(5,811)	(1,057,056)	(1,062,867)	(4,034)
Transferred to investment in subsidiaries*	-	(332,495)	(332,495)	(599,743)
Transferred to investment in associates (note 6)	-	(9,188)	(9,188)	(415,375)
Changes in fair value	<u>5,861</u>	<u>1,591,237</u>	<u>1,597,098</u>	<u>2,271,629</u>
	49,364	26,340,349	26,389,713	9,496,786
Less: transferred to investments related to a subsidiary held for sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>(399,855)</u>
At the end of the period / year	<u>49,364</u>	<u>26,340,349</u>	<u>26,389,713</u>	<u>9,096,931</u>

* Represent the following:

	<i>AED'000</i>
Q Holding PJSC shares acquired in business combination (note 12.5(A))	57,190
Aldar Holding PJSC shares acquired through business combination (note 12.5(A))	<u>275,305</u>
	<u>332,495</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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7 INVESTMENT IN FINANCIAL ASSETS continued

7.3 Investments carried at amortised cost

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Debt instruments	<u>104,167</u>	<u>-</u>

Treasury bills are stated at amortised cost using the effective profit rate method and are situated outside UAE. Movement in investment in financial assets carried at amortised cost is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
At the beginning of the period / year	-	-
Acquired in business combinations (note 12)	142,801	-
Additions	96,125	-
Disposals	(131,606)	-
Foreign exchange loss	<u>(3,153)</u>	<u>-</u>
At the end of the period / year	<u>104,167</u>	<u>-</u>

8 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Assets held for sale (note 8.1)	1,256,495	394,250
Discontinued operations (note 8.2)	<u>683,781</u>	<u>3,822,389</u>
	<u>1,940,276</u>	<u>4,216,639</u>
Liabilities directly associated with discontinued operations (note 8.2)	<u>8,105</u>	<u>2,196,432</u>

8.1 Assets held for sale

Buildings

In 2019 and prior to its acquisition by the Group, Al Tamouh Investments Company LLC committed to sell one of its assets based on a sale and purchase agreement. As at 30 June 2022, the sale was not completed.

Property and equipment and investment properties

During the period, Q Holding PSC, a subsidiary, committed to sell its property and equipment and investment properties relating to a Traditional Souq project carried at AED 137,216 thousand and AED 739,129 thousand respectively, based on a sale and purchase agreement. As at 30 June 2022, the sale was not completed.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

8 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

8.2 Discontinued operations

Paragon Malls LLC (“Paragon”)

On 31 October 2020, the Group signed a sale and purchase agreement to sell a subsidiary, Paragon Mall LLC. As at 30 June 2022, the sale was not completed.

The results of the operations of the discontinued subsidiaries were not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.

Holiday Inn Abu Dhabi (“Holiday Inn”)

Holiday Inn Abu Dhabi (“Holiday Inn”), a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Al Qudra Holding PJSC (“Al Qudra”) on 31 December 2021. Prior to acquisition, the buyer and Al Qudra entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 30 June 2022.

The results of the operations of the discontinued subsidiaries were not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.

Aafaq Islamic Finance PSC (“Aafaq”)

On 24 November 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance, a subsidiary. During the period, the inability of the buyer to complete its purchase of Aafaq resulted in the Group terminating the related sale and purchase agreement. Consequently, Aafaq is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified.

The net assets of Aafaq classified as held-for sale were as follows:

	<i>AED’000</i>
Total assets	
Property, plant and equipment	32,021
Investment properties	217,838
Right-of-use assets	3,502
Investment in financial assets	916,429
Islamic financing assets	1,657,097
Trade and other receivables	32,201
Due from related parties	66,293
Wakala deposits	43,736
Cash and bank balances	<u>245,366</u>
	<u>3,214,483</u>
Total liabilities	
Bank borrowings	200,000
Margins against letter of guarantees	901,440
Lease liabilities	1,991
Employees’ end of service benefits	5,908
Trade and other payables	<u>1,075,710</u>
	<u>2,185,049</u>
Net assets	<u>1,029,434</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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9 RECEIVABLES FROM ISLAMIC FINANCING ACTIVITIES

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Murabaha financing	1,764,214	-
Ijarah financing	335,412	-
Istisna'a financing	1,599	-
Other financing	<u>5,195</u>	<u>-</u>
	2,106,420	-
Deferred income	(333,037)	-
Profit in suspense	<u>(13,539)</u>	<u>-</u>
Total	1,759,844	-
Less: impairment loss allowance	<u>(199,179)</u>	<u>-</u>
	<u>1,560,665</u>	<u>-</u>

Movement in impairment loss allowance during the period is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
At the beginning of the period / year	-	-
Transferred from assets held for sale	146,739	-
Charge for the period / year	<u>52,440</u>	<u>-</u>
At the end of the period / year	<u>199,179</u>	<u>-</u>

Disclosed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Current	389,478	-
Non-current	<u>1,171,187</u>	<u>-</u>
	<u>1,560,665</u>	<u>-</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

10 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Contract assets	4,907,416	5,274,112
Contract costs*	<u>789,181</u>	<u>690,834</u>
	5,696,597	5,964,946
Less: allowance for expected credit loss	<u>(114,693)</u>	<u>(103,478)</u>
	<u>5,581,904</u>	<u>5,861,468</u>

* Contract costs have been incurred on elements of one of the Group's major projects, on which the Group is not contractually entitled to recognise revenue until the various work packages are completed and handed over. While the work packages have yet to be handed over up to 30 June 2022, subsequently, a number of packages are scheduled to be completed and handed over, which will result in a winding down of the balance throughout the remaining contractual period.

Disclosed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Current	5,112,949	5,201,530
Non-current	<u>468,955</u>	<u>659,938</u>
	<u>5,581,904</u>	<u>5,861,468</u>

The movement in the allowance for expected credit loss against contract assets during the period / year is as follows:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
At the beginning of the period / year	103,478	7,378
Acquired in business combinations	-	40,040
Charge for the period / year	11,215	348,288
Allowance written off during the period / year	<u>-</u>	<u>(292,228)</u>
At the end of the period / year	<u>114,693</u>	<u>103,478</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

11 CASH AND BANK BALANCES

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>AED'000</i>	<i>AED'000</i>
Cash on hand	46,630	23,461
<i>Bank balances:</i>		
Current and call accounts	17,869,934	13,423,304
Group's bank accounts for clients' deposits (i)	3,696,144	2,981,269
Term deposits	9,847,672	3,668,020
Margin accounts	11,029	8,940
Wakala deposits with Islamic financial institutions	228,180	173,272
Less: allowance for expected credit loss	<u>(71,271)</u>	<u>(31,684)</u>
Cash and bank balances	31,628,318	20,246,582
Less: term deposits and margin accounts with an original maturity of more than three months	(5,087,790)	(884,890)
Less: Wakala deposits with Islamic financial institutions	(228,180)	(173,272)
Less: restricted cash and bank balances (ii)	(4,533,582)	(38,274)
Less: Group's bank accounts for clients' deposits	(3,696,144)	(2,981,269)
Less: bank overdrafts	<u>(19,365)</u>	<u>(382,795)</u>
	18,063,257	15,786,082
Add: cash and bank balances attributable to a subsidiary held for sale	<u>2,048</u>	<u>247,975</u>
Cash and cash equivalents	<u>18,065,305</u>	<u>16,034,057</u>

- (i) In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("ESCA") a subsidiary of the Group maintains separate bank accounts for advances received from its customers ("clients' deposits"). The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients' deposits by the Group is restricted, they have been presented on the consolidated statement of financial position as notified by ESCA.
- (ii) Restricted cash and bank balances mainly includes balances relating to a subsidiary acquired during the period, where an amount of AED 1,512,006 thousand are deposited into escrow accounts representing cash received from customers against the sale of development properties. The remaining balance of restricted cash balances mainly represent cash balances designated against government projects and dividend payables for which separate bank accounts are maintained.

12 BUSINESS COMBINATIONS

12.1 Business combination under common control

During the period, 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" 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 interim condensed 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.

W Solar Investment LLC

Effective 1 January 2022, Alpha Dhabi Holding PJSC, a subsidiary, acquired a 75% equity interest in W Solar Investment LLC ("W Solar") for nil consideration. W Solar is based in Abu Dhabi, United Arab Emirates, and is involved in clean energy business. From the date of acquisition, W Solar contributed loss to the Group amounting to AED 2,494 thousand. W Solar did not generate revenues, as it is still in the pre-operating phase.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.1 Business combination under common control continued

YAS Clinic Group Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in YAS Clinic Group Sole Proprietorship LLC ("YAS") for nil consideration. YAS is incorporated in Abu Dhabi, United Arab Emirates, and is involved in hospital management services. From the date of acquisition, YAS contributed revenue and profit to the Group amounting to AED 1,176,401 thousand and AED 803,254 thousand respectively.

