ABU DHABI PORTS COMPANY PJSC

Review report and condensed consolidated financial information for the six-month period ended 30 June 2023

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Abu Dhabi Ports Company PJSC (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

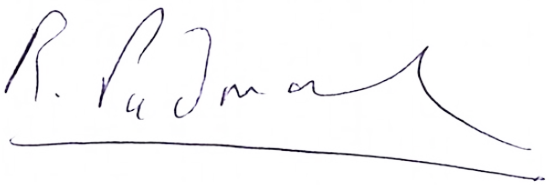
Scope of Review

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

Conclusion

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

Deloitte & Touche (M.E.)



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Registration No. 701
14 August 2023
Abu Dhabi
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Condensed consolidated statement of financial position as at 30 June 2023

	Notes	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	**5**	**23,174,696**	21,789,636
Investment properties	**6**	**9,043,444**	4,481,935
Intangible assets and goodwill	**7**	**3,059,411**	946,902
Right-of-use assets		**1,029,016**	799,838
Investment in joint ventures	**8**	**598,610**	612,241
Investment in associates	**9**	**1,365,642**	1,280,325
Financial assets at fair value through other comprehensive income	**10**	**1,670,409**	2,078,388
Deferred tax assets	**15**	**34,221**	-
Trade and other receivables	**12**	**2,324,200**	2,113,729
Prepayments and advances	**13**	**46,013**	48,600
Term deposit	**14**	**50,000**	-
Derivative financial assets	**16**	**39,913**	-
Total non-current assets		**42,435,575**	34,151,594
Current assets			
Inventories		**88,574**	50,772
Financial asset at fair value through profit or loss	**11**	**72,216**	-
Trade and other receivables	**12**	**4,672,704**	2,922,064
Prepayments and advances	**13**	**744,130**	596,739
Derivative financial assets	**16**	**3,102**	-
Cash and bank balances	**14**	**1,498,747**	790,822
Total current assets		**7,079,473**	4,360,397
Total assets		**49,515,048**	38,511,991
EQUITY AND LIABILITIES			
Equity			
Share capital	**17**	**5,090,000**	5,090,000
Share premium	**17**	**2,750,000**	2,750,000
Treasury shares	**17.1**	**(12,098)**	-
Statutory reserve		**504,696**	504,696
Assets distribution reserve		**(22,063)**	(22,063)
Cash flow hedge reserve		**(33,805)**	(41,154)
Investment revaluation reserve		**519,742**	928,942
Foreign currency translation reserve		**(25,266)**	(21,786)
Merger reserve		**1,319,288**	1,319,288
Retained earnings		**4,888,924**	4,272,152
Shareholder's contribution	**25**	**4,467,655**	4,467,655
Equity attributable to owners of the Company		**19,447,073**	19,247,730
Non-controlling interests		**3,114,893**	387,403
Total equity		**22,561,966**	19,635,133

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

Condensed consolidated statement of financial position as at 30 June 2023 (continued)

	Notes	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Liabilities			
Non-current liabilities			
Deferred government grants	**18**	**6,490,280**	6,561,872
Provision for employees' end of service benefits		**185,526**	157,308
Lease liabilities		**1,124,048**	845,078
Payable to the project companies	**19**	**2,130,151**	2,139,765
Bond payable	**20**	**3,594,499**	3,589,954
Bank borrowings	**21**	**4,493,012**	80,795
Trade and other payables	**22**	**680,882**	506,288
Deferred tax liabilities	**15**	**15,232**	-
Total non-current liabilities		**18,713,630**	13,881,060
Current liabilities			
Deferred government grants	**18**	**279,740**	279,740
Payable to the project companies	**19**	**282,067**	278,681
Lease liabilities		**193,001**	70,249
Bank borrowings	**21**	**2,988,646**	1,395,698
Trade and other payables	**22**	**4,495,998**	2,971,430
Total current liabilities		**8,239,452**	4,995,798
Total liabilities		**26,953,082**	18,876,858
Total equity and liabilities		**49,515,048**	38,511,991

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

H.E. Falah Al Ahbabi	**Mohamed Al Shamisi**	**Martin Aarup**
Chairman	Group Chief Executive Officer and Managing Director	Group Chief Financial Officer

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

Condensed consolidated statement of profit or loss for the six-month period ended 30 June 2023

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Revenue	**23**	**2,059,954**	1,241,556	**3,876,857**	2,288,921
Direct costs	**24**	**(1,322,951)**	(570,711)	**(2,425,262)**	(1,131,782)
Gross profit		**737,003**	670,845	**1,451,595**	1,157,139
Share of profit from joint ventures	**8**	**18,182**	36,199	**80,849**	75,461
Share of profit from associates	**9**	**1,444**	12,000	**10,673**	22,558
General and administrative expenses		**(288,690)**	(246,255)	**(554,589)**	(438,773)
Selling and marketing expenses		**(11,556)**	(13,591)	**(20,643)**	(24,630)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	**12**	**(8,229)**	(66,664)	**(39,901)**	(73,296)
Finance income		**4,379**	9,259	**8,446**	9,606
Finance costs		**(141,163)**	(102,113)	**(262,804)**	(195,218)
(Loss)/gain on disposal of asset held for sale		**(8)**	186	**(8)**	73,186
Other income		**2,919**	60	**3,467**	113
Fair value loss on investments at FVTPL	**11**	**(3,766)**	-	**(3,420)**	-
Profit before tax		**310,515**	299,926	**673,665**	606,146
Income tax on foreign operations		**(488)**	-	**(1,009)**	-
Profit for the period		**310,027**	299,926	**672,656**	606,146
Attributable to:					
Owners of the Company		**285,836**	297,770	**616,772**	602,697
Non-controlling interests		**24,191**	2,156	**55,884**	3,449
		310,027	299,926	**672,656**	606,146
Basic and diluted earnings per share (AED)	**26**	**0.06**	0.06	**0.12**	0.12
Adjusted EBITDA	**27**	**686,194**	531,883	**1,385,067**	1,056,375

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

Condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2023

	Notes	Three-month ended 30 June		Six-month ended 30 June	
		2023	2022	**2023**	2022
		AED'000	AED'000	**AED'000**	AED'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit for the period		**310,027**	299,926	**672,656**	606,146
Other comprehensive (loss)/income:					
Items that will not be reclassified subsequently to statement of profit or loss					
Fair value gain on financial asset designated at FVTOCI	**10**	**(217,800)**	823,350	**(409,200)**	1,041,150
Fair value gain on financial asset designated at FVTOCI – share of equity accounted investees	**9**	**-**	-	**-**	28
Items that may be reclassified subsequently to statement of profit or loss					
Net fair value gain on hedging instrument entered into for cash flow hedges		**1,406**	-	**1,406**	-
Foreign exchange differences on foreign operations		**(1,872)**	-	**(11,405)**	-
Share of equity accounted joint venture	**8**	**5,119**	13,285	**5,943**	36,028
Share of equity accounted associate	**9**	**6,434**	(7,800)	**6,434**	(15,857)
Total other comprehensive (loss)/income		**(206,713)**	828,835	**(406,822)**	1,061,349
Total comprehensive income for the period		**103,314**	1,128,761	**265,834**	1,667,495
Attributable to:					
Owners of the Company		**80,614**	1,126,605	**211,441**	1,664,046
Non-controlling interests		**22,700**	2,156	**54,393**	3,449
		103,314	1,128,761	**265,834**	1,667,495

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

Condensed consolidated statement of changes in equity for the six-month period ended 30 June 2023

