

2021

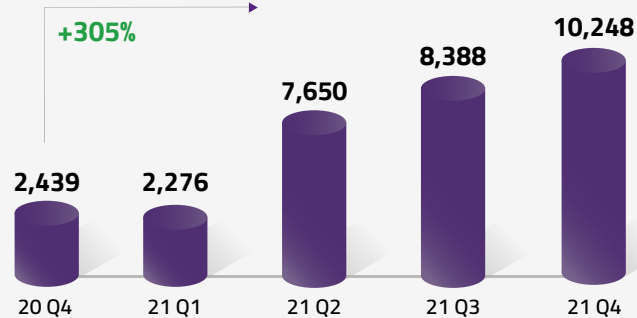
ANNUAL REPORT



Business and Financial Statement Highlights 2021

Revenue

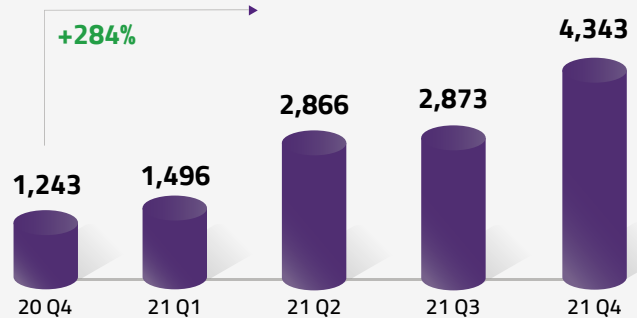
FY 2020: AED 7,047 Mn



Revenue
AED 28,562 Mn
Revenue Growth
305%

Profit

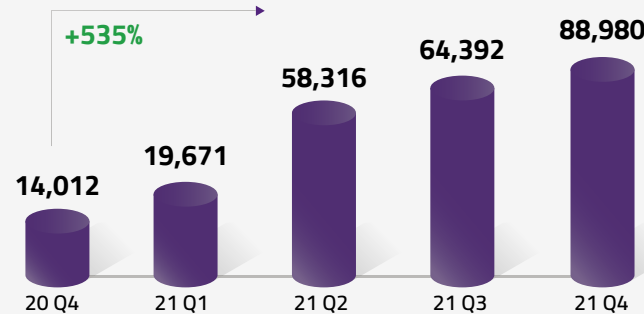
FY 2020: AED 3,015 Mn



EBITDA
AED 12,631 Mn
Net Profit
AED 11,577 Mn

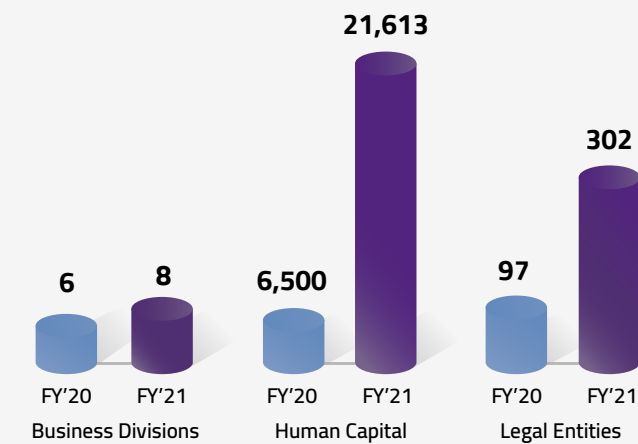
Assets

FY 2020: AED 14,012 Mn Mn

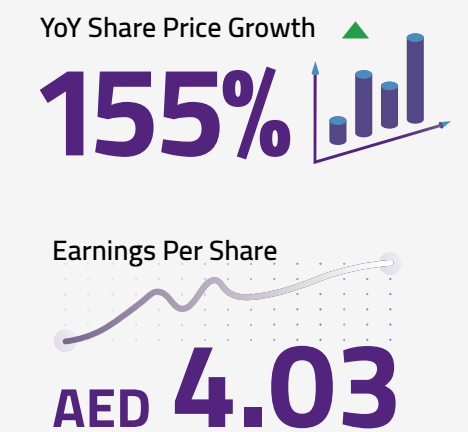


Total Assets
AED 88,980 Mn

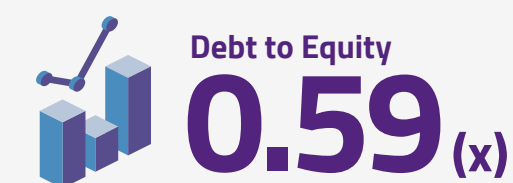
IHC Business Growth 2021



Share Performance 2021



Significant Ratios



Business Verticals and Operations



- Real Estate
- Industries
- Health
- Digital
- Food
- Education
- Utilities
- Capital





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 عام الخمسين
 YEAR OF THE FIFTIETH
 ٢٠٢١ UAE

FINANCIAL GAIN IS NOT A TARGET ON ITS OWN, IT IS ONLY A MEANS TO AN END, WHICH IS ULTIMATELY FOR THE SERVICE AND WELLBEING OF OUR PEOPLE. "

HH Sheikh Zayed bin Sultan Al Nahyan

Founder of the UAE

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1.0

Leadership

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1.1 Chairman's Message



**Tahnoon bin Zayed
Al Nahyan**

“IHC’s strategy is to keep creating sustainable profits and reinvesting them to fund the group’s exponential growth, and compounding returns for shareholders as a result”

In 2021, IHC recorded revenue growth of 305%, AED 11.57 billion in net profit and a 27% return on equity. Alongside the robustness of our business model, the diversification of our portfolio and the resilience of IHC’s team, the three-fold surge is a result of bold, pragmatic decision-making ; and a future-focused strategy targeting critical acquisitions that can withstand varying external market conditions.

