ADNOC Logistics & Services PLC

REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATION
30 September 2023 (UNAUDITED)

ADNOC Logistics & Services PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
As at and for the nine - month period ended 30 September 2023 (Unaudited)

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Review report on interim condensed consolidated financial information to the Board of Directors of ADNOC Logistics & Services PLC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ADNOC Logistics & Services PLC (the 'Company') and its subsidiaries (the 'Group') as at 30 September 2023 and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

For and on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)

Nizar Jichi



……..

10 November 2023

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PricewaterhouseCoopers Limited Partnership is registered in the Abu Dhabi Global Market.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2023 (Unaudited)

	Notes	*(Unaudited) 30 September 2023* *USD'000*	*(Audited) 31 December 2022* *USD'000*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**3,573,094**	3,151,384
Right-of-use assets	7	**142,100**	67,208
Intangible assets	8	**11,012**	14,716
Investment properties	9	**96,300**	99,757
Investment in a joint venture	10	**73,010**	62,641
Goodwill		**15,697**	15,697
Trade and other receivables	12	**44,133**	124,252
Sub-lease receivables	7	**33,779**	15,474
Deferred tax asset	20	**2,807**	-
Total non-current assets		**3,991,932**	3,551,129
Current assets			
Inventories	11	**123,576**	105,570
Trade and other receivables	12	**276,513**	216,963
Due from related parties	15	**497,800**	465,954
Sub-lease receivables	7	**19,332**	3,911
Cash and cash equivalents		**388,026**	164,933
Total current assets		**1,305,247**	957,331
TOTAL ASSETS		**5,297,179**	4,508,460
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**3,995,189**	272,294
General reserve	21	**-**	103,226
Retained earnings		**312,243**	1,067,285
Shareholder contribution	21	**-**	357,485
Total equity		**4,307,432**	1,800,290
Non-current liabilities			
Shareholder loan	15	**100,000**	1,900,000
Lease liabilities	7	**146,180**	69,269
Dismantling liability	7	**1,841**	1,727
Due to related parties	15	**17,909**	35,743
Other payables		**-**	69,490
Employees' end of service benefits		**31,527**	31,464
Total non-current liabilities		**297,457**	2,107,693
Current liabilities			
Trade and other payables	14	**437,520**	462,899
Lease liabilities	7	**39,919**	9,768
Due to related parties	15	**214,851**	127,810
Total current liabilities		**692,290**	600,477
TOTAL LIABILITIES		**989,747**	2,708,170
TOTAL EQUITY AND LIABILITIES		**5,297,179**	4,508,460

Dr. Sultan Al Jaber
Chairman

Abdulkareem Al Masabi
Chief Executive Officer

Nicholas Gleeson
Chief Financial Officer

The attached notes on pages 6 to 28 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine month period ended 30 September 2023 (Unaudited)

	Notes	***Three month period ended 30 September***		***Nine month period ended 30 September***	
		2023 USD'000	*2022 USD'000*	***2023 USD'000***	*2022 USD'000*
Revenues	3	**702,367**	538,755	**1,926,972**	1,294,683
Direct costs		**(515,798)**	(405,173)	**(1,382,151)**	(1,040,323)
Gross profit		**186,569**	133,582	**544,821**	254,360
General and administrative expenses		**(36,054)**	(20,832)	**(99,420)**	(62,690)
Provision for expected credit losses		**(1,441)**	(1,189)	**(3,607)**	(2,441)
Other income		**-**	-	**5,741**	33
Other expenses		**(451)**	(4,179)	**-**	(4,927)
Operating profit		**148,623**	107,382	**447,535**	184,335
Share of profit from joint venture		**3,840**	431	**10,369**	1,709
Finance income	4	**4,329**	908	**6,469**	1,742
Finance costs	5	**(8,564)**	(7,388)	**(10,640)**	(14,435)
Profit before tax		**148,228**	101,333	**453,733**	173,351
Deferred tax credit	20	**-**	-	**2,807**	-
Current tax expense		**(539)**	-	**(1,541)**	-
Profit for the period		**147,689**	101,333	**454,999**	173,351
Other comprehensive income					
Re-measurement gain on employee defined benefit obligation		**2,223**	-	**2,223**	-
Total comprehensive income for the period		**149,912**	101,333	**457,222**	173,351
Basic and diluted earnings per share	18	**0.02**	0.10	**0.06**	0.17

The attached notes on pages 6 to 28 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine month period ended 30 September 2023 (Unaudited)

	Share capital USD'000	*General reserve USD'000*	*Retained earnings USD'000*	*Shareholder contribution USD'000*	*Total USD'000*
Balance as at 1 January 2022	272,294	77,147	822,153	357,485	1,529,079
Total comprehensive income for the period	-	-	173,351	-	173,351
Balance as at 30 September 2022	**272,294**	**77,147**	**995,504**	**357,485**	**1,702,430**
Balance as at 1 January 2023	272,294	103,226	1,067,285	357,485	1,800,290
Shareholder contribution converted to share capital	357,485	-		(357,485)	-
Equitisation of loan from shareholder	-	-	-	1,900,000	1,900,000
Shareholder loan converted to share capital	1,900,000	-	-	(1,900,000)	-
Remaining consideration payable on acquisition of ZMI assumed by the shareholder	-	-	-	149,920	149,920
Total comprehensive income for the period 1 January to 31 March 2023	-	-	144,929	-	144,929
Balance as at 31 March 2023	2,529,779	103,226	1,212,214	149,920	3,995,139
Impact of share capital issued on capital reorganisation	1,465,410	(103,226)	(1,212,264)	(149,920)	-
Total comprehensive income for the period from 1 April to 30 Sep 2023	-	-	312,293	-	312,293
Balance as at 30 September 2023	**3,995,189**	**-**	**312,243**	**-**	**4,307,432**