	Share capital AED'000	Share Premium AED'000	Statutory reserve AED'000	Assets distribution reserve AED'000	Cash flow hedge reserve AED'000	Investment revaluation reserve AED'000	Foreign currency translation reserve AED'000	Merger reserve AED'000	Retained earnings AED'000	Shareholder's contribution AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2022 (audited)	3,840,000	-	379,861	(22,063)	(97,039)	-	-	1,319,288	3,148,645	2,069,710	10,638,402	52,546	10,690,948
Profit for the period	-	-	-	-	-	-	-	-	602,697	-	602,697	3,449	606,146
Other comprehensive income for the period	-	-	-	-	36,028	1,041,150	(15,829)	-	-	-	1,061,349	-	1,061,349
Total comprehensive income for the period	-	-	-	-	36,028	1,041,150	(15,829)	-	602,697	-	1,664,046	3,449	1,667,495
Dividend declared to non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,078)	(1,078)
Shareholder's contribution (note 25)	-	-	-	-	-	-		-	-	2,540,650	2,540,650	-	2,540,650
New shares issued (note 17)	1,250,000	2,750,000	-	-	-	-		-	-	-	4,000,000	-	4,000,000
Balance at 30 June 2022 (unaudited)	5,090,000	2,750,000	379,861	(22,063)	(61,011)	1,041,150	(15,829)	1,319,288	3,751,342	4,610,360	18,843,098	54,917	18,898,015

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

Condensed consolidated statement of changes in equity for the six-month period ended 30 June 2023 (continued)

	Share capital AED'000	Share Premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Assets distribution reserve AED'000	Cash flow hedge reserve AED'000	Investment revaluation reserve AED'000	Foreign currency translation reserve AED'000	Merger reserve AED'000	Retained earnings AED'000	Shareholder's contribution AED'000	Equity attributable to owners of the Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance at 1 January 2023 (audited)	5,090,000	2,750,000	-	504,696	(22,063)	(41,154)	928,942	(21,786)	1,319,288	4,272,152	4,467,655	19,247,730	387,403	19,635,133
Profit for the period	-	-	-	-	-	-	-	-	-	616,772	-	616,772	55,884	672,656
Other comprehensive income/(loss) for the period	-	-	-	-	-	7,349	(409,200)	(3,480)	-	-	-	(405,331)	(1,491)	(406,822)
Total comprehensive income/(loss) for the period	-	-	-	-	-	7,349	(409,200)	(3,480)	-	616,772	-	211,441	54,393	265,834
Acquisition of a new subsidiary (note 31)	-	-	-	-	-	-	-	-	-	-	-	-	2,640,065	2,640,065
Shares buy-back	-	-	(12,098)	-	-	-	-	-	-	-	-	(12,098)	-	(12,098)
Dividend declared to noncontrolling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(11,534)	(11,534)
Other movements	-	-	-	-	-	-	-	-	-	-	-	-	44,566	44,566
Balance at 30 June 2023 (unaudited)	**5,090,000**	**2,750,000**	**(12,098)**	**504,696**	**(22,063)**	**(33,805)**	**519,742**	**(25,266)**	**1,319,288**	**4,888,924**	**4,467,655**	**19,447,073**	**3,114,893**	**22,561,966**

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

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2023

	Notes	Six-month ended 30 June 2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Cash flows from operating activities			
Profit for the period		**672,656**	606,146
Adjustments for:			
Depreciation on property, plant and equipment and investment properties	5 & 6	**476,525**	359,546
Amortisation of right-of-use assets		**26,869**	16,690
Amortisation of intangible assets	7	**44,874**	10,388
Share of profit from joint ventures	8	**(80,849)**	(75,461)
Share of profit from associate	9	**(10,673)**	(22,558)
Impairment losses, net of reversals, on financial assets	12	**39,901**	73,296
Provision for slow moving inventories		**1,279**	926
Amortisation of government grants	18	**(91,223)**	(122,010)
Provision for employees' end of service benefits		**17,211**	18,852
Finance costs		**262,804**	195,218
Interest income		**(8,446)**	(9,606)
Foreign exchange loss		**-**	100
Gain on fair value change in investment through FVTPL	11	**3,420**	-
Loss/(gain) on disposal of asset held for sale		**8**	(73,186)
Operating cash flows before movements in working capital		**1,354,356**	978,341
Increase in inventories		**(31,243)**	(3,763)
Increase in trade and other receivables		**(1,019,977)**	(818,559)
(Increase)/decrease in prepayments and advances		**(43,326)**	101,689
Increase in trade and other payables		**607,251**	282,072
Cash generated from operations		**867,061**	539,780
Employees' end of service benefits paid		**(6,119)**	(5,550)
Payment of short-term lease		**(7,147)**	(6,548)
Payment of low-value assets		**(11,025)**	(4,364)
Net cash generated from operating activities		**842,770**	523,318
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,677,926)**	(2,554,254)
Proceeds from sale of property, plant and equipment		**-**	3,953
Purchase of investment properties		**(1,173,740)**	(19,410)
Purchase of concession rights		**(183,625)**	-
Purchase consideration paid to acquire new subsidiaries	31	**(1,657,614)**	(212,184)
Proceeds from disposal of a property held for sale		-	310,000
Proceeds from reduction in investment in joint venture	8	**78,423**	-
Dividend received from a joint venture	8	**22,000**	3,565
Dividend received from an associate	9	**31,158**	42,487
Interest received		**8,446**	3,930
Proceeds from merger of subsidiary	31	**48,234**	-
Net movement in term deposits with original maturity over three months		**10,121**	(1,249,800)
Net cash used in investing activities		**(4,494,523)**	(3,671,713)

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

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 (continued)

	Notes	Six-month ended 30 June 2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Cash flows from financing activities			
Receipt of term loans	21	**5,423,678**	-
Term loan paid	21	**(741,076)**	(1,146,132)
Proceeds from issuance of shares		-	4,000,000
Finance cost paid		**(149,715)**	(64,155)
Payment to project companies	19	**(129,030)**	(127,631)
Payment for principal portion of lease liabilities		**(61,166)**	(37,209)
Contribution received from non-controlling shareholder in a subsidiary		**49,000**	-
Payment for interest portion of lease liabilities		**(21,892)**	(18,667)
Dividend paid to non-controlling interests in subsidiaries		-	(1,078)
Net cash generated from financing activities		**4,369,799**	2,605,128
Net increase/(decrease) in cash and cash equivalents		**718,046**	(543,267)
Cash and cash equivalents at beginning of the period		**745,735**	1,035,803
Cash and cash equivalents at end of the period	14	**1,463,781**	492,536
Non-cash transactions			
Investment in an associate received as a capital contribution		-	1,450,000
Investment in FVTOCI received as a capital contribution		-	1,090,650
Transfer to property, plant and equipment – Fujairah Port developments (note 5)		-	500,000
Investment in joint venture		-	262,288
Transfer to Properties under development (Investment Properties) from Capital work in progress (Property, plant and equipment)_(note 6)		-	730,757
Purchase consideration for acquisition of subsidiary		**2,640,065**	-
Government grant received during the year		**19,632**	-

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023

1 General information

Abu Dhabi Ports Company PJSC ("the Company" or "AD Ports") is a public joint stock company established in accordance with the provisions of Emiri Decree No. 6 of 2006 dated 4 March 2006 ("the Decree") as part of the restructuring of the commercial ports sector in the Emirate of Abu Dhabi ("the Emirate").

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

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

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

- **Ports**, which owns ports in the Emirate of Abu Dhabi and operates terminals under concession arrangements in the UAE;
- **Economic Cities & Free Zones**, which principally operates Khalifa Industrial Zone Company LLC "KIZAD" and eight other industrial zones following the integration of Specialized Economic Zones Company "ZonesCorp" into the Group at the start of 2020;
- **Logistics**, which provide a range of logistical services, such as transportation, warehouse, cargohandling services and value added services;
- **Maritime,** which provides a range of marine services, including feedering, as well as transshipment and offshore support services within and outside UAE; and
- **Digital**, which provide digital services to external customers through Maqta Gateway LLC as well as services to the Group's other clusters.