Abu Dhabi Stem Cells Centre - Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in Abu Dhabi Stem Cells Centre – Sole Proprietorship LLC ("ADSCC"), for no consideration. ADSCC is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in healthcare and research centres operation and management. From the date of acquisition, ADSCC contributed revenue and profit to the Group amounting to AED 31,035 thousand and AED 3,051 thousand respectively.

Al Jaraf Fisheries LLC

Effective 1 January 2022, Tamween Companies Management LLC, a subsidiary, acquired a 100% equity interest in Al Jaraf Fisheries LLC ("JARAF") for nil consideration. JARAF is incorporated in Abu Dhabi, United Arab Emirates, and is involved land based aquaculture, retail sale of fresh fish and marine animals. From the date of acquisition, JARAF contributed revenue and loss to the Group amounting to AED 2,789 thousand and AED 3,134 thousand respectively.

Protect 7 Health Care - Sole Proprietorship LLC

Effective 1 January 2022, Tamouh Health Care LLC, a subsidiary, acquired a 100% equity interest in Protect 7 Health Care - Sole Proprietorship LLC ("Protect 7") for nil consideration. Protect 7 is incorporated in Abu Dhabi, United Arab Emirates, and is involved in retail sale of medical equipment and apparatuses. From the date of acquisition, Protect 7 contributed revenue and loss to the Group amounting to AED 285 thousand and AED 4,245 thousand respectively.

Ras Al Khaimah Cement Investment Public JSC

Effective 1 March 2022, the Company transferred its 60% ownership in Apex Holding LLC ("Apex") to Ras Al Khaimah Cement Investment Public JSC ("RAKCIC") in return for 1,830,046,480 shares, representing a 51.5% ownership interest in RAKCIC. In substance, the Group acquired control over RAKCIC, and disposed of a portion of its ownership in Apex without loss of control. The acquisition has been accounted as a common control transaction as the Ultimate Parent controlled RAKCIC before and after the acquisition. RAKCIC is a public shareholding company incorporated in Ras Al Khaimah and is engaged in the clinkers and hydraulic cements manufacturing, wholesale of cement product trading and industrial. From the date of acquisition, RAKCIC contributed revenue and loss to the Group amounting to AED 29,961 thousand and AED 22,416 thousand respectively. If the acquisition had taken place at the beginning of the period, RAKCIC would have contributed revenue and loss to the Group amounting to AED 61,431 thousand and AED 30,066 thousand, respectively.

Mirak Royal Nature Fruit and Vegetables LLC

Effective 31 March 2022, the Company acquired 80% of the shares in Mirak Royal Nature Fruit and Vegetables LLC ("Mirak") for nil consideration. Mirak is based in Dubai, United Arab Emirates, and is involved in baby food trading, food and beverages trading and vegetables and fruits trading. From the date of acquisition, Mirak contributed revenue and loss to the Group amounting to AED 63,120 thousand and AED 317 thousand respectively. If the acquisition had taken place at the beginning of the period, Mirak would have contributed revenue and profit to the Group amounting to AED 101,892 thousand and AED 1,257 thousand, respectively.

Vision Furniture & Decoration Factory L.L.C

Effective 1 April 2022, ESG Emirates Stallions Group PJSC ("ESG"), a subsidiary, acquired 60% of the shares in Vision Furniture & Decoration Factory L.L.C ("Vision Factory") for nil consideration. Vision Factory is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in house & office furniture manufacturing, fireproof wooden doors manufacturing, onshore & offshore oil & gas fields and facilities. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 15,827 thousand and AED 1,506 thousand, respectively. If the acquisition had taken place at the beginning of the period, Vision Factory would have contributed revenue and profit to the Group amounting to AED 31,106 thousand and AED 2,879 thousand respectively.

International Holding Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.1 Business combination under common control continued

	<i>W Solar</i> AED '000	<i>YAS</i> AED '000	<i>ADSCC</i> AED '000	<i>JARAF</i> AED '000	<i>Protect 7</i> AED '000	<i>RAKCIC</i> AED '000	<i>MIRAK</i> AED '000	<i>Vision Factory</i> AED '000	<i>Total</i> AED '000
Assets									
Property, plant and equipment	-	420,985	60,306	83,377	30,328	325,487	17,949	10,718	949,150
Intangible assets	-	5,749	874	-	-	136	426	-	7,185
Investment in associate	-	-	-	-	-	35,534	-	-	35,534
Investments carried at fair value through other comprehensive income	-	-	-	-	-	201,953	-	-	201,953
Investments carried at fair value through profit or loss	-	-	-	-	-	33,215	-	-	33,215
Biological assets	-	-	-	6,678	-	-	-	-	6,678
Right-of-use assets	-	18,900	1,437	-	-	-	-	2,211	22,548
Inventories	-	7,433	1,280	1,236	6,878	52,144	4,057	4,845	77,873
Due from related parties	300	328,660	36,988	450	2,465	-	-	27,709	396,572
Trade and other receivables	-	1,020,369	44,236	4,771	8,441	56,600	38,755	7,503	1,180,675
Cash and bank balances	987	20,600	5,079	49,205	1,634	44	135	14,399	92,083
	1,287	1,822,696	150,200	145,717	49,746	705,113	61,322	67,385	3,003,466
Liabilities									
Employees' end of service benefit	-	828	693	786	144	1,151	753	5,043	9,398
Borrowings	-	300,000	-	-	-	23,477	13,124	-	336,601
Lease liabilities	-	18,900	1,437	-	-	-	-	3,645	23,982
Due to related parties	1,764	289,615	1,224	159,037	53,642	-	25,000	447	530,729
Trade and other payables	-	396,563	41,046	3,686	7,027	62,807	48,858	25,855	585,842
	1,764	1,005,906	44,400	163,509	60,813	87,435	87,735	34,990	1,486,552
Net assets	(477)	816,790	105,800	(17,792)	(11,067)	617,678	(26,413)	32,395	1,516,914
Less: non-controlling interest	315	(447,576)	(57,975)	-	-	(299,331)	5,283	(15,874)	(815,158)
Proportionate share of identifiable net assets acquired	(162)	369,214	47,825	(17,792)	(11,067)	318,347	(21,130)	16,521	701,756
Previously held equity interest transferred from investment in financial asset (note 7.1)	-	-	-	-	-	(12,162)	-	-	(12,162)
Carrying value of the shares in Apex (note 12.4(B))	-	-	-	-	-	(105,688)	-	-	(105,688)
Merger reserve	(162)	369,214	47,825	(17,792)	(11,067)	200,497	(21,130)	16,521	583,906

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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12 BUSINESS COMBINATIONS continued

12.2 Acquisitions under IFRS 3 Business Combination

During the period, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Rose Water Ladies Salon - Sole Proprietorship LLC

Effective 1 January 2022, Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Rose Water Ladies Salon - Sole Proprietorship LLC ("Rose") for consideration of AED 7,200 thousand. Rose is a sole proprietorship, registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, Rose contributed revenue and profit to the Group amounting to AED 2,419 thousand and AED 922 thousand respectively.

Abu Dhabi Vegetable Oil Company LLC

Effective 1 January 2022, the Group acquired a 75% interest in Abu Dhabi Vegetable Oil Company LLC ("ADVOC") for consideration of AED 91,000 thousand. ADVOC is limited liability company, registered in the Emirate of Abu Dhabi, and is engaged in vegetable oils refining and manufacturing, basic organic chemical acids manufacturing, plastic bottles and similar containers manufacturing, and plastic closures articles manufacturing. From the date of acquisition, ADVOC contributed revenue and profit to the Group amounting to AED 242,591 thousand and AED 8,855 thousand respectively.

American Crescent Health Care Centre – Sole Proprietorship LLC

Effective 1 January 2022, Somerian Health LLC, a subsidiary, acquired a 100% interest in American Crescent Health Care Centre – Sole Proprietorship LLC ("American Crescent") for consideration of AED 3,600 thousand. American Crescent is a sole proprietorship LLC, registered in the Emirate of Abu Dhabi, and is engaged in medical complex and facilities services. From the date of acquisition, American Crescent contributed revenue and loss to the Group amounting to AED 2,672 thousand and AED 644 thousand respectively.