The attached notes on pages 6 to 28 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2023 (Unaudited)

	Notes	***Nine month period ended 30 September 2023 USD'000***	*Nine month period ended 30 September 2022 USD'000*
OPERATING ACTIVITIES			
Profit before tax		**453,733**	173,351
Adjustments for:			
Depreciation on property, plant and equipment	6	**155,958**	83,651
Depreciation on investment properties		**3,838**	4,462
Depreciation on right-of-use assets	7	**12,859**	6,235
Profit on initial recognition of sub-lease receivables	7	**(4,211)**	(872)
Loss on reversal of sub leases		**-**	892
Provision for dismantling expenses		**114**	86
Provision for slow moving and obsolete inventories		**2,314**	-
Amortisation of intangible assets		**4,046**	3,433
Gain on disposal of property, plant & equipment		**(1,504)**	-
Gain on disposal of right-of-use assets		**-**	(53)
Reversal/charge of provision for expected credit losses		**(655)**	2,000
Provision for expected credit losses on due from related parties		**4,262**	441
Provision for employees' end of service benefits		**4,885**	2,505
Share of profit from joint venture	10	**(10,369)**	(1,709)
Finance income	4	**(6,469)**	(1,742)
Finance costs	5	**10,640**	14,435
		629,441	287,115
Working capital adjustments:			
Inventories		**(20,320)**	(18,816)
Trade and other receivables		**3,251**	(15,637)
Due from related parties	15	**(36,108)**	(145,387)
Trade and other payables		**(3,343)**	51,872
Pension liabilities paid		**(18,952)**	-
Due to related parties	15	**83,814**	(54,126)
Cash flows from operating activities		**637,783**	105,021
Employees' end of service benefits paid		**(3,704)**	(4,433)
Receipt against sub-leases (finance leases)	7	**13,037**	6,078
Interest paid		**(497)**	(7)
Net cash generated from operating activities		**646,619**	106,659
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(504,261)**	(219,770)
Proceeds from disposal of property, plant & equipment		**3,029**	-
Investment in joint venture	10	**-**	(10,200)
Advances to suppliers		**-**	(124,391)
Receipts from joint venture		**-**	22,385
Interest received		**4,933**	798
Net cash used in investing activities		**(496,299)**	(331,178)
FINANCING ACTIVITIES			
Proceeds from shareholder loan		**100,000**	-
Interest paid on shareholder loan		-	(4,689)
Payments of lease liabilities	7	**(27,227)**	(12,938)
Net cash generated from / (used in) financing activities		**72,773**	(17,627)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**223,093**	(242,146)
Cash and cash equivalents at beginning of the period		**164,933**	368,447
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**388,026**	126,301

The attached notes on pages 6 to 28 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

ADNOC Logistics & Services PLC (the "Company") was incorporated on 19 April 2023 as a public company limited by shares, with registration number 000009847, pursuant to the Abu Dhabi Global Market ("ADGM") (Amendment No. 1) Regulations 2020. The Company has been established for the purpose of serving as a holding company for the Abu Dhabi Marine Business and Services Company P.J.S.C. Group.

During the period, the shareholders approved the listing of the Company's shares on the Abu Dhabi Securities Exchange, whereby 19% of its shares were offered in an Initial Public Offering ("IPO"). As of the reporting date, ADNOC held 81% of the issued share capital of the Group, while the remaining 19% is held by the general public.

The Company is controlled by Abu Dhabi National Oil Company ("ADNOC").

During the period, a capital reorganisation took effect, which resulted in ADNOC Logistics & Services PLC becoming the parent entity of the previous Abu Dhabi Marine Business and Services Company P.J.S.C. Group. The consolidated ADNOC Logistics & Services PLC therefore represents a continuation of the business of the Group. Refer to Note 21 for details on the capital reorganisation of the Company.

The Company and its subsidiaries set out in Note 2.2 (collectively referred to as the "Group") are engaged in the business of providing freight and charter services for the transportation of petroleum products and crude oil on ocean going vessels owned or hired from third parties, the operation and maintenance of oil terminals, material handling, manpower and equipment supply, rental of stores, warehouses, office space and provision and the supply of chemicals and other on-shore oil and gas field services.

The registered office of the Company is Level 28, 28, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

This interim condensed consolidated financial information of the Group was authorised for issuance by the Board of Directors and signed on their behalf on 10 November 2023.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

Statement of compliance
The interim condensed consolidated financial information for the nine month period ended 30 September 2023 has been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the IASB.

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Because the Company is incorporated under the ADGM, the financial information is required to be presented in USD.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the previously issued annual consolidated financial statements for Abu Dhabi Marine Business and Services Company P.J.S.C. for the year ended 31 December 2022. In addition, results for nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Basis of preparation
The interim condensed consolidated financial information has been presented in United States Dollars (USD), which is the presentation currency of the Group as well as of the ultimate holding company. All values are rounded to the nearest thousand (USD'000), except where otherwise indicated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial information includes the financial information of the Company and its subsidiaries listed below:

	Country of incorporation	*Percentage holding*	
		30 September 2023	*31 December 2022*
Direct subsidiaries			
Abu Dhabi Marine Business and Services Company P.J.S.C	UAE	**100%**	100%
Abu Dhabi Marine Operations and Services Company LLC	UAE	**100%**	100%
Abu Dhabi Marine Assets Company LLC	UAE	**100%**	100%
Abu Dhabi Marine International Holdings RSC Limited	UAE	**100%**	100%
Zinc Holdco RSC Ltd	UAE	**100%**	100%
Indirect subsidiaries			
Al Gafai Marine Services Company LLC	UAE	**100%**	100%
Sirdal National Marine Services Company LLC	UAE	**100%**	100%
National Gas Carriers Company	Liberia	**100%**	100%
Abu Dhabi National Shipping Company BVI	British Virgin Islands	**100%**	100%
Abu Dhabi Marine International Chartering Holdings RSC Limited	UAE	**100%**	100%
Abu Dhabi Marine International Operations Holdings RSC Limited	UAE	**100%**	100%
Umm Al Lulu Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Janana Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Bazem Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Samha Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Sader Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Reem I Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Ghantout Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Abu Dhabi III Shipping Company Inc	Liberia	**100%**	100%
Bani Yas Shipping Company Inc	Liberia	**100%**	100%
Mezaira'a Shipping Company Inc	Liberia	**100%**	100%
Arrilah I Shipping Company Inc	Liberia	**100%**	100%
Abu Al Abyad Shipping Company Inc	Liberia	**100%**	100%
Al Yasat II Shipping Company Inc	Liberia	**100%**	100%
Liwa V Shipping Company Inc	Liberia	**100%**	100%
Diyyinah I Shipping Company Inc	Liberia	**100%**	100%
Yamilah III Shipping Company Inc	Liberia	**100%**	100%
Butinah Shipping Company Inc	Liberia	**100%**	100%
Ras Ghumays I Shipping Company Inc	Liberia	**100%**	100%
Yas Shipping Company Inc	Liberia	**100%**	100%
Al Karama Shipping Company Inc	Liberia	**100%**	100%
HoldCo 1 Inc	Liberia	**100%**	100%
HoldCo 2 Inc	Liberia	**100%**	100%
Al Khtam Inc	Liberia	**100%**	100%
Al Ruwais Inc	Liberia	**100%**	100%
Tarif Inc	Liberia	**100%**	100%
Al Bateen Inc	Liberia	**100%**	100%
Al Falah Inc	Liberia	**100%**	100%
Al Khaznah Inc	Liberia	**100%**	100%
Shahamah Inc	Liberia	**100%**	100%
Ghasha Inc	Liberia	**100%**	100%
Ish Inc	Liberia	**100%**	100%
Umm Al Ashtan Limited	Liberia	**100%**	100%
Al Hamra Limited	Liberia	**100%**	100%
Mraweh Limited	Liberia	**100%**	100%
Hafeet Inc	Liberia	**100%**	100%
Habshan Inc	Liberia	**100%**	100%
Al Bahya Inc	Liberia	**100%**	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

	Country of incorporation	*Percentage holding*	
		30 September 2023	*31 December 2022*
Indirect subsidiaries (continued)			
Mubaraz Limited	Liberia	**100%**	100%
Al Wathba Inc	Liberia	**100%**	100%
Al Dhafra Inc	Liberia	**100%**	100%
Das Inc	Liberia	**100%**	100%
Zakum Inc	Liberia	**100%**	100%
Hili Inc	Liberia	**100%**	100%
Arzanah Inc	Liberia	**100%**	100%
Al Jimi Inc	Liberia	**100%**	100%
Barakah Inc	Liberia	**100%**	100%
Jarnain Inc	Liberia	**100%**	100%
Newco 1 Inc	Liberia	**100%**	100%
Newco 2 Inc	Liberia	**100%**	100%
Newco 3 Inc	Liberia	**100%**	100%
Newco 4 Inc	Liberia	**100%**	100%
Newco 16 Inc	Liberia	**100%**	100%
Newco 18 Inc	Liberia	**100%**	100%
Newco 19 Inc	Liberia	**100%**	100%
Newco 20 Inc	Liberia	**100%**	100%
Newco 21 Inc	Liberia	**100%**	100%
Newco 22 Inc	Liberia	**100%**	100%
Newco 23 Inc	Liberia	**100%**	100%
Newco 24 Inc	Liberia	**100%**	100%
Newco 25 Inc	Liberia	**100%**	100%
Newco 26 Inc	Liberia	**100%**	100%
Newco 27 Inc	Liberia	**100%**	100%
Newco 28 Inc	Liberia	**100%**	100%
Newco 29 Inc	Liberia	**100%**	100%
Newco 30 Inc	Liberia	**100%**	100%
Newco 31 Inc	Liberia	**100%**	100%
Newco 32 Inc	Liberia	**100%**	100%
Newco 33 Inc	Liberia	**100%**	100%
Newco 34 Inc	Liberia	**100%**	100%
Newco 35 Inc	Liberia	**100%**	100%
ZMI Holdings	Cayman Islands	**100%**	100%
Zakher Marine International Inc	Panama	**100%**	100%
Zakher Marine International Inc. – Abu Dhabi Branch	UAE	**100%**	100%
QMS Holding Limited	British Virgin Islands	**100%**	100%
QMS 2 Offshore Services Ltd	Saint Vincent & Grenadines	**100%**	100%
QMS 2 Offshore Services Ltd. – Abu Dhabi Branch	UAE	**100%**	100%
QMS Petroleum Services Inc	Panama	**100%**	100%
MBBS Inc	Panama	**100%**	100%
Al Shahama Inc	Panama	**100%**	100%
Al Bahia Inc	Panama	**100%**	100%
Al Maryah Inc	Panama	**100%**	100%
QMS China Inc	Panama	**100%**	100%
QMS Achiever Inc	Panama	**100%**	100%
QMS Gladiator Inc	Panama	**100%**	100%
Petrodrill Inc	Panama	**100%**	100%
Subhiya Inc	Panama	**100%**	100%
QMS Gloria Inc	Panama	**100%**	100%
Bani Yas Inc	Panama	**100%**	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