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS)

New and revised IFRSs applied with no material effect on the consolidated financial statements

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

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023)

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

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

- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective from 1 January 2024)

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

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statement of the Group.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

3 Statement of compliance and basis of preparation

Statement of compliance

The condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and also comply with the applicable requirements of the laws in the UAE. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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

Basis of preparation

These condensed consolidated financial statements are presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated financial statements have been prepared on the historical cost basis, except the financial instruments that are measured at fair values at the end of reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

4 Summary of significant accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates, and assumptions applied by the Group in these condensed consolidated financial statements are consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective 1 January 2023 as stated in Note 2.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

5 Property, plant and equipment

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Carrying amount at the beginning of the period/year	**21,789,636**	17,152,182
Additions during the period/year	**1,423,640**	5,122,681
Acquired through business combination (note 31)	**417,381**	229,187
Depreciation charge for the period/year	**(387,120)**	(585,121)
Transferred to inventory	**(68,841)**	-
Transferred from receivables during the period/year	-	500,000
Transferred from right-of-use asset during the period/year	-	112,007
Transferred to investment properties (note 6)	-	(730,936)
Disposals during the period/year	-	(10,364)
Carrying amount at the end of the period/year	**23,174,696**	21,789,636

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

	Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Direct costs	**335,536**	208,496
General and administrative expenses	**51,584**	51,078
	387,120	259,574

Staff costs of AED 86.4 million have been capitalised within capital work-in-progress during the six-month period ended 30 June 2023 (30 June 2022: AED 85 million).

Borrowing costs of AED 43 million have been capitalised during the six-month period ended 30 June 2023 (30 June 2022: AED 13.5 million).

No impairment indications were noted for property, plant and equipment as of and during the six-month period ended 30 June 2023.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

6 Investment properties

Movement in the balance is as follows:

	Completed properties AED'000	Properties under development AED'000	Total AED'000
Six-month period ended 30 June 2023 (unaudited)			
Carrying amount at the beginning of the period	**2,991,287**	**1,490,648**	**4,481,935**
Transfers from properties under development	**996,757**	**(996,757)**	**-**
Additions during the period	**38,298**	**1,135,442**	**1,173,740**
Acquired through business combination (note 31)	**3,461,948**	**15,226**	**3,477,174**
Depreciation charge for the period	**(89,405)**	**-**	**(89,405)**
Carrying amount at the end of the period	**7,398,885**	**1,644,559**	**9,043,444**
Year ended 31 December 2022 (audited)			
Carrying amount at the beginning of the year	3,087,528	550,327	3,637,855
Additions during the year	-	321,629	321,629
Transfers from properties under development	78,099	(78,099)	-
Transfers from property, plant and equipment (note 5)	-	730,936	730,936
Depreciation charge for the year	(203,932)	-	(203,932)
Reversal of impairment loss for the year	29,592	(34,145)	(4,553)
Carrying amount at the end of the year	2,991,287	1,490,648	4,481,935

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

Rental income from investment properties of AED 910 million (30 June 2022: AED 920 million) was earned and direct operating expenses (including maintenance expense) of AED 305 million was incurred during the period ended 30 June 2023 (30 June 2022: AED 254 million).

Investment properties under development mainly comprises the costs relating to warehouses.

The completed investment properties mainly include warehouses, Razeen properties and workers residential cities in industrial zones.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

6 Investment properties (continued)

Management believes that there is no significant change in the fair value of investment properties during the six-month period ended 30 June 2023.

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

Some of the Group's investment properties have been recognised at cost of AED 1, as the nominal value at which these properties were granted from the Government of Abu Dhabi as disclosed in note 18. These investment properties include warehouses relating to Khalifa Industrial Zone Company LLC, Zayed Port, and Industrial City of Abu Dhabi.

7 Intangible assets and goodwill

Movement in the balance is as follows:

	Goodwill AED'000	Other intangible assets AED'000	Total AED'000
Six-month period ended 30 June 2023 (unaudited)			
Carrying amount at the beginning of the period	**344,524**	**602,378**	**946,902**
Additions during the period	**-**	**183,625**	**183,625**
Acquired through business combination	**1,583,980**	**396,450**	**1,980,430**
Effects of foreign currency exchange	**(4,398)**	**(6,355)**	**(10,753)**
Adjustment in purchase price allocation	**23,688**	**(19,607)**	**4,081**
Amortisation charge for the period	**-**	**(44,874)**	**(44,874)**
Carrying amount at the end of the period	**1,947,794**	**1,111,617**	**3,059,411**
Year ended 31 December 2022 (audited)			
Carrying amount at the beginning of the year	54,534	169,509	224,043
Acquired through business combination	289,990	486,029	776,019
Amortisation charge for the year	-	(53,160)	(53,160)
Carrying amount at the end of the year	344,524	602,378	946,902

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

7 Intangible assets and goodwill (continued)

Goodwill

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

	30 June 2023 (unaudited) AED'000	31 December 2022 (audited) AED'000
Logistics cluster - Abu Dhabi Terminals LLC	**32,824**	32,824
Logistics cluster - MICCO Logistics	**21,710**	21,710
Maritime cluster - Divetech Marine Engineering Services LLC	**26,100**	26,100
Maritime cluster - Alligator Shipping Container Line LLC (i)	**18,526**	10,826
Maritime cluster - Safeen Diving and Subsea Services LLC	**102,572**	92,572
Maritime cluster - Transmar International shipping company	**154,693**	148,704
Ports cluster - Transcargo International	**7,390**	11,788
ECFZ Cluster – Al Eskan Al Jamae LLC (note 31)	**100,746**	-
Logistics Cluster - Noatum LLC (note 31)	**1,428,599**	-
Digital Cluster - TTEK Inc. (note 31)	**54,634**	-
	1,947,794	344,524

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

8 Investment in joint ventures

Movement in the balance is as follows:

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**612,241**	455,493
Share of profit for the period/year	**80,849**	127,929
Share of other comprehensive income for the period/year	**5,943**	55,885
Dividend received during the period/year	**(22,000)**	(27,066)
Reduction in investment during the period/year (i)	**(78,423)**	**-**
Balance at the end of the period/year	**598,610**	612,241

(i) During the period, one of the joint ventures in LDPL group has disposed certain assets and proceeds from such disposal is distributed to the shareholders of the joint ventures with LDPL.

Summary of the statements of financial position of the joint ventures is set out below:

	ADT		**Joint ventures with LDPL**		**ZIF**	
	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)	**30 June 2023 AED'000 (unaudited)**	31 December 2022 AED'000 (audited)	**30 June 2023 AED'000 (unaudited)**	31 December 2022 AED'000 (audited)
Current assets	**223,484**	259,001	**162,321**	103,597	**359,186**	354,660
Non-current assets	**2,476,749**	2,529,285	**41,372**	498,551	**2,130,151**	2,139,765
Current liabilities	**(239,597)**	(345,525)	**(185,675)**	(333,071)	**(81,322)**	(80,275)
Non-current liabilities	**(3,030,393)**	(2,933,657)	**(82)**	(328,306)	**(1,203,313)**	(1,261,798)
(Net liabilities)/net assets	**(569,757)**	(490,896)	**17,936**	(59,229)	**1,204,702**	1,152,352
Group share of net assets	**-**	-	**8,968**	-	**602,351**	576,176
Other equity movements	**-**	-	**87,264**	136,028	**(99,973)**	(99,963)
Group's carrying amount in the joint ventures	**-**	-	**96,232**	136,028	**502,378**	476,213
Cash and bank balances	**61,539**	118,342	**25,823**	25,823	**75,766**	75,766
Financial liabilities (excluding trade payables and provisions)	**(3,025,573)**	(3,057,809)	**(613,362)**	(666,007)	**(1,331,854)**	(1,606,157)

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

8 Investment in joint ventures (continued)

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

	ADT		Joint ventures with LDPL		ZIF	
	Six-month ended 30 June		Six-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Revenue	**148,473**	170,552	**20,025**	112,755	**122,921**	188,653
Direct costs	**(76,150)**	(169,919)	**(28,035)**	(92,786)	-	-
Administrative expenses	**(71,851)**	(13,800)	**(3,834)**	(2,672)	**(842)**	(791)
Finance costs	**(76,269)**	(68,788)	**(1,268)**	(4,864)	**(37,675)**	(49,849)
Other income	**916**	465	**90,368**	443	**38**	34
(Loss)/profit for the period	**(74,881)**	(81,490)	**77,256**	12,876	**84,442**	138,047
Group's share of profit/(loss)	**-**	-	**38,628**	6,438	**42,221**	69,023
Other comprehensive income	**-**	-	**-**	-	**11,886**	72,057
Share of other comprehensive income for the period	**-**	-	**-**	-	**5,943**	36,028
Total comprehensive income for the period	**-**	-	**38,628**	6,438	**48,164**	105,051