As we enter another year of extraordinary circumstances, we are confident that IHC’s relentless momentum has it well-positioned to continue on its pattern of scalable, long-term performance.

In 2022, our strategy is to keep creating sustainable profits both organically and inorganically, reinvesting them to fund the group’s exponential growth, and compounding returns for our shareholders as a result. We aim to keep growing our ecosystem with the right corporate entities around the world that share our core values, ethics and ambitions.

Tahnoon bin Zayed Al Nahyan
Chairman

1.2 Board of Directors



Dr. Mhd Somar Ajalyaqin
Vice Chairman

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

Dr. Mhd Somar Ajalyaqin was appointed Vice Chairman of IHC in April 2020, bringing to the company almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.

Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on merger and acquisition strategies and the tactical growth of companies, integral to the successful overall performance of IHC.

He holds a degree in DAA from Syria, and during his tenure at IHC, he has been instrumental at board level in all matters relating to business acquisitions and dynamic investment opportunities.



Syed Basar Shueb
Board Member, CEO
& Managing Director

Chairman - Insider Trading Committee

Syed Basar Shueb has been CEO, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group CEO of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, and Keyhole TIG (K-TIG) Limited, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.

In addition to becoming Vice Chairman of Alpha Dhabi Holding (ADH), Syed Basar was elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry.

An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Middle East's top-tier of CEOs by Forbes in 2021; Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC being in the top 10 performers of Abu Dhabi Bourse listed companies.



Sofia Abdellatif Lasky
Board Member

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

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 16-year tenure at Royal Group.

She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a Bachelor's Degree in Management Information Technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH). Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.



Mohammed Nasser Al Shamsi
Board Member

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

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

Mohammed holds a Bachelor's Degree in Business Management from the United Arab Emirates University, and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts before moving to the Supreme Council for National Security in 2013, where he played an active role in international relations.

Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.

1.3 Board of Directors' Report

1.3.1 Executive Summary and Group Overview







Abu Dhabi headquartered International Holding Company (ADX: IHC), one of the GCC's most valuable holding companies, registered solid growth in 2021. The Company, along with its subsidiaries, collectively referred to as the Group, continued its robust growth strategy in 2021 through strategic acquisitions that are aligned with its long-term strategy to become the iconic diversified asset holding company in the region.



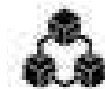
Powered by an ambitious growth strategy, which includes identifying and acquiring potential-growth businesses, IHC's leadership and teams have delivered yet another stellar end of year result in 2021, where Group Revenue rose to AED28.56 billion and Profit reached AED11.58 billion – a significant rise of 305% and 284% respectively, when compared to 2020.

IHC PJSC is a principal investment holding company with

presence in the Middle East, Europe, and the United States. With its extremely thorough due diligence, IHC continues to work toward boosting innovation, sustainability, community development and economic growth throughout the markets in which it operates via tactical acquisitions of future-ready businesses.

In-sync with Abu Dhabi's Economic Vision 2030, IHC is also aligned with the UAE's 50-year development plans by participating and contributing to a multitude of industries around their future readiness, creativity, resilience and digital transformation. By the end of 2021, IHC had 302 subsidiaries, 14 associates and 9 joint ventures in diversified businesses, including food processing and distribution, real estate, investments, new technologies, healthcare, education, leisure, entertainment, industry services, and motorcycle rentals, among others. Following is the overview of IHC's listed portfolio:

SN	Group Name	Business Description	Logo
1	Alpha Dhabi Holding PJSC	Alpha Dhabi Holding is an industry leader with a portfolio of diverse and fast-growing businesses in construction, healthcare, hospitality, industries and investments.	
2	Al Seer Marine Supplies & Equipment PrJSC	Al Seer Marine is the leading marine company in the Arabian Gulf maritime region, with a portfolio of services that caters to all needs of boat owners, managers, as well international cargo.	
3	Easy Lease Motorcycle Rental PrJSC	Easy Lease provides turnkey, ready-to-go leasing solutions for motorcycle fleet, catering to the needs of restaurants, delivery companies and ecommerce enterprises involved in 'last mile' delivery and technology.	
4	ESG Emirates Stallions Group PrJSC	Emirates Stallions Group has a diversified portfolio across investment, construction and real estate sectors spanning six industries, and across more than 20 countries.	
5	Ghitha Holding PrJSC	Ghitha Holding, rebranded from Zee Stores, is one of the top firms specializing in trading food and non-food products, including importing, re-packaging of frozen, processed and fresh food products, household items, cosmetics, among other things.	
6	Multiply Group PJSC	A tech-focused holding company with a wide international presence across five industries that include media and communications, utilities, ventures, wellness and beauty, and digital economy.	

7	Palms Sports PrJSC	UAE-based Palms Sports PJSC promotes niche sporting activities with a specific focus on Jiu-Jitsu and martial arts amongst UAE nationals, and throughout primary and secondary education and the army and police.	
8	Q Holding PrJSC	Q Holding is among the leading general investment companies engaged in real estate development, real estate project management, along with property and asset management.	
9	Companies in Private Domain/ Funds	IHC has investments in various private domain companies such as International Securities, Tamouh Healthcare, Afkar, and others, in addition to investments in funds like SpaceX, ONT, Sinnovation and more.	