GenQore Drug Store LLC

Effective 1 February 2022, Somerian Health LLC, a subsidiary, acquired a 90% interest in GenQore Drug Store LLC ("GenQore") for a consideration of AED 2. GenQore is a limited liability company, registered in the Emirate of Dubai and is engaged in trading of cosmetic and medical related items. From the date of acquisition, GenQore contributed revenue and loss to the Group amounting to AED 20,602 thousand and AED 640 thousand respectively.

Direct Trading LLC

Effective 14 February 2022, Palms Sports LLC, a subsidiary, acquired a 60% interest in Direct Trading LLC ("Direct Trading") for a consideration of AED 4,250 thousand. Direct Trading is a limited liability company, registered in the Emirate of Abu Dhabi and is in the business of distribution. From the date of acquisition, Direct Trading contributed revenue and loss to the Group amounting to AED 1,210 thousand and AED 537 thousand respectively. If the acquisition had taken place at the beginning of the period, Direct Trading would have contributed revenue and loss to the Group amounting to AED 1,322 thousand and AED 870 thousand, respectively.

Arena Events Group PLC

Effective 1 April 2022, Theta Bidco Limited, a subsidiary, acquired 100% ownership of Arena Events Group PLC ("Arena") for a consideration of AED 342,547 thousand. Arena is a public limited company incorporated in England, United Kingdom and is a provider of temporary physical structures, seating, ice rinks, furniture and interiors. From the date of acquisition, Arena contributed revenue and profit to the Group amounting to AED 282,880 thousand and AED 10,170 thousand respectively. If the acquisition had taken place at the beginning of the period, Arena would have contributed revenue and loss to the Group amounting to AED 481,399 thousand and AED 19,360 thousand, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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12 BUSINESS COMBINATIONS continued

12.2 Acquisitions under IFRS 3 Business Combination
Aldar Properties PJSC ("Aldar")

On 11 April 2022, the Group appointed four out of the seven board members of Aldar in the Annual General Meeting of Aldar, giving the Group de facto control. The investment in Aldar was previously accounted as an investment in associate. Aldar is a public joint stock company, registered in the Emirate of Abu Dhabi and is engaged in various businesses, primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of acquisition, Aldar contributed revenue and income to the Group amounting to AED 2,669,406 thousand and AED 841,358 thousand respectively. If the acquisition had taken place at the beginning of the period, Aldar would have contributed revenue and profit to the Group amounting to AED 5,351,611 thousand and AED 1,529,169 thousand, respectively.

Twafq Projects Development Property LLC

Effective 18 April 2022, Aldar Logistics Holding Limited, a subsidiary, acquired 70% ownership of Twafq Projects Development Property LLC ("Twafq") for a consideration of AED 331,033 thousand. Twafq is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in the development, investment and management of industrial real estate. From the date of acquisition, Twafq contributed revenue and profit to the Group amounting to AED 14,980 thousand and AED 9,541 thousand respectively. If the acquisition had taken place at the beginning of the period, Twafq would have contributed revenue and profit to the Group amounting to AED 30,042 thousand and AED 19,686 thousand, respectively.

Al Shohub Private School LLC

Effective 1 June 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary, acquired 100% ownership of Al Shohub Private School LLC ("Al Shohub") for a consideration of AED 72,210 thousand. Al Shohub is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of education services. From the date of acquisition, Al Shohub contributed revenue and loss to the Group amounting to AED 1,816 thousand and AED 576 thousand respectively. If the acquisition had taken place at the beginning of the period, Al Shohub would have contributed revenue and loss to the Group amounting to AED 10,872 thousand and AED 4,504 thousand, respectively.

Esyasoft Holding Ltd. ("Esyasoft")

Effective 1 June 2022, the Company acquired an additional 21% interest in Esyasoft Holding Ltd. ("Esyasoft"), for a consideration of AED 18,375 thousand, increasing the Group's ownership to 51%. Esyasoft is a private company, registered with Dubai International Financial Centre and is involved in delivering utility grid modernisation through a suite of SaaS based technology and analytics applications. From the date of acquisition, Esyasoft contributed revenue and profit to the Group amounting to AED 5,937 thousand and AED 3,509 thousand respectively. If the acquisition had taken place at the beginning of the period, Esyasoft would have contributed revenue and profit to the Group amounting to AED 15,655 thousand and AED 4,208 thousand respectively.

Reem Investments PJSC ("Reem Investments ")

Effective 2 June 2022, Q Holding PSC (formerly "Al Qudra Holding PJSC"), a subsidiary, acquired a 100% interest in Reem Investments PJSC ("Reem Investments") for a consideration of AED 5,807,326 thousand by issuing 1,347,408 shares to the shareholders of Reem Investments. Reem Investments is a private joint stock company incorporated in Abu Dhabi United Arab Emirates and is engaged in real estate development and the sale and investment in real estate and securities in UAE and abroad. From the date of acquisition, Reem Investments contributed revenue and loss to the Group amounting to AED 3,130 thousand and AED 254,195 thousand respectively. If the acquisition had taken place at the beginning of the year, Reem Investments would have contributed revenue and profit to the Group amounting to AED 82,344 thousand and AED 6,457 thousand respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.2 Acquisitions under IFRS 3 Business Combination continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Rose AED'000	ADVOC AED'000	American Crescent AED'000	GenQore AED'000	Direct Trading AED'000	Arena AED'000	Aldar AED'000	Twafq AED'000	Al Shohub AED'000	Esyasoft AED'000	Reem Investments AED'000	Total AED'000
Assets												
Property, plant and equipment	837	55,702	93	21	23	322,283	3,533,403	2,447	71,694	363	10,315	3,997,181
Intangible assets and goodwill	577	-	-	569	427	330,813	271,002	-	1,483	91,536	-	696,407
Right-of-use assets	-	21,667	-	-	-	81,960	379,596	113,034	2,360	401	-	599,018
Investment properties	-	-	-	-	-	-	17,915,386	584,495	-	-	1,878,592	20,378,473
Investment in associates and joint ventures	-	-	-	-	-	4,622	108,582	-	-	-	-	113,204
Investments carried at fair value through other comprehensive income	-	-	-	-	-	-	20,001	-	-	-	-	20,001
Investments carried at fair value through profit or loss	-	-	-	-	-	-	25,971	-	-	-	3,346,256	3,372,227
Investments carried at amortised cost	-	-	-	-	-	-	142,801	-	-	-	-	142,801
Derivative financial instruments	-	-	-	-	-	-	82,810	-	-	-	-	82,810
Deferred tax asset	-	-	-	-	-	-	34,510	-	-	-	-	34,510
Inventories	160	43,638	-	-	4,522	25,295	6,447,912	-	-	-	1,358,549	7,880,076
Trade and other receivables	230	32,628	4,153	6,121	1,675	159,120	7,984,817	5,404	2,158	16,888	388,043	8,601,237
Contract assets	-	-	-	-	-	-	221,056	-	-	-	-	221,056
Development work-in-progress	-	-	-	-	-	-	3,547,814	-	-	-	5,189	3,553,003
Due from related parties	-	-	-	-	-	-	-	-	-	-	7,960	7,960
Cash and bank balances	-	3,392	82	261	203	128,971	9,060,667	31,945	1,821	1,917	408,700	9,637,959
Total assets	1,804	157,027	4,328	6,972	6,850	1,053,064	49,776,328	737,325	79,516	111,105	7,403,604	59,337,923
Liabilities												
Employees' end of service benefit	30	5,420	479	418	305	-	241,812	1,411	1,246	-	2,273	253,394
Non-convertible sukuk	-	-	-	-	-	-	3,672,840	-	-	-	-	3,672,840
Borrowings	-	-	-	-	585	264,465	4,255,393	102,355	-	7,829	147,695	4,778,322
Lease liabilities	-	24,749	-	-	-	84,199	371,239	133,438	2,557	514	-	616,696
Contract liabilities	-	-	-	-	-	-	2,313,004	8,576	-	-	-	2,321,580
Derivative financial instruments	-	-	-	-	-	-	2,244	-	-	-	-	2,244
Due to related parties	-	-	-	-	-	-	-	-	-	-	9,973	9,973
Trade and other payables	117	15,342	-	6,848	3,129	302,700	9,753,098	9,536	12,624	3,554	204,527	10,311,475
Total liabilities	147	45,511	479	7,266	4,019	651,364	20,609,630	255,316	16,427	11,897	364,468	21,966,524
Net assets (liabilities)	1,657	111,516	3,849	(294)	2,831	401,700	29,166,698	482,009	63,089	99,208	7,039,136	37,371,399
Less: hybrid equity instruments	-	-	-	-	-	-	(1,126,639)	-	-	-	-	(1,126,639)
Less: non-controlling interests	-	-	-	-	-	(61,755)	(641,298)	-	-	-	-	(703,053)
Total identifiable net assets (liabilities) at fair value	1,657	111,516	3,849	(294)	2,831	339,945	27,398,761	482,009	63,089	99,208	7,039,136	35,541,707
Proportionate share of identifiable net assets (liabilities) acquired	1,657	83,637	3,849	(265)	1,699	339,945	8,786,673	337,406	63,089	50,596	7,039,136	16,707,422
Goodwill arising on acquisition	5,543	7,363	-	265	2,551	2,602	4,618,303	-	9,121	-	-	4,645,748
Gain on bargain purchase	-	-	(249)	-	-	-	-	(6,373)	-	(5,971)	(1,231,810)	(1,244,403)
Purchase consideration	7,200	91,000	3,600	-	4,250	342,547	13,404,976	331,033	72,210	44,625	5,807,326	20,108,767