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

	ADT		Joint ventures with LDPL		ZIF	
	Six-month ended 30 June		Six-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Depreciation and amortisation	**(58,317)**	(63,594)	**(164)**	(13,107)	**-**	-
Interest income	**-**	-	**-**	-	**38**	124,466
Interest expense	**(76,269)**	(68,788)	**(1,268)**	(4,864)	**(37,675)**	(49,849)
The unrecognised share of loss of a joint venture for the period	**(38,189)**	(41,560)	**-**	-	**-**	-
Cumulative share of unrecognised losses	**(227,012)**	(151,650)	**-**	-	-	-

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

9 Investment in associates

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

	30 June 2023 AED'000 (unaudited)	**31 December 2022 AED'000 (audited)**
Balance at the beginning of the period/year	**1,280,325**	**-**
Transferred from parent entity during the period/year (note 25)	**-**	1,307,295
Acquired through business combination (note 31)	**99,368**	**-**
Share of profit for the period/year	**10,673**	36,913
Share of other comprehensive income/(loss) for the period/year	**6,434**	(21,398)
Dividend received during the period/year	**(31,158)**	(42,485)
Balance at the end of the period/year	**1,365,642**	1,280,325

During 2022, the parent undertaking of the Group, ADQ transferred 22.32% of equity stake of Aramex PJSC as the shareholder's contribution for no consideration. Group recognised the transferred stake as an investment in an associate as the Group determined that they have significant influence over the investment by virtue of representation on the Board of Directors. The Group recorded the transferred ownership at fair value of investment in associate at the acquisition date.

10 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Directors of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Quoted equity security (note 10(i))	**1,611,621**	2,019,600
Unquoted debt and equity security (note 10(ii))	**58,788**	58,788
	1,670,409	2,078,388

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

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

(i) During 2022, the parent undertaking of the Group, ADQ transferred 10% ownership in National Marine Dredging Company PJSC ("NMDC") as the shareholder's contribution for no consideration. The Group recognised the transferred ownership as a financial asset at FVTOCI and recorded the fair value of the security at the acquisition date.

(ii) The Group holds 10% ownership in CSP Abu Dhabi Terminal LLC, a container terminal operator operating from Khalifa Port.

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**2,078,388**	58,788
Transferred from parent entity during the period (note 25)	**-**	1,090,650
Acquired through business combination (note 31)	**1,221**	**-**
Change in fair value recognised in other comprehensive Income	**(409,200)**	928,950
Balance at the end of the period/year	**1,670,409**	2,078,388

11 Financial asset at fair value through profit or loss

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

	30 June 2023 AED'000 (unaudited)
Balance at the start of the period	**-**
Acquired through business combination (note 31)	**75,636**
Change in fair value	**(3,420)**
Balance at the end of the period	**72,216**

For fair value measurement and hierarchy of financial assets at fair value through profit or loss (FVTPL) is disclosed in the note 30.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

12 Trade and other receivables

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Non-current portion		
Un-billed lease receivables	**2,499,416**	2,309,214
Loan to related parties	**9,327**	-
Long term security deposits	**18,257**	-
	2,527,000	2,309,214
Less: loss allowance	**(202,800)**	(195,485)
	2,324,200	2,113,729
Current portion		
Trade receivables	**3,145,688**	2,318,949
Due from related parties (note 25)	**598,812**	414,268
Accrued income	**806,792**	623,931
	4,551,292	3,357,148
Less: loss allowance	**(651,438)**	(598,561)
	3,899,854	2,758,587
Staff receivables	**32,004**	28,984
Other receivables	**546,857**	134,493
Tax receivables	**193,989**	-
	4,672,704	2,922,064

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

12 Trade and other receivables (continued)

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**794,046**	734,443
Acquired through business combination (note 31)	**22,946**	-
Net remeasurement of loss allowance during the period/year	**39,901**	142,313
Amounts written off during the period/year	**(2,655)**	(82,710)
Balance at the end of the period/year	**854,238**	794,046

13 Prepayments and advances

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Non-current portion		
Prepaid expenses	**46,013**	48,600
Current portion		
Advance payments to contractors	**527,668**	470,614
Prepaid expenses	**216,462**	126,125
	744,130	596,739

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

14 Cash and bank balances

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Non-current portion		
Term deposit with maturity of more than one year	**50,000**	-

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

Current portion		
Cash on hand	**6,694**	4,255
Bank balances	**1,457,087**	741,480
Term deposits with an original maturity of more than three months but less than one year	**34,966**	45,087
Cash and bank balances	**1,498,747**	790,822
Less: term deposits with an original maturity of more than three months but less than one year	**(34,966)**	(45,087)
Cash and cash equivalents	**1,463,781**	745,735

Bank deposits carry an interest rate of 4.7% (31 December 2022: 0.81%) per annum.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

15 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method on consolidation of the subsidiaries.

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Deferred tax assets (note 31)	**34,221**	**-**
Deferred tax liabilities (note 31)	**13,765**	**-**

16 Derivative financial instrument

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
From acquisition of EAJ (note 31)	**39,913**	**-**
From acquisition of Noatum (note 31)	**3,102**	**-**

(i) As part of business combination (note 31), the Group acquired the derivative financial asset of EAJ which was entered as an Interest Rate Swap Agreement ("IRS Agreement") with a local bank for a pay fixed interest rate of 3.75% p.a. and receive floating AED EIBOR interest rate swap on its bank borrowing. The notional amount of the swap is AED 975.49 million at the end of the reporting period. Fixed and floating rates are payable/receivable every 24th of January, April, July and October until the termination date on 1 July 2030.

Eligibility of hedged item and hedging instrument

The hedged item i.e., bank borrowing with a local bank, is an identifiable liability which can be reliably measured (see note 21(iii)). The hedging instrument, i.e., interest rate swap, meets the definition of a derivative under IFRS 9 since it does not have any net written option. Hence, the hedged item and hedging instrument can be considered eligible for the purpose of applying hedge accounting under IFRS 9.

Economic relationship between the hedged item and hedging instrument

The Group's exposure is to the loss in interest suffered during the period when market interest rates are higher than the targeted cost of borrowing. This exposure is being swapped into a fixed rate exposure by entering into a pay fixed and receive floating interest rate swap calibrated to AED-EIBOR. The facility issued and the notional amount of the swap are both denominated in AED and the benchmark index for both is the 3-month AED EIBOR. The fixed rate of discount amortised in each period nullifies the variable

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

16 Derivative financial instrument (continued)

rate of interest receivable under the swap; thus, it can be concluded that the hedging instrument and hedged item have values that generally move in the opposite direction because of the same hedged risk. Hence, there is an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in response to movements.

Hedge ratio

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

Measurement of hedge effectiveness

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

The hedge ineffectiveness can arise from:

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

Based on the hedge effectiveness test, the Group recognised the effective portion of the fair value within the other comprehensive income statement a loss of AED 1.4 million.

17 Share capital

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Authorised, issued, subscribed and paid up capital		
5,090,000,000 ordinary shares of AED 1 each (2022: 5,090,000,000 ordinary shares of AED 1 each)	**5,090,000**	5,090,000

Movement in the balance is as follows:

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

17 Share capital (continued)

During 2022, the Group made its first equity placement through a pre-listing private placement of 1,250 million of ordinary shares. Nominal value of a share is AED 1 and issued at a price of AED 3.20 per share. Total cash received from the share subscription was AED 4,000 million with a premium of AED 2,750 million. ADQ remained as the majority shareholder with 75.42% stake in the Company's share capital.

17.1 Treasury shares

During the period, the Company acquired 2,107,500 own ordinary shares through acquisition of EAJ (as these were held by EAJ at the time of transaction) at a total value of AED 12,098 thousand. These shares are held as treasury shares as at 30 June 2023.