	Country of incorporation	*Percentage holding*	
		30 September 2023	*31 December 2022*
Indirect subsidiaries (continued)			
Nadiya Inc	Panama	**100%**	100%
Zakher Marine Saudi Company Limited	KSA	**100%**	100%
Premier Marine Services W.L.L	Qatar	**100%**	100%
Volo Travel and Tourism (Sole Proprietorship) L.L.C	UAE	**100%**	100%
Lextus Inc	Panama	**100%**	100%
QMS Offshore Industries L.L.C	UAE	**100%**	100%
QMS Neptune Inc	Panama	**100%**	100%
QMS Aquarius Inc	Panama	**100%**	100%
QMS Leo Inc	Panama	**100%**	100%
QMS Amora Inc	Panama	**100%**	100%
QMS Sentinel Inc	Panama	**100%**	100%
QMS Nouf Inc	Panama	**100%**	100%
QMS Amouage Inc	Panama	**100%**	100%
QMS Kinoa Inc	Panama	**100%**	-
QMS Pandan Inc	Panama	**100%**	-
QMS Pili Inc	Panama	**100%**	-
QMS Pesto Inc	Panama	**100%**	-
Pluto One Inc	Panama	**100%**	-
Pluto Two Inc	Panama	**100%**	-
Joint venture			
AW Shipping Limited	UAE	**50%**	50%

2.3 MATERIAL ACCOUNTING POLICIES

2.3.1 New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, and the notes thereto, except for the addition of the accounting policy for capital reorganisations (business combinations under common control) disclosed in Note 21 and the adoption of certain new and revised standards, that became effective in the current period, as set out below:

IFRS 17 Insurance Contracts (effective 1 January 2023). IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model whereby estimates are remeasured in each reporting period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023). The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

Definition of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023). The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events including the current period.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 MATERIAL ACCOUNTING POLICIES (continued)

2.3.1 New and amended standards adopted by the Group (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective 1 January 2023). The amendments to IAS 12 Income Taxes require companies to recognise deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

Other than the above, there are no other material IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2023.

The application of these amendments to IFRSs has not had any material impact on the amounts reported for the current period but may affect the accounting for the Group's future transactions or arrangements.

2.3.2 New and revised IFRS in issue but not yet effective and not early adopted

The Group has not early adopted new and revised IFRS that have been issued but are not yet effective.

Non-current liabilities with covenants – Amendments to IAS 1 (effective 1 January 2024). Amendments made to *IAS 1 Presentation of Financial Statements* in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarified what IAS 1 means when it refers to the 'settlement' of a liability.

The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The amendments must be applied retrospectively in accordance with the normal requirements in *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 MATERIAL ACCOUNTING POLICIES (continued)

2.3.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

Lease liability in sale and leaseback – amendments to IFRS 16 (effective 1 January 2024). The IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in *IFRS 16 Leases* which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (effective date not finalised). The IASB has made limited scope amendments to *IFRS 10 Consolidated financial statements* and *IAS 28 Investments in associates and joint ventures.* The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in *IFRS 3 Business Combinations*).

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group, and intends to adopt these, if applicable, when they become effective.

2.4 MATERIAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of interim condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

Income taxes
As disclosed in note 20, the new UAE corporate income tax is now considered substantively enacted. The Group currently believes that there are no material deferred tax positions at 30 September 2023 other than the deferred tax asset recognised in the interim condensed consolidated Statement of Financial Position.

3 REVENUES

Disaggregation of revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	Segments	***(Unaudited) Nine month period ended 30 September 2023 USD'000***	*(Unaudited) Nine month period ended 30 September 2022 USD'000*
Shipping- freight / voyage charter income	Shipping, Integrated logistics & Marine services	**515,507**	489,386
Base operation services	Integrated logistics	**418,696**	219,505
Petroleum port operations	Integrated logistics & Marine services	**149,374**	132,520
Sales of bunkering fuel & water	Integrated logistics	**166,952**	109,687
Offshore vessels charter income	Integrated logistics & Marine services	**362,434**	76,255
Operating lease income	Shipping, Integrated logistics & Marine services	**158,026**	115,563
Onshore services income	Integrated logistics	**78,574**	66,058
Ship management income	Shipping	**43,302**	53,331
Drilling chemicals	Integrated logistics	**34,107**	32,378
		1,926,972	1,294,683

4 FINANCE INCOME

	(Unaudited) Nine month period ended 30 September 2023 USD'000	*(Unaudited) Nine month period ended 30 September 2022 USD'000*
Interest income on sub-leases (finance leases, note 7)	**1,536**	944
Interest income from ADNOC HQ (AGTS)	**2,524**	-
Interest income from banks	**2,409**	798
	6,469	1,742

5 FINANCE COSTS

	(Unaudited) Nine month period ended 30 September 2023 USD'000	*(Unaudited) Nine month period ended 30 September 2022 USD'000*
Interest cost on shareholder loan	**-**	10,955
Interest expense on lease liabilities (note 7)	**5,522**	3,473
Loan facility charges	**2,398**	-
Interest expense on pension liability	**1,118**	-
Interest expense on IAS 19 (actuarial valuation)	**1,105**	-
Others	**497**	7
	10,640	14,435

6 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Cost:		
At 1 January	**3,685,715**	2,034,751
Additions on business acquisition	**-**	1,365,269
Additions	**579,916**	350,854
Disposals	**(4,879)**	(1,090)
Transfer to investment properties (note 9)	**(381)**	(85,906)
Transfer to intangible assets (note 8)	**(350)**	(6,802)
Transfer from investment properties & intangible assets	**-**	31,155
Adjustments	**-**	(2,088)
Write offs	**-**	(428)
At 30 September / 31 December	**4,260,021**	3,685,715
Accumulated depreciation:		
At 1 January	**534,331**	382,321
Charge for the period / year	**155,958**	132,875
Disposals	**(3,362)**	(940)
Transfers	**-**	(2)
Transfer from investment properties (note 9)	**-**	17,879
Transfer from intangible assets (note 8)	**-**	472
Adjustments	**-**	1,726
At 30 September / 31 December	**686,927**	534,331
Net book value:		
At 30 September / 31 December	**3,573,094**	3,151,384