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued**12.2 Acquisitions under IFRS 3 Business Combination** continued

	<i>Rose</i> <i>AED'000</i>	<i>ADVOC</i> <i>AED'000</i>	<i>American</i> <i>Crescent</i> <i>AED'000</i>	<i>GenQore</i> <i>AED'000</i>	<i>Direct</i> <i>Trading</i> <i>AED'000</i>	<i>Arena</i> <i>AED'000</i>	<i>Aldar</i> <i>AED'000</i>	<i>Twafq</i> <i>AED'000</i>	<i>Al Shohub</i> <i>AED'000</i>	<i>Esyasoft</i> <i>AED'000</i>	<i>Reem</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Non-controlling interest on acquisition	-	27,879	-	(29)	1,132	61,755	19,253,366	141,870	-	48,612	-	19,534,585
Additional non-controlling interest on Group level	<u>6,033</u>	-	<u>770</u>	-	<u>1,047</u>	<u>102,764</u>	<u>6,907,963</u>	<u>290,227</u>	<u>61,528</u>	-	<u>4,006,521</u>	<u>11,376,853</u>
Total non-controlling interest	<u>6,033</u>	<u>27,879</u>	<u>770</u>	<u>(29)</u>	<u>2,179</u>	<u>164,519</u>	<u>26,161,329</u>	<u>432,097</u>	<u>61,528</u>	<u>48,612</u>	<u>4,006,521</u>	<u>30,911,438</u>

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation before the end of 2022.

Analysis of cashflows on acquisitions is as follows:

	<i>Rose</i> <i>AED'000</i>	<i>ADVOC</i> <i>AED'000</i>	<i>American</i> <i>Crescent</i> <i>AED'000</i>	<i>GenQore</i> <i>AED'000</i>	<i>Direct</i> <i>Trading</i> <i>AED'000</i>	<i>Arena</i> <i>AED'000</i>	<i>Aldar</i> <i>AED'000</i>	<i>Twafq</i> <i>AED'000</i>	<i>Al Shohub</i> <i>AED'000</i>	<i>Esyasoft</i> <i>AED'000</i>	<i>Reem</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Purchase consideration:												
Cash paid for the acquisition	7,200	91,000	3,600	-	4,250	342,547	-	331,033	65,084	18,375	-	863,089
Consideration payable	-	-	-	-	-	-	-	-	7,126	-	-	7,126
Fair value of previously held equity interest (note 6)	-	-	-	-	-	-	13,404,976	-	-	26,250	-	13,431,226
Fair value of consideration transferred	-	-	-	-	-	-	-	-	-	-	5,807,326	5,807,326
Total purchase consideration	<u>7,200</u>	<u>91,000</u>	<u>3,600</u>	<u>-</u>	<u>4,250</u>	<u>342,547</u>	<u>13,404,976</u>	<u>331,033</u>	<u>72,210</u>	<u>44,625</u>	<u>5,807,326</u>	<u>20,108,767</u>
Analysis of cashflow on acquisition:												
Cash paid for the acquisition	7,200	91,000	3,600	-	4,250	342,547	-	331,033	65,084	18,375	-	863,089
Net cash acquired on business combination	-	<u>(3,392)</u>	<u>(82)</u>	<u>(261)</u>	<u>(203)</u>	<u>(128,971)</u>	<u>(9,060,667)</u>	<u>(31,945)</u>	<u>(1,821)</u>	<u>(1,917)</u>	<u>(408,700)</u>	<u>(9,637,959)</u>
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	7,200	87,608	3,518	(261)	4,047	213,576	(9,060,667)	299,088	63,263	16,458	(408,700)	(8,774,870)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>30</u>	<u>618</u>	<u>30</u>	<u>30</u>	<u>5</u>	<u>5,000</u>	-	<u>88</u>	<u>845</u>	<u>30</u>	-	<u>6,676</u>
Net cash used (acquired) on acquisition	<u>7,230</u>	<u>88,226</u>	<u>3,548</u>	<u>(231)</u>	<u>4,052</u>	<u>218,576</u>	<u>(9,060,667)</u>	<u>299,176</u>	<u>64,108</u>	<u>16,488</u>	<u>(408,700)</u>	<u>(8,768,194)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.3 Disposal of subsidiaries

During the period, the Group disposed off the following subsidiaries:

Magenta Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Magenta Investments LLC ("Magenta") for a consideration of AED 2,000 thousand.

Pure Capital Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Pure Capital Investments LLC ("PCI") for a consideration of AED 114,300 thousand.

Q Scape Komtec LLC

Effective 31 May 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Q Scape Komtec LLC ("Q Scape") for nil consideration.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>Q Scape</i> <i>AED'000</i>	<i>Magenta</i> <i>AED'000</i>	<i>PCI</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Assets				
Property, plant and equipment	55	1,479	582	2,116
Right-of-use assets	-	-	1,070	1,070
Inventories	-	523	-	523
Trade and other receivables	17,986	40,178	133,492	191,656
Due from related parties	1,182	181	6,854	8,217
Cash and bank balances	<u>211</u>	<u>6,223</u>	<u>4,453</u>	<u>10,887</u>
Total assets	<u>19,434</u>	<u>48,584</u>	<u>146,451</u>	<u>214,469</u>
Liabilities				
Employees' end of service benefits	399	895	856	2,150
Borrowings	-	3,429	-	3,429
Lease liabilities	-	-	1,133	1,133
Due to related parties	17,117	-	101,416	118,533
Trade and other payables	<u>238</u>	<u>33,365</u>	<u>63,067</u>	<u>96,670</u>
Total liabilities	<u>17,754</u>	<u>37,689</u>	<u>166,472</u>	<u>221,915</u>
Net assets (liabilities)	1,680	10,895	(20,021)	(7,446)
Less: non-controlling interest	<u>(823)</u>	<u>1,653</u>	<u>658</u>	<u>1,488</u>
Net assets (liabilities) attributable to the owners	857	12,548	(19,363)	(5,958)
Consideration received on disposal	<u>-</u>	<u>2,000</u>	<u>114,300</u>	<u>116,300</u>
(Loss) gain on disposal	(857)	(10,548)	133,663	122,258
Impairment on balance due from Q Scape Komtec LLC	<u>(15,922)</u>	<u>-</u>	<u>-</u>	<u>(15,922)</u>
Total (loss) gain on disposal	<u>(16,779)</u>	<u>(10,548)</u>	<u>133,663</u>	<u>106,336</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.3 Disposal of subsidiaries continued

The net cash flows generated from the sale of the above subsidiaries are as follows:

	<i>Q Scope</i> <i>AED'000</i>	<i>Magenta</i> <i>AED'000</i>	<i>PCI</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cash received from sale	-	2,000	114,300	116,300
Cash sold as part of the sale	<u>(211)</u>	<u>(6,223)</u>	<u>(4,453)</u>	<u>(10,887)</u>
Net cash (outflow) inflow on date of disposal	<u>(211)</u>	<u>(4,223)</u>	<u>109,847</u>	<u>105,413</u>

The results of the operations of the disposed subsidiaries were not segregated on the face of the interim consolidated profit or loss, as the amounts are insignificant.