18 Deferred government grants

Movement in the balance is as follows:

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**6,841,612**	6,402,712
Additions during the period/year	**19,631**	821,942
Amount recognised as revenue during the period/year	**(91,223)**	(383,042)
Balance at the end of the period/year	**6,770,020**	6,841,612

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Current liability	**279,740**	279,740
Non-current liability	**6,490,280**	6,561,872
	6,770,020	6,841,612

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

19 Payable to the project companies

The movement in balance is as follows:

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**2,418,446**	2,424,072
Interest charge for the period/year	**122,802**	248,307
Payments during the period/year	**(129,030)**	(253,933)
Balance at the end of the period/year	**2,412,218**	2,418,446

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Current liability	**282,067**	278,681
Non-current liability	**2,130,151**	2,139,765
	2,412,218	2,418,446

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

20 Bond payable

The Company issued unsecured USD 1 billion 10-year bonds ("The Notes") under a Euro Medium Term Note Programme ("EMTN Programme"), which was jointly listed on the London Stock Exchange (LSE) and Abu Dhabi Securities Exchange (ADX). The Notes will mature on 6 May 2031 and carry a coupon of 2.5% per annum. Proceeds of the Notes were used for general corporate purposes and debt refinancing. The settlement of the offering occurred on 6 May 2022 and the Group received cash USD 979.2 million (AED 3,579.2 million). The par value of the bond was USD 1,000 million (AED 3,673.5 million) and was issued at a price below par resulting in net proceeds being lower by USD 20.8 million (AED 76.3 million).

The fair value of the bond payable as of 30 June 2023 is USD 847.13 million, which equivalents to AED 3,111 million (31 December 2022: USD 829.16 million and AED 3,046 million).

As of 30 June 2023, unamortised prepaid transaction cost for the bond is AED 17.3 million (31 December 2022: AED 18.4 million) and unamortised discount is AED 61.7 million (31 December 2022: AED 65.1 million).

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

21 Bank borrowings

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Non-current		
Term loan I (ii)	**76,042**	80,795
Term loan II (iii)	**847,944**	-
Term loan III (iv)	**3,477,135**	-
Term loan IV (v)	**91,891**	-
	4,493,012	80,795
Current		
Loan facility (i)	**2,644,225**	1,395,698
Current portion of term loan I (ii)	**4,753**	-
Current portion of term loan II (iii)	**105,346**	-
Current portion of term loan IV (v)	**234,322**	-
	2,988,646	1,395,698
Total bank borrowings	**7,481,658**	1,476,493

(i) Loan facility

During 2021, the Group obtained an unsecured senior revolving credit facility with a credit limit of USD 1,000 million (AED 3,673.5 million) from a syndicate of local and international banks for the purpose of financing capital expenditure and general corporate purposes of the Group. The facility has a tenure of 3 years and an extension option of two years at one year increments and carries an effective interest rate of 0.85% over LIBOR depending on the facility utilisation. The terms of the agreement require the Group to maintain a minimum tangible net worth of AED 6 billion. As of the reporting date, the Group is in compliance with this financial covenant.

(ii) Term loan I

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

21 Bank borrowings (continued)

(iii) Term loan II

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

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

(iv) Term loan III

On 3rd April 2023, the AD Ports Group ("Group") signed a General Corporate Facility (GCF) agreement with a syndicate of 13 regional and international banks. The multi-currency facility, equivalent to around USD 2 bn includes three tranches amounting to EUR 0.6 bn, USD 0.6 bn and AED 2.8 bn with a tenure of up to 2.5 years with initial terms of 1.5 years extendable by up to 12 months at the Group's discretion. An aggregate of at least 50% of this financing shall go towards funding acquisitions undertaken by the Group or its subsidiaries and the rest could be utilized for funding organic growth projects and for general corporate purposes. The facility was competitively priced at initial 12-month margin of 0.50%, 0.65% and 0.45% for the Euro, US Dollar and UAE Dirham tranches respectively. The terms of the agreement require the Group to maintain a minimum tangible net worth of AED 6 billion.

(v) Term loan IV

During the period, the Group completed a transaction to acquire 100% of Noatum Holdings S.L.U. and Subsidiaries ("Noatum Group"). As part of business combination, the Group recognised the loan facilities of Noatum Group entered with different banking institutions at different interest rates.

(vi) Abu Dhabi Islamic Bank facility

On 23rd June 2023, the Group signed a commercial terms agreement for Ijara facility with Abu Dhabi Islamic Bank. The facility is a single tranche dirham facility of AED 917.5 million with terms identical to the GCF with initial terms of 1.5 years extendable by up-to 12 months at the Group's discretion. During the period, no draw down was made from this facility.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

21 Bank borrowings (continued)

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Balance at the beginning of the period/year	**1,476,493**	1,146,132
Loans drawdown during the period/year	**5,423,678**	1,476,493
Acquired through business combination (note 31)	**1,322,563**	-
Loans repaid during the period/year	**(741,076)**	(1,146,132)
Balance at the ending of the period/year	**7,481,658**	1,476,493

22 Trade and other payables

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Non-current portion		
Deferred income	**442,334**	405,973
Customer deposits	**147,336**	100,315
Provision for dismantling costs	**72,248**	-
Long term employee benefits	**487**	-
Other long term payables	**18,477**	-
	680,882	506,288
Current portion		
Accrued expenses and construction related costs	**1,719,565**	1,392,102
Contractors and supplier payables	**1,006,983**	572,630
Deferred income	**549,955**	475,116
Customer advances	**329,922**	180,312
Due to related parties (note 25)	**218,172**	227,667
Concession rights fee payable	**186,227**	-
Tax payable	**125,330**	-
Retentions payable	**55,024**	61,861
Other payables	**291,820**	56,442
Deferred consideration	**13,000**	5,300
	4,495,998	2,971,430

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

23 Revenue

	Three-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Revenue from contracts with customers *(a)*	**1,565,875**	722,246	**2,896,400**	1,329,910
Revenue from rental income *(b)*	**494,079**	519,310	**980,457**	959,011
	2,059,954	1,241,556	**3,876,857**	2,288,921

a) Disaggregation of revenue from contracts with customers:

	Three-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Services transferred at a point in time				
Maritime services	**1,162,668**	190,232	**2,080,902**	458,130
Logistics operations	**123,851**	119,205	**258,789**	259,237
Ports operations	**163,974**	95,079	**337,285**	199,715
Digital services	**35,633**	19,500	**63,934**	46,467
Other Economic Cities & Free Zones services	**10,898**	33,180	**19,447**	37,750
	1,497,024	457,196	**2,760,357**	1,001,299
Services transferred over time				
Digital services	**1,510**	-	**1,510**	-
Maritime services	**-**	200,826	**-**	200,826
Economic Cities & Free Zones services related to lease contracts	**67,341**	64,224	**134,533**	127,785
Total revenue from contracts with customers	**1,565,875**	722,246	**2,896,400**	1,329,910

b) Disaggregation of revenue from rental income:

	Three-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Economic Cities & Free Zones leasing	**358,253**	390,189	**710,536**	700,188
Ports concessions and leasing	**134,660**	128,730	**268,338**	258,074
Maritime services	**663**	-	**663**	
Other lease income	**503**	391	**920**	749
	494,079	519,310	**980,457**	959,011

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

24 Direct costs

	Three-month ended 30 June		Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)	**2023 AED'000 (unaudited)**	2022 AED'000 (unaudited)
Vessel operating costs	**375,016**	50,364	**564,897**	87,907
Depreciation of property, plant and equipment and investment properties (note 5 and 6)	**223,665**	172,801	**424,941**	308,468
Manpower costs	**125,488**	110,710	**235,820**	202,714
Fuel costs	**130,856**	62,942	**217,563**	93,505
Warehouseing and handling costs	**81,607**	83,100	**172,766**	120,844
Equipment hire	**78,733**	2,754	**144,322**	4,364
Utility cost	**70,814**	49,844	**134,992**	114,546
Repairs and maintenance costs	**40,072**	40,686	**104,571**	122,527
Other operating cost	**40,008**	1,899	**98,628**	4,595
Marine port costs	**3,293**	-	**77,103**	-
Cost of vessels sold	**68,494**	-	**68,494**	-
Trucking and transportation costs	**22,109**	25,269	**65,403**	86,145
Amortization of intangible assets	**20,830**	6,455	**44,874**	10,388
Insurance & Consultancy	**19,299**	12,878	**40,130**	18,475
Non-vessel container carrier operating cost	**21,733**	(5,614)	**36,408**	11,406
Outsourcing and external manpower	**17,942**	11,263	**34,101**	22,739
Amortization of right-of-use assets	**14,091**	8,345	**26,869**	16,691
Application license and maintenance costs	**10,878**	6,988	**16,166**	15,670
Foreign labor service charge	**3,766**	4,623	**8,437**	12,808
	1,368,694	645,307	**2,516,485**	1,253,792
Less: amortization of government grants (note 18)	**(45,743)**	(74,596)	**(91,223)**	(122,010)
	1,322,951	570,711	**2,425,262**	1,131,782