1.3.2 Financial Performance for 2021

IHC has consistently achieved sustainable, yet exponential growth since the company transformed into an investment holding company. IHC's strategic local and international acquisitions have continued to strengthen the conglomerate's financials ensuring minimal impact and prospering during the global volatility of the pandemic. The company posted record historic high annual Revenue in 2021, driven by business acquisitions and mergers, implementing innovative growth planning in existing verticals and new strategic local and international investments.

During the 12-month period ended on December 31, 2021,

IHC reported Revenues of AED28.56 billion and a Profit of AED11.57 billion, as against Revenue of AED7.04 billion and Profit of AED3.01 billion in 2020. Year-on-year Revenue and Profit increased by 305% and 284%, respectively.

IHC's increase in FY21 financial performance is driven by a significant increase in consumer goods demand, economic recovery post-Covid, new income sources from healthcare, and excellent performance by all other operational assets. IHC's acquisition and consolidation-based strategy has built a robust growth platform which focuses on enhancing operational capabilities creating substantial value for the shareholders.

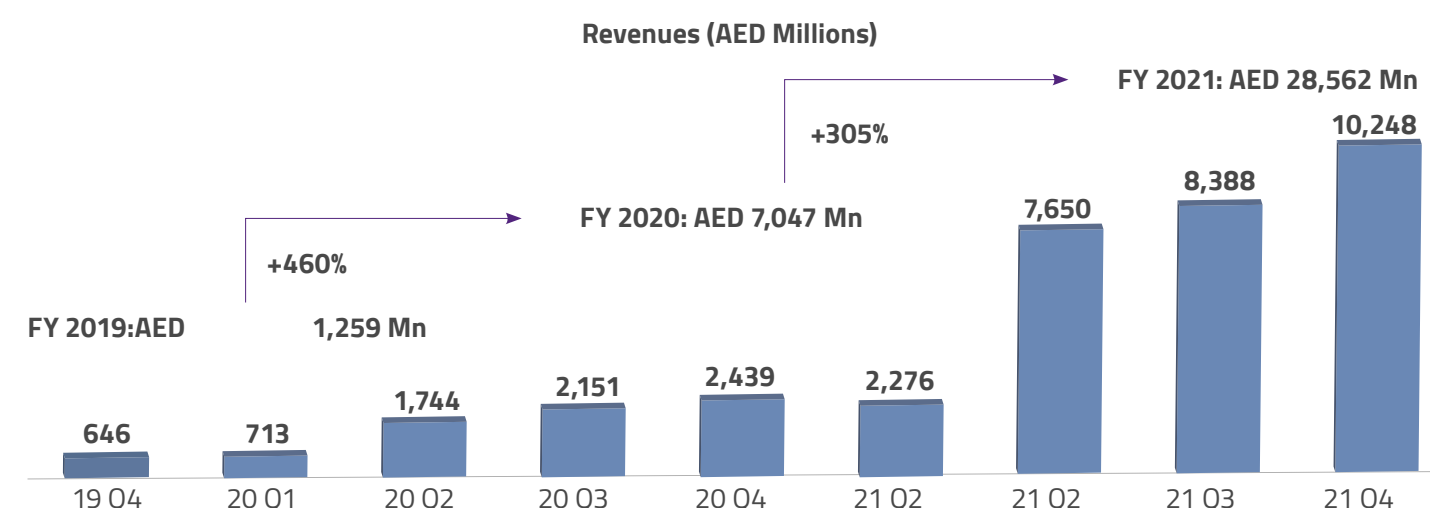
Abridged Income Statement

AED (in Millions)	FY 21	FY 20	Absolute Growth	% Growth
Revenue	28,562	7,047	21,516	305%
COGS	(18,395)	(4,615)	13,780	299%
Gross Profit	10,167	2,431	7,736	318%
SG&A	(2,373)	(524)	1,849	353%
Operational Profit	7,794	1,907	5,887	309%
EBITDA	12,631	3,304	9,326	282%
Net Profit	11,577	3,015	8,563	284%
GP Margin	36%	35%	1%	
Operational Profit	27%	27%	0%	
EBITDA Margin	44%	47%	-3%	
Net Profit	41%	43%	-2%	
Earnings Per Share	4.03	1.58	2.45	

1.3.2 Financial Performance for 2021 (Continues)

a. Revenue Growth

IHC's Revenue grew by ~305% in FY21 as against FY20. The corresponding growth for the FY20 was ~460% as against FY19. Top Revenue contributors include Alpha Dhabi, which contributed around 63% of the total Revenue for the financial year 2021, followed by other listed groups and companies in the private domain.