7 RIGHT-OF-USE ASSETS & LEASE LIABILITIES

A. In respect of head-lease:

USD'000	*Land right -of-use asset*	*Vessels right -of-use asset*	*Total*
As at 1 January 2023 /(Audited)	54,429	12,779	67,208
Additions	-	87,751	87,751
Depreciation expense	(2,234)	(10,625)	(12,859)
As at 30 September 2023 /(Unaudited)	**52,195**	**89,905**	**142,100**
As at 1 January 2022 /(Audited)	29,539	7,043	36,582
Additions	27,786	17,228	45,014
Disposals	-	(5,972)	(5,972)
Depreciation expense	(2,896)	(5,520)	(8,416)
As at 31 December 2022 /(Audited)	54,429	12,779	67,208

USD'000	*Land lease liability*	*Vessels lease liability*	*Total*
As at 1 January 2023 /(Audited)	57,284	12,898	70,182
Additions	-	87,751	87,751
Interest expense	2,832	1,743	4,575
Payments	(4,900)	(11,614)	(16,514)
As at 30 September 2023 /(Unaudited)	**55,216**	**90,778**	**145,994**
As at 1 January 2022 /(Audited)	31,222	7,146	38,368
Additions	27,503	17,228	44,731
Gain on disposals	-	(128)	(128)
Disposals	-	(5,971)	(5,971)
Interest expense	3,833	404	4,237
Payments	(5,274)	(5,781)	(11,055)
As at 31 December 2022 /(Audited)	57,284	12,898	70,182

B. In respect of sub-lease:

USD'000	*Land sub-lease receivables*	*Vessels sub-lease receivables*	*Total*
As at 1 January 2023 /(Audited)	12,623	6,762	19,385
Additions	-	41,016	41,016
Profit on initial recognition of sub-leases	-	4,211	4,211
Interest income	631	905	1,536
Payments received	(1,443)	(11,594)	(13,037)
As at 30 September 2023 /(Unaudited)	**11,811**	**41,300**	**53,111**
As at 1 January 2022 /(Audited)	13,182	13,065	26,247
Additions	-	7,487	7,487
Disposals	-	(6,809)	(6,809)
Loss on reversals	-	(2,380)	(2,380)
Profit on initial recognition of sub-leases	-	872	872
Interest income	884	357	1,241
Payments received	(1,443)	(5,830)	(7,273)
As at 31 December 2022 /(Audited)	12,623	6,762	19,385

7 RIGHT-OF-USE ASSETS & LEASE LIABILITIES (CONTINUED)

B. In respect of sub-lease (continued)

USD'000	*Land sub-lease liability*	*Vessel sub-lease liability*	*Total*
As at 1 January 2023 /(Audited)	2,465	6,390	8,855
Additions	-	41,016	41,016
Interest expense	118	829	947
Payments	(277)	(10,436)	(10,713)
As at 30 September 2023 /(Unaudited)	**2,306**	**37,799**	**40,105**
As at 1 January 2022 /(Audited)	2,575	10,133	12,708
Additions	-	7,487	7,487
Disposals	-	(6,808)	(6,808)
Interest expense	167	281	448
Payments	(277)	(4,703)	(4,980)
As at 31 December 2022 /(Audited)	2,465	6,390	8,855

Sub-lease receivables are analysed in the interim condensed consolidated statement of financial position as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Current portion	**19,332**	3,911
Non-current portion	**33,779**	15,474
	53,111	19,385

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

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Relating to head-lease (in respect of right-of-use assets)	**145,994**	70,182
Relating to sub-lease receivables (in respect of liabilities for sub-leased assets)	**40,105**	8,855
	186,099	79,037
Current portion	**39,919**	9,768
Non-current portion	**146,180**	69,269
	186,099	79,037

7 RIGHT-OF-USE ASSETS & LEASE LIABILITIES (continued)

The movement in provision for dismantling liability on leased land is as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
As at 1 January	**1,727**	1,324
Additions during the period / year	**-**	286
Accretion during the period / year	**114**	117
At 30 September / 31 December	**1,841**	1,727

8 INTANGIBLE ASSETS

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Cost:		
At 1 January	**27,884**	22,390
Transfer from property, plant and equipment (note 6)	**350**	6,802
Transfer to property, plant and equipment	**-**	(1,964)
Disposals	**(13)**	-
Adjustments	**-**	656
At 30 September / 31 December	**28,221**	27,884
Accumulated amortization:		
At 1 January	**13,168**	4,699
Charge for the period / year	**4,046**	10,005
Transfer to property, plant and equipment (note 6)	**-**	(472)
Disposals	**(5)**	(1,064)
At 30 September / 31 December	**17,209**	13,168
Net book value		
At 30 September / 31 December	**11,012**	14,716

Intangible assets comprise the cost of acquired enterprise computer systems, software and licenses. Transfers to property, plant and equipment include closed circuit camera hardware previously classified as intangible assets now reclassified.

9 INVESTMENT PROPERTIES

	(Unaudited) 30 September 2023	*(Audited) 31 December 2022*
	USD'000	*USD'000*
Cost:		
At 1 January	**155,348**	98,633
Transfer to property, plant and equipment	**-**	(29,191)
Transfer from property, plant and equipment (note 6)	**381**	85,906
At 30 September / 31 December	**155,729**	155,348
Accumulated depreciation:		
At 1 January	**55,591**	68,365
Transfer to property, plant and equipment (note 6)	**-**	(17,879)
Charge for the period / year	**3,838**	5,105
At 30 September / 31 December	**59,429**	55,591
Net book value	**96,300**	99,757

10 INVESTMENT IN A JOINT VENTURE

Details of the Group's investment in a joint venture at 30 September 2023 and 31 December 2022 is as follows:

	Percentage holding			
Name of joint venture	*2023*	*2022*	*Country of incorporation*	*Principal activity*
AW Shipping Limited	50%	50%	UAE	Shipping services