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties

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

Terms and conditions of transactions with related parties

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

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

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Due from related parties (note 12):		
Joint ventures		
Abu Dhabi Terminals Company LLC	**59,282**	46,418
Entities under common control		
Department of Finance – Abu Dhabi	**20,839**	20,564
Abu Dhabi Police	**58,622**	8,562
Abu Dhabi Polymers Co. Ltd (Borouge)	**26,999**	27,252
Emirates Steel Industries Co. PJSC	**29,685**	64,323
Department of Municipalities and Transport	**1,009**	11,018
Abu Dhabi National Oil Company	**206,592**	111,249
Rafed Healthcare Supplies LLC	**18,774**	10,435
Aramex PJSC	**133**	-
Silal Food and Technology LLC	**390**	-
CMA Terminal Khalifa LLC	**-**	47,712
Department of Economic Development	**76,380**	-
General Headquarter Armed Forces	**3,084**	3,485
National Petroleum Construction Company	**13,359**	-
Other entities controlled by the Government of Abu Dhabi	**83,664**	63,250
	539,530	367,850
	598,812	414,268

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties (continued)

Balances with related parties (continued)

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Accrued income (note 12)		
Parent Company		
Abu Dhabi Developmental Holding ("ADQ")	**80,999**	2,466
Joint venture		
Abu Dhabi Terminals Company LLC	**24,098**	26,504
Entities under common control		
Department of Municipalities and Transport	**67,338**	31,764
Abu Dhabi National Oil Company	**62,091**	513
Abu Dhabi Police	**9,156**	119,450
Rafed Healthcare Supplies LLC	**2,767**	1,516
National Petroleum Construction Company	**285,206**	-
Other entities controlled by the Government of Abu Dhabi	**16,688**	12,526
	443,246	165,769
	548,343	194,739
Un-billed lease receivables (note 12)		
Joint venture		
Abu Dhabi Terminals Company LLC	**296,971**	286,269
Entities under common control		
Al Gharbia Pipe Company LLC	**22,594**	-
G42 Pharmaceutical Manufacturing LLC	**21,818**	-
Twofour54 FZ LLC	**17,895**	-
LULU Group	**14,890**	-
Other entities controlled by the Government of Abu Dhabi	**30,162**	71,546
	107,359	357,815
Prepayments and advances (note 13)		
Joint venture		
Abu Dhabi Terminals Company LLC	**38,000**	48,600
Entities under common control		
National Health Insurance Company PJSC (Daman)	**12,832**	3,544
	50,832	52,144

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties (continued)

Balances with related parties (continued)

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Cash and bank balances (note 14)		
Entity under common control		
Banks controlled by the Government of Abu Dhabi	**720,275**	573,387
Investment in joint ventures (note 8)	**598,610**	612,241
Impairment loss on financial assets and unbilled lease receivable (note 12)	**7,953**	32,382
Due to related parties (note 22)		
Parent Company		
Abu Dhabi Developmental Holding	**323**	646
Joint venture		
Abu Dhabi Terminals Company LLC	**997**	9,228
Entities under common control		
Department of Finance – Abu Dhabi	**121,716**	98,314
Abu Dhabi Retirement Pensions & Benefits Fund	**17,292**	7,674
Abu Dhabi National Oil Company	**1,273**	30,551
Ministry of labour	**44,479**	-
Other entities under common control	**32,092**	81,254
	216,852	217,793
	218,172	227,667

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties (continued)

Balances with related parties (continued)

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Payable to the project companies (note 19)		
Joint venture		
ZonesCorp Infrastructure Fund	**2,412,218**	2,418,446
Deferred government grants (note 18)		
Ultimate controlling undertaking		
Government of Abu Dhabi	**6,578,410**	6,648,395
Parent Company		
Abu Dhabi Developmental Holding	**191,610**	193,217
	6,770,020	6,841,612
Borrowings (note 21)		
Entities under common control		
First Abu Dhabi Bank	**1,482,135**	279,140
Abu Dhabi Commercial Bank	**434,642**	-
	1,916,777	279,140
Accrued expenses, customers deposits and advances and other payables (note 22)		
Entities under common control		
Abu Dhabi National Oil Company	**90,164**	22,745
Other entities controlled by the Government of Abu Dhabi	**69,223**	10,409
	159,387	33,154
Shareholder's contribution		
Parent Company		
Abu Dhabi Developmental Holding	**4,467,655**	4,467,655

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties (continued)

Significant transactions with related parties are as follows:

	Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Revenue (Note 23)		
Parent Company		
Abu Dhabi Developmental Holding	**-**	9,836
Joint venture		
Abu Dhabi Terminals Company LLC	**69,982**	78,296
Entities under common control		
Abu Dhabi Police	**43,889**	176,756
Emirates Steel Industries Co. PJSC	**87,466**	87,944
Abu Dhabi National Oil Company	**191,658**	153,885
Department of Municipalities and Transport	**35,528**	44,692
Abu Dhabi Polymers Co. Ltd (Borouge)	**13,339**	39,337
Rafed Healthcare Supplies LLC	**12,151**	-
Silal Food and Technology LLC	**3,971**	2,916
General Headquarter Armed Forces	**1,570**	1,435
Department of Finance – Abu Dhabi	**708**	708
Aramex PJSC	**129**	-
CMA Terminals Khalifa LLC	**12**	-
National Petroleum Construction Company	**6,697**	-
Other entities under common control	**45,950**	32,495
	443,068	540,168
	513,050	628,300
Transactions with joint ventures (note 8)		
Share of profit for the period	**80,849**	75,461
Share of other comprehensive income for the period	**5,943**	36,028
Dividend received during the period	**22,000**	3,565
Investment made during the period	**-**	262,288

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

25 Related parties (continued)

Significant transactions with related parties (continued)

	Six-month ended 30 June	
	2023 AED'000 (unaudited)	2022 AED'000 (unaudited)
Owner's contribution received		
Abu Dhabi Developmental Holding (ADQ)	**-**	2,540,650
Government grants transactions (note 18)		
Grant received during the period	**19,632**	500,000
Amount recognized during the period	**91,223**	122,010
Bank borrowings related transactions (note 21)		
Loan drawdown during the period	**1,085**	-
Repayment during the period	**140**	-
Finance costs during the period	**44,120**	-
Key management compensation		
Short term benefits	**35,764**	32,663
Long term benefits	**389**	524
	36,153	33,187

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

26 Basic and diluted earnings per share

Basic earning per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earning per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Company is given below.

	Three-month ended 30 June		Six-month ended 30 June	
	2023 (unaudited)	2022 (unaudited)	**2023 (unaudited)**	2022 (unaudited)
Earnings (AED'000)				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Group)	**285,836**	297,770	**616,772**	602,697
Weighted average number of share ('000)				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,087,893	5,090,000	5,087,893	4,827,569
Basic and diluted earnings per share attributable to owners of the group in AED	**0.06**	0.06	**0.12**	0.12

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

27 Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Group is currently organised into six major operating segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- **Ports**, which owns or operates ports and terminals in the region. Ports cluster mainly derives its revenue from general cargo operations, container terminal concessions and port infrastructure leases.

- **Economic Cities & Free Zones (EC&FZ)**, which principally operates KEZAD and other industrial cities following the integration of ZonesCorp in 2020. Economic Cities & Free Zones mainly derives its revenue from lease of land, warehouses, and other utility services.