12.4 Reduction in shareholding without a loss of control

(A) *Partial disposal of shareholding in a subsidiary due to reorganisation*

During the period, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	<i>Tamouh Healthcare LLC (i)</i>	<i>Multiply Group PJSC(ii)</i>	<i>Tamween Companies Management(iii)</i>	<i>Ghitha Holding PJSC(iv)</i>	<i>Total</i>
Reduction in effective shareholding (%)	54.80%	0.03%	14.73%	2.48%	
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	161,542	1,342	120,793	30,206	313,883
Less: consideration (<i>AED '000</i>)	<u>-</u>	<u>-</u>	<u>(120,793)</u>	<u>-</u>	<u>(120,793)</u>
Difference recognised directly in merger reserve (<i>AED '000</i>)	<u>161,542</u>	<u>1,342</u>	<u>-</u>	<u>30,206</u>	<u>193,090</u>

- (i) Shareholding in Tamouh Healthcare LLC decreased as a result of transferring the entire ownership to Pure Health Holding LLC.
- (ii) Apex Investment PSC, a subsidiary of Tamween, holds shares in Multiply Group PJSC, where its shareholding got diluted upon transferring Tamween to Ghitha.
- (iii) Shareholding in Tamween Companies Management LLC ("Tamween") decreased as a result of transferring the entire ownership in Tamween to Ghitha Holding PJSC ("Ghitha") (note 12.5(B)).
- (iv) The shareholding in Ghitha reduced, as a result of dilution in the shares held by the Group's subsidiaries, due to Ghitha's issuance of new shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.4 Reduction in shareholding without a loss of control continued

(B) *Partial disposal of shareholding in subsidiaries against consideration*

During the period, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	<i>Apex Holding LLC</i>	<i>Q Holding</i>	<i>Total</i>
Reduction in shareholding (%)	8.46%	10.77%	
Number of shares disposed of		738,064,529	
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	105,688	741,471	847,159
Less: consideration (<i>AED '000</i>)	<u>(105,688)</u>	<u>(2,501,925)</u>	<u>(2,607,613)</u>
Difference recognised directly in retained earnings (<i>AED '000</i>)	<u>-</u>	<u>(1,760,454)</u>	<u>(1,760,454)</u>

(C) *Partial disposal of shareholding in subsidiaries against cash consideration*

	<i>Multiply Group PJSC</i>
Reduction in shareholding (%)	0.28%
Number of shares disposed-off	31,232,494
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	13,191
Less: cash consideration received (<i>AED '000</i>)	<u>(65,731)</u>
Difference recognised directly in retained earnings (<i>AED '000</i>)	<u>(52,540)</u>

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 1,174,233 thousand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

12 BUSINESS COMBINATIONS continued

12.5 Increase in shareholding of subsidiaries

(A) *Increase of shareholding in subsidiaries due to business combination*

During the period, the Group's shareholding in certain subsidiaries increased as a result of business combination. Following is a summary of the increase in shareholding:

	<i>Reem Ready Mix</i>	<i>Q Holding</i>	<i>Alpha Dhabi</i>	<i>Aldar</i>	<i>Total</i>
Increase in shareholding (%)	10.31%	0.60%	0.002%	0.29%	
Number of shares acquired	<u>3,092</u>	<u>32,975,233</u>	<u>182,752</u>	<u>22,540,019</u>	
Carrying value of the shareholding acquired (AED '000)	7,340	39,787	438	76,852	124,417
Less: fair value of shareholding acquired (AED '000)	<u>(35,534)</u>	<u>(345,107)</u>	<u>(9,652)</u>	<u>(275,305)</u>	<u>(665,598)</u>
Difference recognised directly in merger reserve (AED '000)	(28,194)	(305,320)	(9,214)	-	(342,728)
Difference recognised directly in retained earnings (AED '000)	-	-	-	(198,453)	(198,453)
Total difference (AED '000)	<u>(28,194)</u>	<u>(305,320)</u>	<u>(9,214)</u>	<u>(198,453)</u>	<u>(541,181)</u>

(B) *Increase of shareholding in subsidiaries due to reorganisation*

During the period, the Group's shareholding in the following subsidiaries increased as a result of reorganisation. Following is a summary of the increase in shareholding:

	<i>Pure Health Medical Supplies LLC</i>	<i>Ghitha Holding PJSC</i>	<i>Total</i>
Increase in effective shareholding (%)	4.39%	13.34%	
Carrying value of the shareholding acquired (AED '000)	100,227	162,730	262,957
Less: consideration (AED '000)	<u>-</u>	<u>(120,793)</u>	<u>(120,793)</u>
Difference recognised directly in merger reserve (AED '000)	<u>100,227</u>	<u>41,937</u>	<u>142,164</u>

(C) *Increase of shareholding in subsidiaries without consideration*

During the period, the Group received a 29% shareholding in Somerian Health LLC from a third party for no consideration. Following is the summary of increase in shareholding:

	<i>Somerian Health LLC</i>
Increase in shareholding (%)	29%
Number of shares acquired	2,900
Carrying value of the shareholding acquired (AED '000)	<u>101,949</u>
Difference recognised directly in retained earnings (AED '000)	<u>101,949</u>

The increase in shareholding of certain subsidiaries, both from business combination and reorganisation of subsidiaries, resulted in a decrease of non-controlling interest by AED 489,323 thousand for the period ended 30 June 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

13 SHARE CAPITAL

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Authorised issued and fully paid		
1,821 million shares of AED 1 each		
(31 December 2021: 1,821 million shares of AED 1 each)	<u>1,821,429</u>	<u>1,821,429</u>

14 HYBRID EQUITY INSTRUMENTS

Aldar Investment Properties LLC, a subsidiary acquired during the period, had issued hybrid equity instruments in two tranches to an investor (“Noteholder”) worth USD 500 million (the “Notes”). The first tranche amounting to USD 310.5 million was received during March 2022 and the second tranche of USD 189.5 million was received during April 2022.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest rate with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest rate with a reset after 15 years

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Note and the Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of *IAS 32 Financial Instruments: Presentation*. Transaction costs amounting to AED 22,017 thousand related to issuance of the Notes were recorded directly in equity.

The movement in hybrid equity instruments net off transaction costs is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Acquired in business combinations	1,126,639	-
Proceeds from issuance of second tranche	<u>689,007</u>	<u>-</u>
	<u>1,815,646</u>	<u>-</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

15 RELATED PARTY BALANCES AND TRANSACTIONS

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*.

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant influence in financial and operating decisions making as well as key management personnel.

15.1 Balances

Balances with related parties included in the interim consolidated statement of financial position are as follows:

Due from related parties:

		<i>(Unaudited)</i> 30 June 2022 AED '000	<i>(Audited)</i> 31 December 2021 AED '000
Current:			
Aldar Properties PJSC*	Subsidiary	-	627,403
Al Sharqia United General Trading	Other related parties	205,156	205,140
Murban Holding Limited	Entity under common control	158,622	158,618
The Challenge Egyptian Emirates Marine Dredging Company	Joint venture	179,420	183,183
Meena Holdings LLC	Entity under common control	113,947	113,947
Hydra Properties LLC	Entity under common control	130,811	130,742
Pal Technology Services LLC	Entity under common control	42,349	43,050
Chimera Investments LLC	Entity under common control	3,609	57,307
Eltizam Asset Management LLC	Associate	21,550	33,509
Tafseer Contracting & General Maintenance Company LLC	Associate	28,317	18,686
Emirates Refreshment PSC	Associate	17,331	17,077
RG Procurement RSC Limited	Entity under common control	15,878	7,742
Meena Palace	Other related party	18,452	29,959
YAS Finance Holding Limited	Entity under common control	6,550	6,544
Royal Group Companies Management LLC	Entity under common control	6,309	5,359
Protect 7 Healthcare Sole Proprietorship LLC*	Subsidiary	-	50,117
EDE Research Institute Limited	Joint venture	5,622	19,092
Mauqah Technology LLC	Entity under common control	7,498	8,101
Bunya Enterprises LLC	Joint venture	1,752	2,572
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	-	3,117
The Private Affairs Department of Sheikha Fatima	Other related parties	119,725	51,518
Pure Capital Investments LLC	Entity under common control	102,023	-
Wadi Alsidr Commercial Investment LLC	Other related parties	101,300	-
China Railway	Joint venture	26,708	-
Others	Entities under common control/ other related parties	<u>402,341</u>	<u>424,710</u>
		1,715,270	2,197,493
Less: allowance for expected credit losses		<u>(326,410)</u>	<u>(301,331)</u>
		<u>1,388,860</u>	<u>1,896,162</u>
Non-current			
Royal Group Companies Management LLC**	Entity under common control	<u>951</u>	<u>951</u>
Total due from related parties, net		<u>1,389,811</u>	<u>1,897,113</u>

* During the period, the Group acquired controlling interest in Protect 7 Healthcare Sole Proprietorship LLC and Aldar Properties PJSC, which resulted in the balances being eliminated as of 30 June 2022.