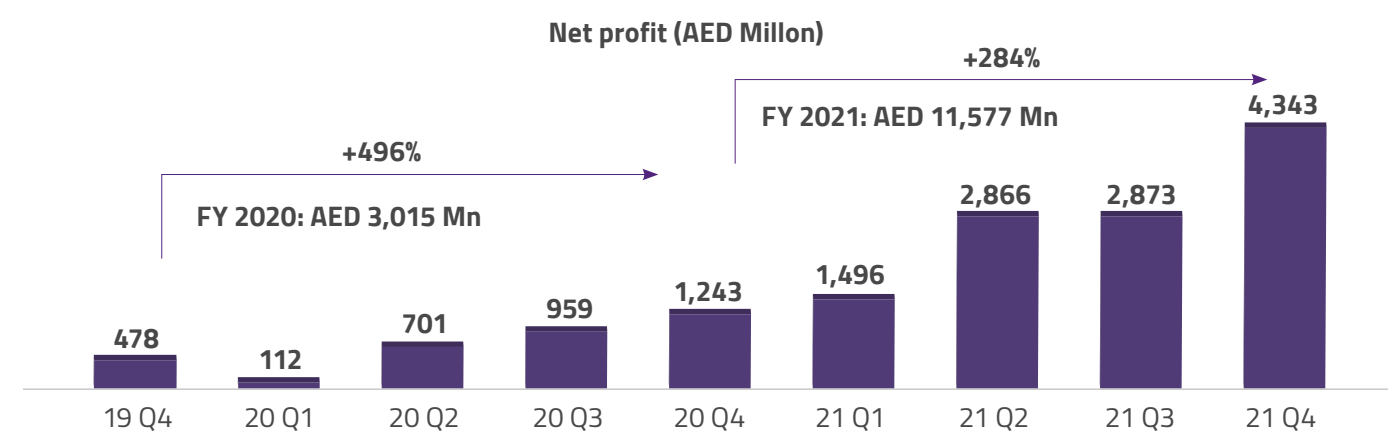
The company completed various acquisitions throughout the year in several sectors. Many of these acquisitions were added late in the year, hence consolidated for the partial year, which is set to further enhance the growth figures to the upcoming year's revenue.

b. Total Cost

Cost of Goods Sold (COGS) as a percent of revenue was 64% in FY21 as compared to 65% in FY20. The improvement in margin was mainly due to acquisitions, consolidation, and improved operational efficiency. In FY21, Sales and General Administration (SG&A) expenses were increased to AED2.3 billion, as compared to AED0.5 billion in FY20. However, SG&A expenses, as a percentage of Revenue, has increased slightly to ~8% of Revenue in FY21 as against ~7% in FY20. The increase in G&A expenses year-on-year is attributed to an increase in staff costs and other operational costs due to increased size of the operations and acquisitions.

c. Profitability

The group reported an increase in net profit by 284% in FY2021. The Net Profit of the Group's listed subsidiaries in FY21 is AED11.5 billion as compared AED3.0 billion in FY20. The Operational Profit for FY21 is AED7.79 billion. During FY21, IHC recorded investment and other income of AED3.27 billion which includes dividend and finance incomes, subsidies, changes in fair value of investment through profit and loss, and other income.