- **Logistics**, which provides a range of logistical services, such as transportation, warehouse, freight forwarding, supply chain services and cargo handling services along with other value added services. Logistics mainly derives its revenue from warehouse management, freight forwarding and cargo services.

- **Maritime**, which provides a range of marine services, including feedering, as well as transshipment and offshore support services within and outside UAE. Maritime mainly derives its revenue from port side service fees, feedering, offshore services, vessel chartering, underwater surveys and other general marine services. Maritime also operate international container shipping lines from Egypt that primarily operates in the Middle East, the Red sea regions,

- **Digital**, which provides digital services to external customers through Maqta Gateway as well as services to the Group's other segments. Digital mainly derives its revenue from digitalisation of transactional services, software development and other support services.

- **Corporate**, responsible for managing investments held by the Group, development of infrastructure assets for other segments, management of administrative activities for the segments and general coordination of the Group's activities.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance management. Segment performance is measured based on adjusted EBITDA. Adjusted EBITDA is calculated by adjusting net profit for the period from continuing operations by excluding the impact of taxation, net finance costs, depreciation, amortisation, revenue from government grant amortisation and impairment related to goodwill, intangible assets, property and plant and equipment and investment properties. The Group's management reporting process allocates intra-Group profit on a product sale to the market in which that sale is recorded.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

27 Segment information (continued)

Information regarding these segments is presented below:

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
30 June 2023 (unaudited)								
External revenue	605,682	864,517	258,789	2,072,644	65,444	9,781	-	3,876,857
Inter segment revenue	15,106	5,672	7,243	2,605	151,869	188	(182,683)	-
Total revenue	**620,788**	**870,189**	**266,032**	**2,075,249**	**217,313**	**9,969**	**(182,683)**	**3,876,857**
Direct costs	(195,381)	(331,026)	(216,510)	(1,647,327)	(43,295)	(35,413)	43,690	(2,425,262)
Gross profit/(loss)	**425,407**	**539,163**	**49,522**	**427,922**	**174,018**	**(25,444)**	**(138,993)**	**1,451,595**
Share of profit from joint ventures	-	42,221	-	38,628	-	-	-	80,849
Share of profit from associates	-	-	10,673	-	-	-	-	10,673
General and administrative expenses	(137,340)	(75,210)	(32,487)	(114,441)	(53,260)	(240,757)	98,906	(554,589)
Selling and marketing expenses	(5,839)	(4,909)	(225)	(2,155)	(1,212)	(6,303)	-	(20,643)
Impairment losses (including reversals of impairment losses) on financial assets and unbilled lease receivables	(8,599)	(21,234)	75	(11,314)	995	176	-	(39,901)
Finance income	460	327	(531)	2,659	-	5,531	-	8,446
Finance costs	(15,408)	(156,379)	(1,675)	(6,513)	(11)	(84,100)	1,282	(262,804)
Loss on disposal of asset held for sale	-	-	(11)	-	-	3	-	(8)
Other income	-	3,413	29	25	-	-	-	3,467
Fair value gain on investments at FVTPL	-	(3,420)	-	-	-	-	-	(3,420)
Income tax on foreign operations	57	-	-	(1,066)	-	-	-	(1,009)
Profit/(loss) for the period	**258,738**	**323,972**	**25,370**	**333,745**	**120,530**	**(350,894)**	**(38,805)**	**672,656**
Adjustment for:								
Finance costs	15,408	156,379	1,675	6,513	11	84,100	(1,282)	262,804
Finance income	(460)	(327)	531	(2,659)	-	(5,531)	-	(8,446)
Amortisation of right-of-use assets and intangible assets	8,364	10,178	5,391	49,706	-	-	(1,897)	71,742
Depreciation of property, plant and equipment, investment properties	139,389	103,579	19,886	188,057	5,324	20,470	(180)	476,525
Government grants	(82,638)	(2,528)	-	(6,057)	-	-	-	(91,223)
Income tax on foreign operations	(57)	-	-	1,066	-	-	-	1,009
Adjusted EBITDA	**338,744**	**591,253**	**52,853**	**570,371**	**125,865**	**(251,855)**	**(42,164)**	**1,385,067**

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

27 Segment information (continued)

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

27 Segment information (continued)

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

	Ports AED'000	EC&FZ AED'000	Logistics AED'000	Maritime AED'000	Digital AED'000	Corporate AED'000	Eliminations AED'000	Total AED'000
30 June 2023								
Total assets	**27,502,027**	**16,835,384**	**8,663,637**	**13,241,713**	**2,007,139**	**44,664,301**	**(63,399,153)**	**49,515,048**
Total liabilities	**25,792,550**	**10,816,667**	**8,130,903**	**11,321,346**	**1,643,692**	**32,205,760**	**(62,957,836)**	**26,953,082**
Capital expenditures*	-	-	-	-	-	**2,851,666**	-	**2,851,666**
31 December 2022								
Total assets	25,767,734	13,377,006	4,405,348	11,261,583	1,749,354	39,158,850	(57,207,884)	38,511,991
Total liabilities	24,315,459	10,374,429	4,099,515	9,327,521	1,493,793	26,320,667	(57,054,526)	18,876,858
Capital expenditures*	-	-	-	-	-	5,291,829	-	5,291,829

Capital expenditures

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

27 Segment information (continued)

Geographical information

The Group is operating in following geographical segments:

	30 June 2023 AED'000 (unaudited)	30 June 2022 AED'000 (unaudited)
Revenue (Note 23)		
Middle East	**3,731,737**	2,288,921
Africa	**141,001**	-
Asia	**4,119**	-
Total revenue	**3,876,857**	2,288,921

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Assets		
Middle East	**45,969,740**	37,565,159
Europe	**2,126,854**	-
America	**306,238**	-
Africa	**941,997**	946,832
Asia	**170,219**	-
Total assets	**49,515,048**	38,511,991
Liabilities		
Middle East	**24,385,395**	18,584,852
Europe	**2,016,369**	
America	**162,206**	-
Africa	**318,183**	292,006
Asia	**70,929**	-
Total liabilities	**26,953,082**	18,876,858

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

28 Seasonality of results

No significant income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the six-month period ended 30 June 2023 and 2022.

29 Contingencies and commitments

Contingent liabilities

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Bank guarantees	**185,198**	157,802
Financial guarantees	**367,500**	367,500

The Group's policy is to provide financial guarantees for subsidiaries' and joint ventures' liabilities. The Group has issued guarantee in 2019 to Abu Dhabi Commercial Bank PJSC in respect of credit facility granted to its joint venture ADT, equal to 50% of the principal amount of the facility then outstanding, such aggregate amount shall not exceed AED 367.5 million, which is the maximum amount the Group is exposed to.

Commitments

	30 June 2023 AED'000 (unaudited)	31 December 2022 AED'000 (audited)
Commitments for fixed assets	**2,264,584**	1,467,320
Commitments for investments	**3,745,950**	5,400,000

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

30 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

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

	Carrying value AED'000	**Fair Value**			
		Level 1 AED'000	**Level 2 AED'000**	**Level 3 AED'000**	**Total AED'000**
At 30 June 2023 (unaudited)					
Financial assets at FVOCI	**1,670,409**	**1,611,621**	**-**	**58,788**	**1,670,409**
Financial assets at FVTPL	**72,216**	**72,216**	-	-	**72,216**
Derivative financial assets	**43,015**	**-**	**43,015**	**-**	**43,015**
At 31 December 2022 (audited)					
Financial assets at FVOCI	2,078,388	2,019,600	-	58,788	2,078,388

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

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

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations

Safeen Diving and Subsea Services LLC:

During 2022, the Group entered into a shareholders agreement with National Marine Dredging Company (NMDC) relating to establishing a new subsidiary company under the name Safeen Diving and Subsea Services LLC (Subsea). The Group holds 51% shares in Subsea and consolidate the financial results of the entity as the Group exercises control over the subsidiary. The Group obtained control of the entity when the conditions specified in the agreement were satisfied.