The movement in the carrying value of investment in joint venture is summarised below:

	(Unaudited) 30 September 2023	*(Audited) 31 December 2022*
	USD'000	*USD'000*
As at 1 January	**62,641**	73,842
Equity investment	**-**	10,200
Receipts from joint venture	**-**	(22,385)
Dividend received	**-**	(1,042)
Share of profit for the period / year	**10,369**	2,026
At 30 September / 31 December	**73,010**	62,641

10 INVESTMENT IN A JOINT VENTURE (continued)

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Statement of financial position		
Total assets	**414,780**	410,923
Total liabilities	**(268,760)**	(285,640)
Net assets	**146,020**	125,283

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Statement of comprehensive income		
Revenue	**58,445**	18,589
Expenses	**(37,707)**	(14,537)
Total comprehensive income	**20,738**	4,052

11 INVENTORIES

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Bunkers	**55,779**	41,571
Lubes	**5,590**	4,886
Raw materials & finished goods	**9,338**	8,376
Spare parts, fuel and consumables	**64,337**	60,297
Firefighting foam and dispersant stock	**405**	405
	135,449	115,535
Less: provision for slow-moving and obsolete inventories	**(11,873)**	(9,965)
	123,576	105,570

Movement in the provision for slow-moving and obsolete inventories is as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
At 1 January	**9,965**	3,687
Write-off	**(406)**	-
Charge during the period / year	**2,314**	6,278
At 30 September / 31 December	**11,873**	9,965

12 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Trade receivables	**100,328**	125,715
Provision for expected credit losses	**(8,263)**	(8,918)
Trade receivables, net	**92,065**	116,797
Prepaid expenses and other receivables	**158,375**	81,416
Receivable from employees	**16,020**	14,965
Advances to suppliers	**10,053**	3,785
	276,513	216,963

Movement in the provision for expected credit losses is as follows:

At 1 January	**8,918**	2,744
Reversal during the period / year	**(655)**	-
Charge during the period / year	**-**	6,174
At 30 September / 31 December	**8,263**	8,918

Trade and other receivables (non-current) include advances paid to suppliers towards capex acquisitions. Balances were as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Advances to suppliers	**44,133**	124,252

13 SHARE CAPITAL

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Authorised, issued and fully paid		
7,398,498,764 ordinary shares of USD 0.54 each (1,000,000,000 ordinary shares of AED 1 each)	**3,995,189**	272,294

14 TRADE AND OTHER PAYABLES

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Trade accounts payable	**52,654**	62,060
Other payables and accrued expenses	**305,421**	315,777
Capital expenses accruals	**74,424**	79,717
Operating lease rent received in advance	**5,021**	5,345
	437,520	462,899

15 RELATED PARTY BALANCES AND TRANSACTIONS

These represent transactions with related parties i.e. the shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income are as follows:

	(Unaudited) Nine month period ended 30 September 2023 USD'000	*(Unaudited) Nine month period ended 30 September 2022 USD'000*
Goods sold and services provided to entities under common control	**1,377,514**	688,783
Goods and services received from entities under common control	**194,964**	154,785
Interest received on cash pooling balances	**2,524**	-
Interest paid on shareholder loan	**-**	10,955
Loan facility charges payable amortized	**2,398**	-

Terms and conditions of transactions with related parties
Sales to and services from related parties are made at agreed rates with the related parties. Outstanding balances at the period end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group's significant balances are with entities controlled, jointly controlled or significantly influenced by the ADNOC.

Shareholder loan
During the period, the Company entered into an unsecured senior corporate term facility agreement and a revolving credit facility (RCF) with its parent of USD 1,500,000 thousand and USD 350,000 thousand respectively. USD 100,000 thousand was drawn from the unsecured senior corporate term facility as at 30 September 2023.

15 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Due from related parties (entities under common control):		
ADNOC Offshore	**228,302**	290,423
ADNOC (Holding Company)	**160,872**	77,016
Abu Dhabi Polymers Company Limited (Borouge ADP)	**34,287**	27,209
National Gas Shipping Company Holding Limited (NGSCHL)	**16,489**	-
ADNOC (Holding Company) cash pooling balance*	**15,317**	30,462
ADNOC Gas Processing	**13,953**	5,938
ADNOC Onshore	**13,507**	12,926
ADNOC Distribution	**5,294**	3,366
Al Yasat	**5,137**	-
ADNOC Drilling	**3,529**	1,187
ADNOC Global Trading (AGT)	**3,389**	13,152
ADNOC LNG	**1,257**	2,276
ADNOC Refining	**875**	582
Borouge Pte	**54**	54
AW Shipping Limited	**-**	1,256
ADNOC Trading	**-**	307
	502,262	466,154
Less: provision for expected credit losses	**(4,462)**	(200)
	497,800	465,954

***** This balance is held with ADNOC (Holding Company) and earns interest based on rates agreed between the parties.

The movement in provision for expected credit losses on related parties' receivables is as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Balance at 1 January	**200**	494
Charge for the period / (reversal) during the year	**4,262**	(294)
At 30 September / 31 December	**4,462**	200

The provision for expected credit losses on amounts due from related parties is carried at 100% and 33.3% against balances overdue above 730 days and 365 days respectively.

15 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Due to related parties (entities under common control):		
ADNOC (Holding Company) *	**174,270**	120,531
ADNOC Distribution	**53,805**	33,347
ADNOC Global Trading (AGT)	**2,092**	-
ADNOC Refining	**863**	793
ADNOC LNG	**755**	-
ADNOC Offshore	**648**	1,707
AW Shipping Limited	**327**	-
National Gas Shipping Company Holding Limited (NGSCHL)	**-**	7,175
	232,760	163,553

* Included in the amounts payable to ADNOC HQ is an amount of USD 829,220 in respect of interest payable on the USD 100,000 thousand shareholder loan.