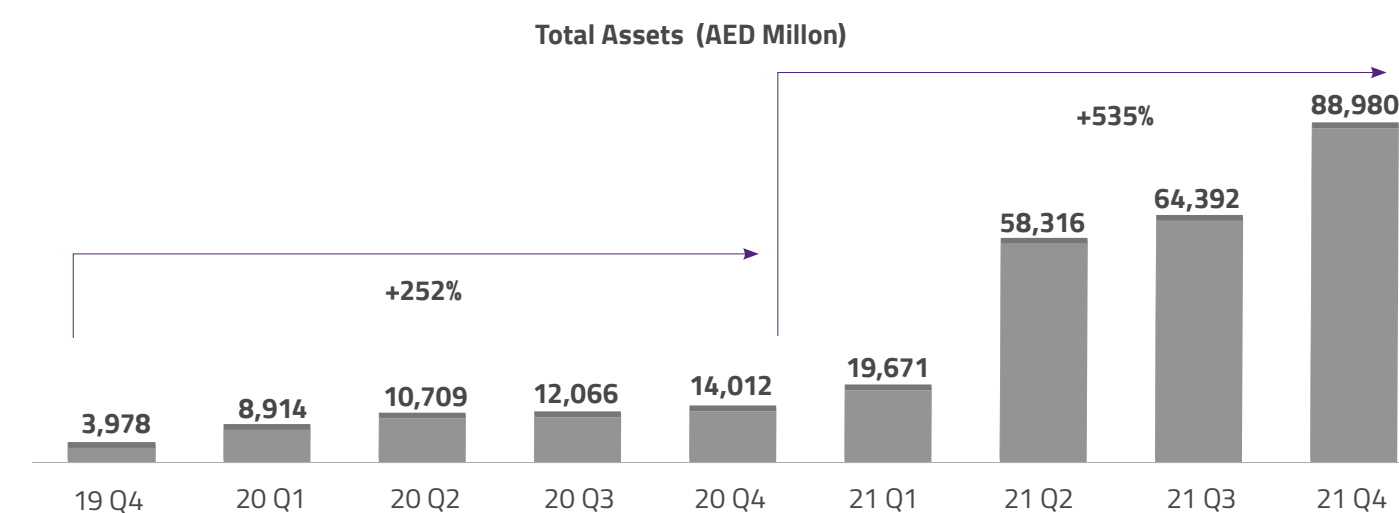


Abridged Statement of Financial Position

AED (in Millions)	FY 21	FY 20	Absolute Growth	% Growth
Non-current Assets	34,848	4,615	30,233	655%
Current Assets	54,132	9,397	44,735	476%
Total Assets	88,980	14,012	74,968	535%
Equity	56,032	7,822	48,210	616%
Non-current Liabilities	8,683	1,276	7,407	580%
Current Liabilities	24,265	4,914	19,351	394%
Total Equity & Liabilities	88,980	14,012	74,968	535%
Total Borrowings	8,457	926	7,530	813%
Cash & Bank Balances	20,247	3,665	16,581	452%
<i>Current Ratio</i>	<i>2.23(x)</i>	<i>1.91(x)</i>	<i>0.32(x)</i>	
<i>Quick Ratio</i>	<i>2.19(x)</i>	<i>1.83(x)</i>	<i>0.36(x)</i>	
<i>Debt/Equity Ratio</i>	<i>0.59(x)</i>	<i>0.79(x)</i>	<i>-0.20(x)</i>	
<i>ROCE %</i>	<i>18%</i>	<i>34%</i>	<i>-16%</i>	
<i>ROE %</i>	<i>27%</i>	<i>38%</i>	<i>-11%</i>	
<i>Borrowings/EBITDA Ratio</i>	<i>0.67(x)</i>	<i>0.28(x)</i>	<i>0.39(x)</i>	

a. Total Assets

Total Assets increased by 535% to reach AED88.9 billion in FY21 as against AED14.0 billion in FY20. Total Assets from FY19 to FY21 increased at a CAGR of 373%. The Non-Current Assets have grown by 655% mainly contributed by Alpha Dhabi, which contributed about 62% of the total Non-Current Assets. The Current Assets have grown by 476% in FY21, as against FY20. The key contributors of the Total Current Assets are mainly; Alpha Dhabi, Al Seer Marine and Multiply Group. Total cash and bank balances was AED20.24 billion for the year end as against AED3.66 billion in the previous year.



b. Total Liabilities

Total Liabilities increased by 432% in FY21 from FY20 reaching AED 32.94 billion. Total borrowings have increased by 813% in FY21 reaching AED8.45 billion - out of this, short-term loans stood at AED1.66 billion and long-term loans were AED6.8 billion as of December 31, 2021. The main factors behind the increase in the Liabilities were due to the acquisition of; Alpha Dhabi, which has a total borrowing of AED5.58 billion, and Q Holding which has a total borrowing of AED2.32 billion. However, the increased borrowing is backed by exponential growth in assets and IHC's financial ratios which were well above the optimum industry benchmarks.

c. Total Equity

Total Equity of the Group in FY21 is AED56.03 billion. During the year, share capital of the Group remained unchanged at AED1.82 billion. Merger reserve increased AED14.54 billion due to acquisition and consolidation of entities/assets under common control during the year. Retained earnings has increased to AED7.32 billion in FY21 as against AED3.14 billion in FY20. Non-controlling interest has increased in FY21. Major factors behind the increase were relinquished shareholding at the time of listing, dilution due to entry of strategic investors, while maintaining effective control on the subsidiaries.

1.3.3 Highlights of the Group

a. Acquisitions / Investments

During the year, the Group completed the following acquisitions or investments through different subsidiaries:



IHC Industrial Holding LLC acquired 60% stake in Afkar Financial and Property Investments LLC which is engaged in commercial enterprise investments, and management, and owns 2XL Home - a UAE based Emirati furniture brand that sells home furniture.



IHC Food Holding LLC acquired 41% stake in NRTC Holding. NRTC is one of the leading importers and exporters of fresh fruits and vegetables in the Middle East. NRTC's product portfolio includes fruits, vegetables, juices and pre-cut food items.



Apex Holding LLC is a subsidiary of IHC Capital Holding LLC, which has acquired the following companies during the year:

- Apex National Investment (100%)
- The Central Tents Company LLC (100%)
- Boudoir Interiors LLC (100%)
- RR Facility Management LLC (100%)
- Support Services & Catering LLC (100%)



b. Strategic Transactions

In order to generate more value for the shareholders and create synergic advantages, International Holding Company has completed the following strategic transactions:



Tamouh Investment LLC, together with IHC Real Estate Holding LLC entered in a strategic investment transaction with Al Qudra Holding PJSC in Q4 2021.

- The transaction took place by way of an in-kind contribution of the entire issued share capital in Tamouh Investment (and its wholly-owned subsidiaries) and in exchange received newly issued shares of Al Qudra in lieu of the strategic investment. Through a share swap, IHC Real Estate Holding LLC swapped all their shares in Tamouh Investment for 40.7% shareholding in Al Qudra.

- Al Qudra being a contractor brings significant value to the Group's objectives of integrating the real estate market in the UAE. Al Qudra and Tamouh contributed total assets of AED12.6 billion to the Group, which is ~14% of the total assets of the group in FY21.
- Al Qudra was renamed as Q Holding in the beginning of 2022.

IHC Real Estate Holding LLC along with Eltizam Asset Management Estate LLC invited ADQ Real Estate Holding LLC to partner with and hold 50% shareholding in Eltizam Assets Management LLC by way of a capital infusion of AED110 million in the company for its future expansion plans. Eltizam is accounted for as an investment in associate.

c. Listing/Divestments

IHC has listed a total of four subsidiaries on the Abu Dhabi Securities Exchange (ADX) in 2021:



Alpha Dhabi Holding PJSC (formerly Trojan Holding LLC) - IHC partnered with Infinity Wave Holding and invited them, as a strategic investor in Alpha Dhabi Holding, through a capital increase exercise just before the IPO. The company's share capital was increased to AED10 billion. In June 2021, the company was listed on the Primary Market of ADX, and since the ADH has become the third most valuable company in the UAE, in terms of market capitalization as of December 31, 2021, with AED 273.0 billion.