** Non-current portion of balance due from related parties, pertains to retention receivables on contracts signed with related parties.

15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.1 Balances continued

Loan to related parties

- The Group granted a loan to a key management personnel amounting to AED 1.2 million (31 December 2021: AED 1.2 million) which is unsecured and non-interest bearing and due on 3 November 2022.
- The Group granted a loan to Mirak Royal Nature Fruits & Vegetables LLC amounting to AED 25 million, which is unsecured and non-interest bearing. The loan is repayable on yearly installments of AED 5 million each, commencing on 31 January 2022 with the last installment being on 31 January 2026. During the period, the Group acquired controlling interest in Mirak Royal Nature Fruits & Vegetables LLC, which resulted in this balance being eliminated as of 30 June 2022.

Disclosed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
Current portion	1,200	6,200
Non-current portion	-	20,000
	<u>1,200</u>	<u>26,200</u>

Due to related parties:

	<i>(Unaudited)</i> 30 June 2022 <i>AED'000</i>	<i>(Audited)</i> 31 December 2021 <i>AED'000</i>
<i>Nature of relationship</i>		
Current		
EDE Research Institute Limited	341,487	713,068
AH Capital FZE	461,755	-
Al Sharqia United General Trading	120,000	-
Chimera Investment LLC	116,415	71,286
ATGC Transport & GC LLC	133,692	170,506
Power House Group for Company Management LLC	1,299	128,639
Infinity TV FZ LLC	124,531	59,446
Abu Dhabi United Group Investment and Development	50,645	50,645
Infinity Wave Holding	49,034	31,220
Bunya Enterprises LLC	22,425	20,827
Pal Technology Services LLC	35,251	5,151
Royal Group Procurements RSC LTD	14,216	22,442
Royal Group Companies Management LLC	23,936	23,026
Royal Group Holding LLC	5,785	2,348
Al Jaraf Travel & Tourism	3,200	1,343
Centro Holding LLC	-	180,000
Dentro Investment LLC	-	180,000
EBG Private investment LLC	-	126,000
Al Ataa Investment LLC	323,884	-
International Golden Group PJSC	-	1,834
Others	-	-
	<u>441,125</u>	<u>353,347</u>
	<u>2,268,680</u>	<u>2,141,128</u>
Non-current		
Bunya Enterprises LLC	8,908	16,530
Royal Group Holding LLC	2,520	2,520
RG Treasury Holding LLC	13,300	13,300
H2O Interior Design LLC	612	613
	<u>25,340</u>	<u>32,963</u>
Total due to related parties	<u>2,294,020</u>	<u>2,174,091</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.1 Balances continued

Loan from a related party

	<i>Nature of relationship</i>	<i>(Unaudited)</i> 2022 <i>AED '000</i>	<i>(Audited)</i> 2021 <i>AED '000</i>
Current			
Chimera Investment LLC (i)	Entity under common control	885,240	885,240
RG Procurement RSC Ltd (ii)	Entity under common control	-	121,832
		<u>885,240</u>	<u>1,007,072</u>

- A subsidiary of the Group obtained a loan from Chimera Investment LLC amounting to AED 885,240 thousand (31 December 2021: AED 885,240 thousand), to finance the purchase of specialised medical equipment that is used in the operation of a joint venture of the Group. The loan is unsecured, interest free and repayable on demand.
- A subsidiary of the Group obtained an interest free loan from RG Procurement RSC Ltd (“RG Procurement”) amounting to AED 121,832 thousand (31 December 2021: AED 121,832 thousand). During the period, RG Procurement, resolved to waive the outstanding loan balance, which in turn was accounted for as contributed capital.

15.2 Transactions

During the period, the Group entered into the following transactions with related parties:

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	<i>(Unaudited)</i> 2022 <i>AED '000</i>	<i>(Unaudited)</i> 2021 <i>AED '000</i>	<i>(Unaudited)</i> 2022 <i>AED '000</i>	<i>(Unaudited)</i> 2021 <i>AED '000</i>
Revenue:				
Entities under common control	82,746	428,450	1,291,046	565,507
Joint ventures	231,141	-	557,042	-
Associates	26,828	-	33,440	15,375
Other related parties	<u>119,656</u>	<u>151,818</u>	<u>210,744</u>	<u>152,157</u>
	<u>460,371</u>	<u>580,268</u>	<u>2,092,272</u>	<u>733,039</u>
Cost of revenue				
Entities under common control	450,915	271,299	1,051,198	333,596
Joint ventures	3,036	-	7,070	-
Associates	9,478	-	11,914	-
Other related parties	<u>2,086</u>	-	<u>3,045</u>	-
	<u>465,515</u>	<u>271,299</u>	<u>1,073,227</u>	<u>333,596</u>
General and administrative expenses				
Entities under common control	1,260	10,707	32,289	15,989
Joint ventures	<u>1,490</u>	-	<u>1,490</u>	-
	<u>2,750</u>	<u>10,707</u>	<u>33,779</u>	<u>15,989</u>
Disposal of investment in a joint venture to a related party	<u>101,000</u>	-	<u>101,000</u>	-
Disposal of investment in a subsidiary to a related party	<u>114,300</u>	-	<u>114,300</u>	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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15 RELATED PARTY BALANCES AND TRANSACTIONS continued

15.2 Transactions continued

Balances and transactions with a financial institution (other related party):

Balances:

	<i>(Unaudited)</i> 30 June 2022 AED '000	<i>(Audited)</i> 31 December 2021 AED '000
Balances with a financial institution	<u>15,690,203</u>	<u>16,786,034</u>
Borrowings	<u>20,030,790</u>	<u>3,366,800</u>

Transactions:

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000
Interest expense for the period	<u>78,406</u>	<u>1,744</u>	<u>109,294</u>	<u>3,718</u>
Interest income	<u>1,095</u>	<u>59</u>	<u>6,220</u>	<u>122</u>
Drawdowns of borrowings	<u>15,065,764</u>	<u>25,633</u>	<u>16,466,094</u>	<u>67,557</u>
Repayment of borrowings	<u>683,144</u>	<u>50,650</u>	<u>812,987</u>	<u>52,474</u>

15.3 Key management remuneration

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000
Salaries and employee benefits	<u>6,036</u>	<u>6,829</u>	<u>12,913</u>	<u>16,410</u>
Number of key management personnel	<u>21</u>	<u>20</u>	<u>21</u>	<u>20</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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16 NON-CONVERTIBLE SUKUK

A subsidiary of the Group acquired during the period, had issued the following non-convertible sukuks:

Sukuk launched in 2018 (“Sukuk 1”)

On 1 October 2018, Aldar Sukuk Ltd., a subsidiary acquired during the period, issued non-convertible sukuk for a total value of AED 1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 4.750% per annum payable semi-annually and due for repayment in September 2025.

	<i>(Unaudited)</i> <i>30 June</i> <i>2022</i> <i>AED’000</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>AED’000</i>
Proceeds from issue	1,836,750	-
Unamortised issue costs	(14,189)	-
Accrued profit	<u>13,642</u>	<u>-</u>
	<u>1,836,203</u>	<u>-</u>

Sukuk launched in 2019 (“Sukuk 2”)

On 22 October 2019, Aldar Sukuk (No.2) Ltd., a subsidiary acquired during the period, issued non-convertible sukuk for a total value of AED1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 3.875% per annum payable semi-annually and due for repayment in October 2029.