These balances are classified and presented in the interim condensed consolidated statement of financial position as below:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Current portion	**214,851**	127,810
Non-current portion	**17,909**	35,743
	232,760	163,553

The Group's significant bank balances with the Abu Dhabi Government and other entities controlled, jointly controlled or significantly influenced by the Abu Dhabi Government are as follows:

	(Unaudited) 30 September 2023 USD'000	*(Audited) 31 December 2022 USD'000*
Bank balances	**200,523**	115,965

16 CONTINGENCIES AND COMMITMENTS

(a) Bank guarantees:

At 30 September 2023, the Group had bank guarantees issued by the bank and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to USD 5,225 thousand (December 31 2022: USD 2,999 thousand).

(b) Capital commitments:

At 30 September 2023, the Group's capital commitments amount to USD 1,266,107 thousand (December 31 2022: USD 1,371,929 thousand).

(c) Purchases commitments:

At 30 September 2023, the Group's purchases commitments amount to USD 37,557 thousand (December 31 2022: USD 86,275 thousand).

(d) Contingencies:

The Group is party to claims filed by third parties. No liability has been booked by the Group in this respect, since management believes that it is more likely than not that claims will be awarded in their favor and the claim amounts are in aggregate immaterial.

17 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments are comprised of financial assets and financial liabilities.

As at 30 September 2023 and 31 December 2022, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial information approximate to their fair values.

18 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period / year.

	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
	Three month period ended 30 September		***Nine month period ended 30 September***	
	2023	*2022*	***2023***	*2022*
	USD'000	*USD'000*	***USD'000***	*USD'000*
Profit attributable to shareholders of the Company	**147,689**	101,333	**454,999**	173,351
Weighted average number of shares ('000)	**7,398,499**	1,000,000	**7,398,499**	1,000,000
	USD	*USD*	***USD***	*USD*
Earnings per share	**0.02**	0.10	**0.06**	0.17

If the earnings per share for the three month period ended 30 September 2022 and nine month period ended 30 September 2022 were calculated based on 7,398,498,764 shares, the earnings per share would have been USD 0.01 and USD 0.02 respectively.

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

19 OPERATING SEGMENTS

Information regarding the Group's operating segments is set out below in accordance with IFRS 8, 'Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker (CODM), in order to allocate resources to the segment and to assess its performance.

The Group's strategic steering committee, consisting of the Chief Executive Officer, the Chief Financial Officer and the Senior Vice President of Strategy, examines the group's performance from both a product and a service perspective but financial decisions are made by the Board. The operating segments are identified based on the nature of different services provided and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

The CODM primarily uses EBITDA to monitor the performance of the business. For management purposes, the Group is organised into six operating segments and five reportable segments. These are referred to as "business units" as follows:

Integrated Logistics:

Integrated logistics comprises two operating segments, offshore and onshore logistics services, which are aggregated into one reportable segment which also includes charter hire of offshore support vessels and barges.

Shipping:

Shipping comprises the following reportable segments: (i) tankers; (ii) gas carriers (including ship management services); and (iii) dry bulk shipping (including containers).

Marine Services:

Marine services reportable segment comprises petroleum port operations and oil spill response services.

Others:

One-off items and COVID-19 related expenses are classified under Others by management to facilitate better understanding of the business and to ensure proper decision making. Finance income, finance costs, provision for expected credit losses, other income and other expenses which are largely non-operational costs are recorded under this segment to facilitate better decision making.

19 OPERATING SEGMENTS (continued)

The following schedules illustrates the Group's activities according to the operating segments for the period ended 30 September 2023 in USD'000s:

2023	Integrated logistics *(Unaudited)*	Tankers *(Unaudited)*	Gas carriers *(Unaudited)*	Dry-bulk shipping *(Unaudited)*	Marine services *(Unaudited)*	Others *(Unaudited)*	Total *(Unaudited)*
Revenues	1,185,411	295,657	120,915	191,379	133,610	-	1,926,972
Direct costs	(854,064)	(199,288)	(75,710)	(148,051)	(105,038)	-	(1,382,151)
Gross profit	**331,347**	**96,369**	**45,205**	**43,328**	**28,572**	**-**	**544,821**
General and administrative expenses	(67,735)	(7,302)	(4,165)	(5,789)	(14,429)	-	(99,420)
Reversal of provision for expected credit losses, net	-	-	-	-	-	(3,607)	(3,607)
Other income	-	-	4,211	-	-	1,530	5,741
Operating profit / (loss)	**263,612**	**89,067**	**45,251**	**37,539**	**14,143**	**(2,077)**	**447,535**
Share of profit from joint venture	-	-	10,369	-	-		10,369
Finance income	775	-	761	-	-	4,933	6,469
Finance costs	(4,830)	-	(692)	-	-	(5,118)	(10,640)
Profit / (loss) before tax for the period *	**259,557**	**89,067**	**55,689**	**37,539**	**14,143**	**(2,262)**	**453,733**
Deferred tax credit *	-	-	-	-	-	2,807	2,807
Income tax expense *	(1,541)	-	-	-	-	-	(1,541)
Profit for the period *	**258,016**	**89,067**	**55,689**	**37,539**	**14,143**	**545**	**454,999**
Depreciation and amortisation in direct costs	104,389	27,867	19,067	7,157	11,817	-	170,297
Depreciation and amortisation in general and administrative expenses	2,731	966	551	765	1,391	-	6,404
Income tax	1,541	-	-	-	-	-	1,541
Deferred tax	-	-	-	-	-	(2,807)	(2,807)
Finance income	(775)	-	(761)	-	-	(4,933)	(6,469)
Finance costs	4,830	-	692	-	-	5,118	10,640
EBITDA	**370,732**	**117,900**	**75,238**	**45,461**	**27,351**	**(2,077)**	**634,605**