Multiply Group PJSC (formerly Multiply Marketing Consultancy LLC)- IHC partnered with Infinity Wave Holding and invited them to be a strategic investor in Multiply Group, through a capital increase exercise just before the IPO. Acquired by IHC in 2020, Multiply Group expanded its business horizon to integrate a more tech-focused approach. IHC decided to transform the company into an investment holding company in Q3 2021, before the company's listing in Q4 2021. The company raised more than AED 3.108 billion during its IPO. Multiply Group was listed on the Primary Market of the ADX and its market capitalization was AED20.6 billion on December 31, 2021.

ESG EMIRATES STALLIONS GROUP

Emirates Stallions Group PJSC was acquired by IHC in 2020. ESG flourished under the company's leadership and in Q2 2021, IHC decided to list the company on the Second Market of ADX. IHC diluted 15% of its shareholding as part of the private IPO. ESG's market capitalization was AED2.0 billion as of December 31, 2021.

d. New Ventures

During the FY 2021, IHC initiated some very attractive new ventures:



Foaj Fire Fighting Services LLC is a specialized firefighting company engaged in managing and operating firefighting stations and offering turnkey solutions in the provision of emergency response and firefighting services in the UAE and Middle East. This new company was formed in Q1 2021, to venture into the firefighting industry in the UAE. IHC has 75% equity stake in the company.



Emirates International Gas (EIG) was established as a unique gas service provider company in the Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG) sectors. Equipped with the latest technology to provide the best service, EIG's team includes the best engineers and technicians in the industry. IHC Utilities acquired 50% stake in the company in Q2 2021.



Al Seer Marine Supplies & Equipment Company PJSC IHC partnered with Infinity Wave Holding and welcomed them as a strategic investor in Al Seer Marine through capital increase exercise just before the IPO. Acquired by IHC in 2020, listed on the Second Market of ADX in Q3 2021, Al Seer Marine's market capitalization was AED13.9 billion as of December 31, 2021.

Shory.

Shory Technology LLC A technology-based company, formed by IHC and a partner to introduce innovative technologies to the UAE market. IHC has 70% equity stake in the company.



Rebound Exchange is a game-changing solution to the world's complex plastic problem, conceived by a global team of experts through rigorous research, analysis, market feedback and more than five months of dedicated focus on business opportunity and challenges. The company aims to make a global impact on one of the biggest environmental challenges - plastic pollution. Rebound Exchange tackles this by enabling large volumes of plastic feedstock to be traded with verified protocols which customers, traders, and national Governments will trust and accept. Formed as an ADGM (Abu Dhabi Global Market) company in Q4 2021, IHC acquired 80% stake in the new venture. The company and its concept were introduced by IHC globally and is set to begin trade in Q3 2022.

1.3.4 Major Subsidiaries' Overview










a. Alpha Dhabi Holding PJSC

Alpha Dhabi is engaged in a portfolio of diverse and fast-growing businesses like construction, healthcare, hospitality, industries, and investments. With a vision to become a conglomerate elevating business, it has the potential to continue to reach new heights of success. Driven by technology and augmented by synergy Alpha Dhabi expanded its operations through strategic investments, which contributed AED41.9 billion to the asset growth of the company. Since the listing in June 2021, the company has emerged as a market leader in the UAE. The group reported a Net Profit of AED5.1 billion in FY21 with a massive growth of 2273% year-on-year. Key strategic transactions for the year are as mentioned below:

(i) Acquisitions / Investments

During the year, Alpha Dhabi has completed following acquisitions:

 <p>Murban Energy Limited (100%) has investments in hospitality, facility management, and oil and gas services.</p>	 <p>Mawarid Holding Limited (70%) is engaged in management services of companies and private institutions, along with forest management.</p>	 <p>Pure Health Medical Supplies LLC (63%) is engaged in hospital and laboratory management services, residency visa testing services and distribution of medical equipment.</p>	 <p>Sublime Commercial Investment SPV (100%) holds strategic investment in Aldar Properties PJSC</p>
 <p>Sandstorm Motor Vehicles Manufacturing LLC (65%) is engaged in manufacturing of motor vehicles.</p>	 <p>Emirates Gateway Securities Services LLC (95%) is engaged in providing security services in the United Arab Emirates</p>	 <p>Acquired additional stake ~ 17% of Aldar Properties PJSC</p>	<p>Acquired Hotel in Chechen Republic</p>

(ii) Strategic Transactions



Alpha Dhabi acquired 68.48% shares in **National Marine Dredging Company PJSC (NMDC)** which is engaged in the execution of engineering projects, procurement, and construction and dredging contracts, which later merged with **National Petroleum Construction Company PJSC (NPCC)** to create a unique and successful group.

(iii) Listing / Divestments



Alpha Dhabi acquired 40% stake in Response Plus Medical PrJSC (RPM) which is engaged in medical facilities, ambulatory services and home care services. RPM was renamed to Response Plus Holding and was listed on the Second Market of ADX on September 14, 2021. The market capitalization of the company on December 31, 2021, was AED19.3 billion and Alpha Dhabi's effective shareholding in the company was 36%.

b. Al Seer Marine Supplies & Equipment Company PrJSC



Al Seer Marine is the leading marine company in the Arabian Gulf maritime region, with a portfolio of services that caters to all needs of boat owners, managers, as well as international cargo. Be it superyachts or unmanned vessels, Al Seer has the expertise and creative capabilities to bring a vision to reality. The company has a reputation for successfully fulfilling the most demanding requirements, making the firm one of the leading entities

in the world in futuristic boat manufacturing. As a part of its business strategy, the group established three wholly owned subsidiaries in 2021.