	<i>(Unaudited)</i> <i>30 June</i> <i>2022</i> <i>AED’000</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>AED’000</i>
Proceeds from issue	1,836,750	-
Unamortised issue costs	(17,765)	-
Accrued profit	<u>23,265</u>	<u>-</u>
	<u>1,842,250</u>	<u>-</u>

Non-convertible sukuks are disclosed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> <i>30 June</i> <i>2022</i> <i>AED’000</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>AED’000</i>
Current portion	36,907	-
Non-current portion	<u>3,641,546</u>	<u>-</u>
	<u>3,678,453</u>	<u>-</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

17 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

Contract liabilities are disclosed in the interim consolidated statement of financial position as:

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Current portion	6,996,676	2,762,752
Non-current portion	<u>80,197</u>	<u>83,663</u>
	<u>7,076,873</u>	<u>2,846,415</u>

18 REVENUE

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000	<i>(Unaudited)</i> 2022 AED '000	<i>(Unaudited)</i> 2021 AED '000
Type of goods or services				
Healthcare and other medical supplies	2,483,153	3,060,373	7,311,456	3,903,558
Construction, maintenance and infrastructure revenue	2,523,886	1,817,343	4,858,481	2,099,428
Services relating to marine and dredging activities	1,986,298	1,033,188	3,538,160	1,033,188
Sale of consumer products	627,081	321,829	1,350,280	707,726
Rental income	793,542	389,113	917,955	632,345
Manpower and consultancy services	73,159	206,865	132,163	361,033
Coaching and training services	146,854	68,329	290,311	136,109
District cooling services	64,688	167,601	128,258	212,038
Asset management	1,983,138	83,948	2,057,430	137,858
Revenue from hotel operations	230,667	81,570	385,630	81,570
Sale of furniture	72,950	54,482	138,428	110,926
Revenue from brokerage services	55,640	53,022	105,452	81,971
Animal feed	-	65,039	-	136,775
Sale of industrial equipment	11,884	10,187	20,068	14,961
Sale of cosmetics and rendering of related personal care services	87,945	15,174	174,845	29,537
Media and marketing services	20,695	4,656	41,542	7,916
Delivery services	22,560	13,609	45,135	22,867
Sale of properties and land	-	70,480	159,600	73,760
Revenue from Islamic financing activities	82,986	66,059	82,986	66,059
Education and its related services	142,155	-	142,155	-
Others	23,590	66,975	45,290	76,513
	<u>11,432,871</u>	<u>7,649,842</u>	<u>21,925,625</u>	<u>9,926,138</u>
Timing of revenue recognition				
Revenue at a point in time	3,797,926	4,375,204	9,762,866	6,246,910
Revenue over time	<u>7,634,945</u>	<u>3,274,638</u>	<u>12,162,759</u>	<u>3,679,228</u>
	<u>11,432,871</u>	<u>7,649,842</u>	<u>21,925,625</u>	<u>9,926,138</u>
Geographical markets				
UAE	9,854,842	7,209,150	19,430,829	9,395,704
Outside the UAE	<u>1,578,029</u>	<u>440,692</u>	<u>2,494,796</u>	<u>530,434</u>
	<u>11,432,871</u>	<u>7,649,842</u>	<u>21,925,625</u>	<u>9,926,138</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

19 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Profit attributable to the Owners of the Company (<i>AED '000</i>)	<u>2,810,384</u>	<u>1,287,134</u>	<u>4,410,479</u>	<u>2,619,806</u>
Weighted average number of shares (<i>shares in '000</i>)	<u>1,821,429</u>	<u>1,821,429</u>	<u>1,821,429</u>	<u>1,821,429</u>
Basic earnings per share for the period (<i>AED</i>)	<u>1.54</u>	<u>0.71</u>	<u>2.42</u>	<u>1.44</u>

20 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>AED '000</i>	<i>AED '000</i>
Letters of guarantee	<u>17,081,392</u>	<u>14,914,601</u>
Letters of credit	<u>895,945</u>	<u>728,478</u>
Commitments for capital expenditure	<u>29,234,505</u>	<u>4,502,584</u>
Commitments for investments in associate and joint venture	<u>261,037</u>	<u>257,457</u>

21 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the three months period ended 30 June 2022 and 30 June 2021.

22 FAIR VALUE MEASUREMENT

Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial 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).

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22 FAIR VALUE MEASUREMENT continued

	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>30 June 2022 (unaudited) AED'000</i>	<i>31 December 2021 (audited) AED'000</i>				
Financial assets						
Quoted equity investments – investment in financial assets	15,639,108	2,543,211	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted debt investments – investment in financial assets	330,617	490,022	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	12,555,423	8,124,099	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Derivative financial asset	168,499	-	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liability	911,729	45,564	Level 2	Significant observable inputs	None	Not applicable
Non-financial assets						
Biological assets	81,331	61,188	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

23 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 development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

Digital includes providing services with respect to advertisement design and production, cinema shows and its related services, computer and data processing requisites trading and computer network maintenance.

Industrial includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included is the retail trade of household and office furniture.

Food belongs to IHC food vertical, which 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.

Healthcare includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

Capital belongs to IHC capital vertical, which includes brokerage services provided with respect to securities, sport enterprises investment and certain partially owned subsidiaries with diverse portfolio of assets and investments (i.e. healthcare, construction, real estate, industrial and operations from other services).

Others (unallocated) includes head office expenses and income not allocated to any segment.

International Holding Company PJSC

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23 SEGMENTAL ANALYSIS continued

For the six-month period ended:

	Utilities		Real estate		Digital		Industrial		Food		Capital		Healthcare		Others		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	126,074	212,039	5,647,760	1,523,612	728,589	445,552	4,426,149	1,416,099	1,328,698	1,172,451	2,356,896	749,101	7,311,459	4,407,284	-	-	21,925,625	9,926,138
Cost of sales	(71,505)	(132,781)	(4,382,706)	(1,353,767)	(610,330)	(425,584)	(4,084,002)	(1,174,844)	(1,084,053)	(873,454)	(1,276,729)	(379,788)	(4,016,381)	(1,524,993)	-	-	(15,525,706)	(5,865,211)
Gross profit	54,569	79,258	1,265,054	169,845	118,259	19,968	342,147	241,255	244,645	298,997	1,080,167	369,313	3,295,078	2,882,291	-	-	6,399,919	4,060,927
Selling and distribution expenses	-	-	(1,682)	(989)	-	(65)	(48,302)	(7,109)	(26,448)	(26,488)	(40)	130	-	-	-	-	(76,472)	(34,521)
General and administrative expenses	(29,071)	(11,515)	(889,761)	(122,897)	(99,366)	(39,594)	(211,774)	(71,468)	(81,142)	(50,793)	(740,908)	(188,279)	(482,258)	(249,501)	(73,006)	(28,110)	(2,607,286)	(762,157)
Operating profit (loss)	25,498	67,743	373,611	45,959	18,893	(19,691)	82,071	162,678	137,055	221,716	339,219	181,164	2,812,820	2,632,790	(73,006)	(28,110)	3,716,161	3,264,249
Investment and other income	-	-	(81,967)	54,301	223,990	2,446	1,305,922	5,043	20,032	13,998	1,089,292	624,334	4,853	(58)	4,825	840	2,566,947	700,904
Share of profit from investment in associates and joint ventures	-	-	152,320	8,969	(150)	(910)	2,242	1,146	(9,404)	-	(149,502)	426,950	334,836	-	-	-	330,342	436,155
Gain on acquisition of subsidiaries	-	-	1,231,810	319	-	-	-	-	-	-	12,344	4,954	249	-	-	-	1,244,403	5,273
Gain on disposal of subsidiaries, net	-	-	(16,779)	-	-	-	-	6,411	-	-	123,115	-	-	-	-	-	106,336	6,411
Fair value gain on revaluation of previously held equity interest	-	-	-	-	-	-	-	-	-	-	2,758,679	-	-	-	-	-	2,758,679	-
Gain on disposal of investment in a joint venture	-	-	-	-	-	-	-	-	37,379	-	-	-	-	-	-	-	37,379	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	-	-	-	-	-	-	-	-	(7,077)	-	-	-	-	-	-	-	(7,077)	-
Finance costs	(2,942)	(3,518)	(95,733)	(15,476)	(5,732)	(1,513)	(97,383)	(7,735)	(4,258)	(3,161)	(151,789)	(21,732)	(13,521)	(2,971)	(6)	-	(371,364)	(56,106)
Taxation	-	-	(2,320)	-	-	-	(15,711)	8,841	-	25	(8,848)	(4,660)	-	-	-	-	(26,879)	4,206
Profit (loss) for the year	22,556	64,225	1,560,942	94,072	237,001	(19,668)	1,277,141	176,384	173,727	232,578	4,012,510	1,211,010	3,139,237	2,629,761	(68,187)	(27,270)	10,354,927	4,361,092
Add: depreciation and amortisation	15,340	15,023	168,455	55,108	53,211	15,691	284,108	40,588	28,746	14,134	385,107	62,469	101,549	18,220	155	111	1,036,671	221,344
Add: finance costs	2,942	3,518	95,733	15,476	5,732	1,513	97,383	7,735	4,258	3,161	151,789	21,732	13,521	2,971	6	-	371,364	56,106
Add: taxation	-	-	2,320	-	-	-	15,711	(8,841)	-	(25)	8,848	4,660	-	-	-	-	26,879	(4,206)
Less: Fair value gain on revaluation of previously held equity interest	-	-	-	-	-	-	-	-	-	-	(2,758,679)	-	-	-	-	-	(2,758,679)	-
Less: gain on acquisition of subsidiaries	-	-	(1,231,810)	(319)	-	-	-	-	-	-	(12,344)	(4,954)	(249)	-	-	-	(1,244,403)	(5,273)
Less: gain on disposal of subsidiaries	-	-	16,779	-	-	-	-	(6,411)	-	-	(123,115)	-	-	-	-	-	(106,336)	(6,411)
EBITDA	40,838	82,766	612,419	164,337	295,944	(2,464)	1,674,343	209,455	206,731	249,848	1,664,116	1,294,917	3,254,058	2,650,952	(68,026)	(27,159)	7,680,423	4,622,652
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets	1,406,812	1,282,089	44,165,372	28,908,039	5,065,631	4,780,254	20,988,588	14,170,423	3,360,095	1,874,202	73,327,426	24,830,337	13,558,268	10,421,721	1,817,547	2,713,083	163,689,739	88,980,148
Segment liabilities	688,568	595,302	19,928,149	8,998,009	549,527	509,308	13,198,968	7,916,263	825,477	493,292	29,579,520	8,759,287	5,077,409	5,648,614	19,420	78,047	69,867,038	37,948,122