19 OPERATING SEGMENTS (continued)

For the period ended 30 September 2022 in USD'000s:

2022	Integrated logistics *(Unaudited)*	Tankers *(Unaudited)*	Gas carriers *(Unaudited)*	Dry-bulk shipping *(Unaudited)*	Marine services *(Unaudited)*	Others *(Unaudited)*	Total *(Unaudited)*
Revenues	569,033	221,787	99,307	282,081	122,475	-	1,294,683
Direct costs	(483,570)	(197,958)	(52,555)	(202,642)	(97,636)	-	(1,034,361)
COVID - 19 costs *	-	-	-	-	-	(5,962)	(5,962)
Gross profit / (loss)	**85,463**	**23,829**	**46,752**	**79,439**	**24,839**	**(5,962)**	**254,360**
General and administrative expenses	(32,743)	(7,647)	(5,201)	(6,219)	(10,880)	-	(62,690)
Reversal of provision for expected credit losses, net *	-	-	-	-	-	(2,441)	(2,441)
Other income	-	-	33	-	-	-	33
Other expense	-	-	-	-	-	(4,927)	(4,927)
Operating profit / (loss)	**52,720**	**16,182**	**41,584**	**73,220**	**13,959**	**(13,330)**	**184,335**
Share of profit from joint venture *	-	-	1,709	-	-		1,709
Finance income	905	-	-	-	39	798	1,742
Finance costs	(3,423)	(7)	-	-	(50)	(10,955)	(14,435)
Profit / (loss) before tax for the period *	**50,202**	**16,175**	**43,293**	**73,220**	**13,948**	**(23,487)**	**173,351**
Income tax *	-	-	-	-	-	-	-
Profit / (loss) for the period *	**50,202**	**16,175**	**43,293**	**73,220**	**13,948**	**(23,487)**	**173,351**
Depreciation and amortisation in direct costs	33,274	19,616	13,916	15,952	10,542	-	93,300
Depreciation and amortisation in general and administrative expenses	2,320	548	388	445	780	-	4,481
Finance income	(905)	-	-	-	(39)	(798)	(1,742)
Finance costs	3,423	7	-	-	50	10,955	14,435
EBITDA	**88,314**	**36,346**	**57,597**	**89,617**	**25,281**	**(13,330)**	**283,825**

The shipping segment's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segments' results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess their performance, where discrete financial information is available.

19 OPERATING SEGMENTS (continued)

The following table represents segment assets for the Group's operating segments as reviewed by the management in USD'000s:

30 September 2023	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Property, plant & equipment *	1,305,648	238,252	161,938	1,717,009	150,247	**3,573,094**
Investment properties *	-	-	-	96,300	-	**96,300**

31 December 2022	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Property, plant & equipment *	1,052,148	125,168	167,505	1,667,172	139,391	**3,151,384**
Investment properties *	-	-	-	99,757	-	**99,757**

* These relate to additional voluntary disclosures not presented to CODM, but which are allocated on a reasonable and consistent basis to provide additional information.

20 TAX ASSESSMENT

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted, and enacted within the meaning of IAS 12. Current Taxes as defined in IAS 12 will be payable for financial years ending after 1 January 2024. The company will be subject to Corporate Income Tax for the first time during the year ending 31 December 2024. Enactment of the legislation requires the Company to record deferred taxes using the enacted rate of 9%. An ongoing assessment of the impact of the law is underway.

As at 30 September 2023, the Company has recognized a deferred tax asset of USD 2,807 thousands arising as a result of the timing differences.

21 CAPITAL REORGANISATION

21.1 Business combination under common control

Accounting policy
A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to the transfer of interests in entities, which are under the common control of the Shareholders, are accounted for using the predecessor value method without restatement of comparative information. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid and capital of the acquiree is recognised directly in equity.

Transactions involving newly established entities that do not qualify as business combinations are accounted for as capital reorganisations. In its consolidated financial statements, the acquirer incorporates the assets and liabilities of the existing entity at their pre-combination carrying amounts without fair value uplift. The pre-combination book values reflect the carrying values in the books of the existing entity. The acquirer's consolidated financial statements include the acquired entity's full-year results (including comparatives), even though the business combination might have occurred part of the way through the year, or they incorporate the results from the date when the entity joined the group, where such a date is later.

21 CAPITAL REORGANISATION (continued)

21.1 Business combination under common control (continued)

Transaction under common control
The transfer of the interest in Abu Dhabi Marine Business and Services Company P.J.S.C. (refer Note 1) is assessed to be a common control transaction as the Abu Dhabi Marine Business and Services Company P.J.S.C. continued to be controlled by the Shareholder being, by Abu Dhabi National Oil Company ("ADNOC") both before and after the reorganisation. Therefore, the reorganisation was considered to be outside the scope of IFRS 3 Business Combinations.

Although, ADNOC Logistics & Services PLC (the Company) was incorporated on the 19th of April 2023, the reorganisation became effective on the 25th of April 2023 as this is the date when the shares were transferred that effectively made the Company the parent company of Abu Dhabi Marine Business and Services Company P.J.S.C. and the wider L&S group.

The Group has applied the capital reorganisation method of accounting in line with its accounting policies. Accordingly, for the purpose of this unaudited interim condensed consolidated financial statements:

- The assets and liabilities of the Group were reflected at their carrying amounts. No adjustments were made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be recognised under the acquisition method.
- No goodwill was recognised as a result of the combination. Any difference between the consideration transferred and the acquired net assets is reflected within equity.
- The unaudited interim condensed consolidated statement of comprehensive income reflects the results of the combined entities as though they always existed.

22 SUBSEQUENT EVENTS

On 9 October 2023, the Board of Directors approved the distribution of an interim cash dividend of USD 65 million for Q2 2023, equivalent to 3.2 fils per share. The interim dividend was paid on 2 November 2023.