The group recorded revenue of AED620.8 million in FY21 as against AED507.1 million in previous year. The Net Profit of the company increased from AED33.9 million in FY20 to AED2.5 billion in FY21.

c. Easy Lease Motorcycle Rental PrJSC



Easy Lease provides turnkey, ready-to-go leasing solutions for the delivery industry's motorcycle needs. Their fleet of well-maintained brand new motorcycles, backed with full support services, has clients up and running with a world-class stable of riders within minutes. The company provides start-to-end comprehensive solutions for motorcycle leasing, and also includes

servicing, maintenance, Salik tags, insurance, recovery services, among others.

The company recorded Revenue of AED148.3 million in FY21 against AED87.7 million in previous year. The Net Profit of the company increased from AED25.1 million in FY20 to AED38.4 million in FY21.

Key transactions for the year are as below:

(i) Acquisitions and Investments



885 Delivery Services LLC (70%) is engaged in last mile delivery services through motor bikes.



Yellow Technologies LLC (80%) is UAE based company providing last mile delivery 'software as a service' (SAAS) to clients.

d. ESG Emirates Stallions Group PrJSC



Emirates Stallions Group of companies operates across core investments, construction, and real estate sectors. The company has a diversified portfolio that creates a complete ecosystem and provides turn-key solutions among its divisions of: development, consultancy, design, project management, construction, landscaping, hospitality management, and associated services. The group comprises 5 subsidiary companies spanning 6

industries, delivering products and services across more than 20 countries in the Middle East, Africa, Asia, Europe, and the Americas.

During the year, the group reported a Revenue of AED 352.6 Mn against AED 130 Mn in previous year and a Net Profit of AED 66 Mn in FY 21 vis-à-vis AED 20 Mn in FY 20.

Key strategic transactions for the year are as mentioned below:

(i) Acquisitions / Investments



- **Royal Architect Project Management LLC (100%)** is engaged in architectural engineering consultancy, construction projects and management consultancy.
- **Royal Development LLC (100%)** is a UAE-based company providing real estate development and construction services.
- **WFC Holding SP LLC (70%)** is engaged in providing manpower solutions, staffing and payroll services within the UAE.

e. Ghitha Holding PJSC



Ghitha Holding (formerly Zee Stores) is a renowned production, trading and distribution firm listed on ADX. The company has recently been transformed into an investment holding company which consolidates food, agriculture and poultry related businesses across the UAE and abroad, including investments in companies like NRTC, Alliance Food, Al Ajban Poultry, among others.

The company has reported revenue of AED545.6 million in FY21 with 89% year of year Revenue growth and Net Profit of AED59.7 million posting a growth of 386% in FY21. Key strategic transactions during the year are as mentioned below:

(i) Acquisitions / Investments



- **Royal Horizon Holding LLC (60%)** is a company engaged in trading and wholesale of rice and other food grains.
- **Tamween Group LLC (100%)** is a holding company having subsidiaries dealing in trading, processing, and distributing the sea food, poultry, and agricultural activities.

MULTIPLY GROUP

f. Multiply Group PJSC

Multiply Group LLC (formerly Multiply Marketing Consultancy LLC) was transformed into an investment holding company which has consolidated diversified businesses across the UAE and international markets, including investments in companies such as PAL Cooling Holding, Emirates Driving Company, Omorfia Group, the US-based Firefly, Viola Communications, and many more.

During the year, the group acquired three entities under common control which contributed significant portion of the company's revenue in FY21. Out of the total of Multiply group's revenue of AED371.9 million in FY21, the Emirates Driving Company contributed AED136 million. The group reported a Net Profit of AED225.2 million in FY21 as against AED3.8 million in FY20.

Key strategic transactions for the year are as mentioned below:

(i) Acquisitions / Investments

During the year, Multiply has completed following acquisitions:

	PAL Cooling Holding LLC (100%) is involved in installation of district cooling and air conditioning, repair of district cooling and investment in infrastructure projects.
	Emirates Driving Company PJSC (48.01%) is involved in the management and development of motor vehicles, driver training and managing investment properties.
	Bedashing Holding Company LLC (100%) has an overall vertically integrated business model with more than 16 beauty lounges and more than 200 trained professional stylists.
	Viola Communications LLC (50%) is engaged in business of advertisement, design and production and other commercial publication printing. Norm Commercial Investment SP LLC (100%) is a holding company having investments in various UAE-listed entities.
	Minority Investment in Firefly as US based digital media platform

(ii) Strategic Transactions



Omorfia Group (51%) is a strategic transaction where Bedashing Holding Company, Ben Suhail Group, Tips and Toes and Jazz Lounge SPA merged by forming a holding company named "Omorfia Group".

g. Palms Sports PrJSC



Palms Sports PrJSC is a UAE-based company that promotes niche sporting activities with a specific focus on Jiu-Jitsu and martial arts for UAE nationals. It is the leading company providing sports training programs and rolling out state-of-the-art training in Jiu-Jitsu and other disciplines of combative sports, such as Muay Thai and Mixed Martial Arts, in addition to swimming. The company manages every stage of the sporting events organization from program conceptualization through to final

execution; creating customized programs that manages the necessary facilities, manpower, and equipment. The company recorded a slightly lower revenue of AED270.3 million in FY21 as against AED291.2 million in previous year. The drop in revenue was mainly due to the impact in operations cause by Covid-19. The net profit of the company increased from AED83.0 million in FY20 to AED91.8 million in FY21.

h. Q Holding PrJSC



Q Holding PJSC (formerly Al Qudra Holding) is a private joint stock company based in the Abu Dhabi that aims to become a leading, globally recognized, and preferred investment business partner. Through the years, the company has grown significantly by focusing on sustainable development in the region and creating value by investing in fundamental growth sectors of the country.