International Holding Company PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

23 SEGMENTAL ANALYSIS continued

For the three-month period ended:

	Utilities		Real estate		Digital		Industrial		Food		Capital		Healthcare		Others		Total		
	Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		Three months ended		
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000	
Revenue	62,505	167,602	3,764,379	1,403,157	381,469	183,955	2,637,764	1,266,931	620,199	607,965	1,483,399	662,209	2,483,156	3,358,023	-	-	11,432,871	7,649,842	
Cost of sales	(35,840)	(112,476)	(2,822,876)	(1,252,154)	(310,587)	(199,509)	(2,478,552)	(1,045,600)	(527,593)	(467,875)	(765,042)	(359,987)	(1,519,736)	(1,105,291)	-	-	(8,460,226)	(4,542,892)	
Gross profit	26,665	55,126	941,503	151,003	70,882	(15,554)	159,212	221,331	92,606	140,090	718,357	302,222	963,420	2,252,732	-	-	2,972,645	3,106,950	
Selling and distribution expenses	-	-	(1,673)	(699)	-	(65)	(24,553)	(4,916)	(12,682)	(3,161)	(40)	130	-	-	-	-	(38,948)	(8,711)	
General and administrative expenses	(8,259)	(5,022)	(800,517)	(103,449)	(52,667)	(21,860)	(152,356)	(70,821)	(51,603)	(23,785)	(575,932)	(175,001)	(290,190)	(198,070)	(57,036)	31,366	(1,988,560)	(566,642)	
Operating profit (loss)	18,406	50,104	139,313	46,855	18,215	(37,479)	(17,697)	145,594	28,321	113,144	142,385	127,351	673,230	2,054,662	(57,036)	31,366	945,137	2,531,597	
Investment and other income	-	-	(115,615)	34,717	65,071	2,120	1,257,491	4,621	11,155	10,590	638,863	326,805	752	(58)	589	410	1,858,306	379,205	
Share of profit from investment in associates and joint ventures	3	-	(29,478)	7,266	(150)	39	1,589	1,146	15,728	-	(25,126)	(14,390)	166,437	-	-	-	129,003	(5,939)	
Gain on acquisition of subsidiaries	-	-	1,231,810	-	-	-	-	-	-	-	12,095	-	249	-	-	-	1,244,154	-	
Gain on disposal of subsidiaries, net	-	-	(16,779)	-	-	-	-	-	-	-	123,115	-	-	-	-	-	106,336	-	
Fair value gain on revaluation of previously held equity interest	-	-	-	-	-	-	-	-	-	-	2,758,679	-	-	-	-	-	2,758,679	-	
Gain on disposal of investment in a joint venture	-	-	-	-	-	-	-	-	37,379	-	-	-	-	-	-	-	37,379	-	
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	-	-	-	-	-	-	-	-	(7,077)	-	-	-	-	-	-	-	(7,077)	-	
Finance costs	(1,361)	(1,767)	(44,970)	(8,299)	(3,060)	(513)	(77,186)	(7,712)	(2,355)	(1,085)	(106,942)	(21,136)	(5,621)	(2,971)	(4)	4	(241,499)	(43,479)	
Taxation	-	-	(2,320)	-	-	-	(14,327)	8,841	-	(40)	(4,016)	(4,660)	-	-	-	-	(20,663)	4,141	
Profit (loss) for the year	17,048	48,337	1,161,961	80,539	80,076	(35,833)	1,149,870	152,490	83,151	122,609	3,539,053	413,970	835,047	2,051,633	(56,451)	31,780	6,809,755	2,865,525	
Add: depreciation and amortisation	12,798	12,994	92,516	39,723	20,973	7,134	152,318	38,386	16,817	(325)	312,341	58,815	44,978	8,999	79	65	652,820	165,791	
Add: finance costs	1,361	1,767	44,970	8,299	3,060	513	77,186	7,712	2,355	1,085	106,942	21,136	5,621	2,971	(4)	(4)	241,499	43,479	
Add: taxation	-	-	2,320	-	-	-	15,711	(8,841)	-	(25)	8,848	4,660	-	-	-	-	26,879	(4,206)	
Less: Fair value gain on revaluation of previously held equity interest	-	-	-	-	-	-	-	-	-	-	(2,758,679)	-	-	-	-	-	(2,758,679)	-	
Less: gain on acquisition of subsidiaries	-	-	(1,231,810)	-	-	-	-	-	-	-	(12,095)	-	(249)	-	-	-	(1,244,154)	-	
Less: gain on disposal of subsidiaries	-	-	16,779	-	-	-	-	-	-	-	(123,115)	-	-	-	-	-	(106,336)	-	
EBITDA	31,207	63,098	86,736	128,561	104,109	(28,186)	1,393,701	189,747	102,323	123,409	1,068,463	498,581	885,397	2,063,603	(56,368)	31,841	3,615,568	3,070,654	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
	AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		AED'000		
Segment assets	1,406,812	1,282,089	44,165,372	28,908,039	5,065,631	4,780,254	20,988,588	14,170,423	3,360,095	1,874,202	73,327,426	24,830,337	13,558,268	10,421,721	1,817,547	2,713,083	163,689,739	88,980,148	
Segment liabilities	688,568	595,302	19,928,149	8,998,009	540,527	509,308	13,198,968	7,916,263	825,477	493,292	29,579,520	8,759,287	5,077,409	5,648,614	19,420	78,047	69,867,038	37,948,122	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)**24 SUBSEQUENT EVENTS**

Subsequent to the period end, the Group acquired ownership interests in the following entities:

- (i) CMC Holding LLC (“CMC”) – 60% equity interest. CMC is involved in medical and day surgery services within UAE.
- (ii) Emircom LLC – 54% equity interest. Emircom LLC is involved in Information and Communication Technologies services within UAE and Saudi Arabia.
- (iii) GC Reach Holdco Ltd. (“Reach”) – 55% equity interest. Reach is involved in providing manpower services within UAE.
- (iv) The Captain’s Club – 55% equity interest. The Captain’s club is involved in marine sports and wholesale trading of ships and boats.
- (v) Cyber Gate Defense LLC (“Cyber Gate”) – 55% equity interest. Cyber Gate is involved in providing cyber security services.
- (vi) Lulo Colombia S.A. (Lulo) – 25% equity interest. Lulo is involved in provision of digital banking services.
- (vii) Confluence Partners RSC Ltd. (“Confluence”) – 100% equity interest. Confluence is involved in management and leasing of commercial properties.

Furthermore, subsequent to the period end, the Group acquired the following assets:

- (i) Nurai Island Hotel (Nurai Hotel) along with two additional new islands that are intended for residential development. Nurai Island is a private island located approximately two kilometres north of Saadiyat Island, Abu Dhabi.
- (ii) Double Tree by Hilton Hotel, Ras Al-Khaimah UAE and an adjacent vacant land plot of 28,233 sqm in Ras Al-Khaimah, UAE.

Moreover, Alpha Dhabi Holding PJSC, a subsidiary, announced that certain entities including their subsidiaries (if any) will be merged into the Group to expand the Group’s medical business. Legal procedures and requirements are under finalisation stage. These subsidiaries include:

- (i) Abu Dhabi Health Services Company PJSC (SEHA)
- (ii) National Health Insurance Company PJSC (Daman)
- (iii) The Life Corner LLC