Safeen Diving and Subsea Services LLC (Subsea) has been incorporated for deep sea diving and underwater survey activities. The consolidated financial statements include the results of Subsea for the period from July to December 2022.

For the non-controlling interests in Safeen Subsea, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired assets and liabilities.

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Property, plant and equipment	**136,575**
Intangibles	**185,006**
Total assets	**321,581**
Liabilities	
End of service benefit	**8,447**
Other payables	**105**
Total liabilities	**8,552**
Total identifiable net assets at fair value	**313,029**
Add: goodwill	**102,572**
Less: non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	**(153,384)**
Total purchase consideration	**262,217**

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

Safeen Diving and Subsea Services LLC: (continued)

The goodwill of AED 102.6 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

Acquisition related costs amounted to AED 0.1 million were expensed during the period and are included in general and administrative expenses.

International Associated Cargo Carrier B.V:

During July 2022, the Group (the "Buyer") entered into a sale and purchase agreement with Leocorp B.V (the "Seller") to acquire 70% ownership of International Associated Cargo Carrier B.V. ("IACC") for a total consideration of AED 483 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction were completed on 12 September 2022 on which the Group obtained control of the entity.

International Associated Cargo Carrier B.V. is a private limited liability company duly established and existing under the laws of the Netherlands having operations in Egypt. The company wholly owns Transmar, a leading regional container line and Transcargo International (TCI) specialized in stevedoring, warehousing and port services. The business acquired qualifies as a business combination under IFRS 3.

This acquisition will support Group's wider growth targets for North Africa and the Gulf region and broaden the portfolio of services to offer in those markets.

The acquisition has been accounted for using the acquisition method of accounting in 2022, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. For the non-controlling interests in IACC, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired assets and liabilities.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

International Associated Cargo Carrier B.V: (continued)

The amounts recognised in respect of the fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000
Assets	
Property, plant and equipment	**69,653**
Intangibles	**180,015**
Right of use asset	**291,634**
Inventory	**1,540**
Trade and other receivables	**57,502**
Prepayments	**8,320**
Cash and bank balances	**81,739**
Total assets	**690,403**
Liabilities	
Trade and other payables	**34,569**
Lease liabilities	**181,290**
Total liabilities	**215,859**
Total identifiable net assets at fair value	**454,699**
Add: goodwill	**164,684**
Less: non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities	**(136,409)**
Total: purchase consideration	**482,974**

The goodwill of AED 164.7 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

International Associated Cargo Carrier B.V: (continued)

Analysis of cashflow on acquisition:

	AED'000
Cash paid for the acquisition	(482,974)
Net cash acquired on business combination	81,739
Net cash outflows on acquisition (included in cash flows from investing activities)	(401,235)
Net cash outflow on acquisition	**(401,235)**

Al Eskan Al Jamae LLC

During December 2022, the Group (the "Buyer") entered into a sale and purchase agreement with the shareholders of Al Eskan Al Jamae LLC (EAJ) to merge 100% of EAJ with Kizad Communities Development & Services Company (KC), a 100% owned subsidiary of the Group. The merger was effective 1st January 2023 and, as part of the merger, the shareholders of EAJ were issued 47.8% share of KC in the value of AED 2,640 million.

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

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

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

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

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

Al Eskan Al Jamae LLC (continued)

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000 (unaudited)
Assets	
Property, plant and equipment	**2,388**
Investment properties	**3,461,948**
Inventory	**2,198**
Financial asset at fair value through profit or loss	**75,636**
Own shares buy back	**12,098**
Derivative financial asset	**38,509**
Term deposit with maturity of more than one year	**50,000**
Trade and other receivables	**29,445**
Prepayment and advances	**7,430**
Cash and bank balances	**48,234**
Total assets	**3,727,886**
Liabilities	
End of service benefit	**2,429**
Bank borrowings	**996,350**
Trade and other payables	**189,788**
Total liabilities	**1,188,567**
Total identifiable net assets at fair value	**2,539,319**
Add: goodwill	**100,746**
Total purchase consideration	**2,640,065**

The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 30 June 2023 therefore the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the difference between the identifiable net assets acquired and the consideration is recognised as goodwill.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

Al Eskan Al Jamae LLC (continued)

The goodwill of AED 100.7 million arising from the acquisition consists of assembled work-force, processes mainly in wholly owned subsidiaries of EAJ that do not qualify for separate recognition under IAS 38.

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

Noatum Holdings, S.L.U and Subsidiaries ("Noatum")

During November 2022, the Group (the "Buyer") entered into a sale and purchase agreement with the shareholders of Noatum LLC to acquire 100% of Noatum . The acquisition was effective 30th June 2023.

Noatum is a global integrated logistics services provider with presence across 26 countries. AD Ports Group received the final approval from Spanish Authorities, after it attained regulatory clearance from the European Commission earlier in the year. The total purchase consideration for 100% ownership of Noatum amounts to EUR 541 million.

Recognising Noatum's high growth potential and capacity to scale, AD Ports Group intends to create a market-leading international logistics brand, merging its existing logistics business with Noatum to create a significant presence in the region and enhancing services across the company's global footprint.

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

31 Business combinations (continued)

Noatum Holdings, S.L.U and Subsidiaries ("Noatum")

The amounts recognised in respect of the provisional fair values at the date of acquisition of the identifiable assets acquired and liabilities assumed as set out in the table below are complete and accurate as per our best of knowledge and provisional purchase price allocations available as of the date:

	Fair values recognised on acquisition AED'000 (unaudited)
Assets	
Property, plant and equipment	**414,957**
Investment properties	**15,226**
Right of use asset	**221,985**
Investment associate	**99,368**
Inventory	**5,639**
Deferred tax asset	**34,221**
Concession rights	**396,450**
Financial asset at fair value through profit or loss	**179**
Financial asset at fair value through OCI	**1,221**
Trade and other receivables	**683,491**
Prepayment and advances	**42,072**
Derivative financial asset	**3,102**
Tax receivable	**181,741**
Cash and bank balances	**517,647**
Total assets	**2,617,299**
Liabilities	
Bank borrowings	**326,213**
Trade and other payables	**1,026,117**
Tax Payable	**125,329**
Deferred tax liability	**13,765**
Derivative financial liabilities	**195**
Lease liabilities	**433,641**
Total liabilities	**1,925,260**
Total identifiable net assets at fair value	**692,039**
Add: goodwill	**1,428,599**
Total purchase consideration	**2,120,638**

31 Business combinations (continued)

Noatum Holdings, S.L.U and Subsidiaries ("Noatum")

The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 30 June 2023 therefore the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the difference between the identifiable net assets acquired and the consideration is recognised as goodwill.

The goodwill of AED 1,428 million arising from the acquisition consists of assembled work-force, processes that do not qualify for separate recognition under IAS 38.

TTEK Inc.

During April 2023, the Group (the "Buyer") entered into a sale and purchase agreement with the trustee and other minority interest option holders (the "Sellers") to acquire 100% stake of TTEK Inc. ("TTEK") for a total consideration of USD 17.9 million. The sale terms specified in the agreement were satisfied, rights and cash transferred and obligations attached to the transaction was completed during May 2023.

TTEK is a Barbados based entity, specializing in developing and deploying technology for the optimization of customs and border processing.

The acquisition has been accounted for using the acquisition method of accounting in 2023, and accordingly, the identifiable assets acquired and liabilities assumed, have been recognised at their respective fair values. These condensed consolidated financial statements include the results of TTEK for the 40 day period from the acquisition date.

	Fair values recognised on acquisition AED'000 (unaudited)
Assets	
Property, plant and equipment	**36**
Trade and other receivables	**3,614**
Cash and bank balances	**10,953**
Total assets	**14,603**
Liabilities	
Trade and other payables	**3,661**
Total identifiable net assets at fair value	**10,942**
Add: goodwill	**54,634**
Total purchase consideration	**65,576**

Notes to the condensed consolidated financial statements for the six-month period ended 30 June 2023 (continued)

32 Corporate Income Tax

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

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The Ministry of Finance continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. The Group will continue to monitor the publication of subsequent Decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

33 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 August 2023.