The group recorded Revenue of AED448.9 million in FY21 against AED621.1 million in previous year, slightly lower as compared to the last year. The Net Profit of the company increased from AED181.5 million in FY20 to AED202.1 billion in FY21. Q Holding was consolidated in the books of IHC effective December 31, 2021, hence, the above Revenue and Profit and Loss are not reflecting in IHC's financial statements. The Company has competed the following strategic transactions during the year:

Key strategic transactions for the year are as mentioned below:

(i) Acquisitions and Investments



Barary Ain Al Fayda Development Company LLC (70%) is engaged in sale and development of real estate.

(ii) Strategic Transactions



Tamouh Investment LLC, together with IHC Real Estate Holding LLC entered in a strategic investment transaction with Q Holding PJSC in Q4 FY21.



The transaction took place by way of an in-kind contribution of the entire issued share capital in Tamouh Investment (and its wholly owned subsidiaries) and in exchange received newly issued shares of Q Holding in lieu of the strategic investment. Through a share swap, IHC Real Estate Holding LLC swapped all its shares in Tamouh



Investment for 40.7% shareholding in Q Holding. Q Holding being a contractor brings a lot of value to the Group's objectives to integrate the Real Estate market in the UAE. Q Holding and Tamouh contributes total assets of AED12.6 billion to the group which is ~14% of the total assets of the group in financial year 2021.

Investment in Funds Update

The Group has invested a total sum of AED5.7 billion in different funds across the world in FY20 and FY21. Total NAV of such funds was AED7.6 billion as of December 31, 2021. Major funds where group has invested are Falcon Fund (SpaceX 1), VY Space (SpaceX 2), Investment in Oxford Nanopore Technologies (ONT) through West Investments, Sinnovation Disruption Fund (China) and Alpha Wave Venture Fund (Global).

1.3.5 Outlook and Subsequent Events

a. Outlook

IHC and its subsidiaries will continue to focus on its vision to build a robust and diversified operating asset holding company through strategic acquisitions in growth-driven industries and the creation of innovative companies that add value and bring sustainable improvements to local businesses and communities in the UAE and the international territories in which our subsidiaries operate. The key strategic pillars of the growth and success are:

- Acquisitions
- Restructuring
- Consolidation
- Diversification
- Divesting/Listing

b. Subsequent Events

After the year end, the Group has completed or is in the process of completing the following acquisitions or investments:



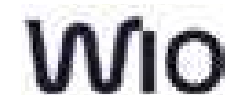
Apex Holding PJSC (Apex) along with IHC Capital Holding LLC has entered into strategic acquisition transaction with Ras Al Khaimah Cement Investment Company PJSC (RAKVIC), a public joint stock company listed on ADX where IHC Capital is to transfer their entire shareholding in Apex to RAKVIC and RAKVIC to issue new equity shares to IHC Capital, which will result in IHC having ~51.5% equity interest in the merged entity.



IHC Industrial Holding LLC has acquired 70% equity stake in Arena Events Group PLC through a new UK-based SPV named Theta Bidco Ltd. Arena is a provider of temporary physical structures, seating, ice rinks, furniture, and interiors. Arena has operations across Europe, the United States, the Middle East and Asia, and current clients which includes Wimbledon Tennis, The Open, PGA European Tour, Ryder Cup, IMG among others



IHC Food Holding LLC has acquired 75% equity stake in Abu Dhabi Vegetable Oil Co. LLC. Opened in the year 1998, Abu Dhabi Vegetable Oil Company (ADVOC) has established itself as a top-class manufacturer and distributor of high-quality edible oil products in the region.



Alpha Dhabi together with ADQ, FAB and Etisalat launched WIO Digital bank under an SPV called WIO Holding Restricted Limited where in Alpha Dhabi holds 51% equity interest. WIO is among the Arab world's few digital banks.



Alpha Dhabi acquired 75% stake in W Solar Investment LLC that plans to deal in installation, management and maintenance of solar projects across the world.



Alpha Dhabi announced that certain entities including their subsidiaries (if any) will be merged into the Group to expand the Group's medical business. These subsidiaries includes Abu Dhabi Health Services Company PJSC (SEHA), National Health Insurance Company PJSC (Daman), Yas Clinic Group, Abu Dhabi Stem Cells Center and The Life Corner LLC.

Syed Basar Shueb
Managing Director & Chief Executive officer

1.4 Chief Executive Officer's Message



Syed Basar Shueb

"IHC's management and employees' commitment has led to record high profitability in 2021. Our drive for solid financial performance and relentless quest for excellence will further advance IHC's growth"

The challenges we have faced over the last 12 months have proven once again that our dedication to our values of improving society through our investments, acting with integrity, and thinking long-term, have not only guided us through uncertain conditions, but enabled us to thrive.

IHC's management and employees' commitment has led to record high profitability in 2021. Our drive for solid financial performance and relentless quest for excellence will further advance IHC's growth, as the country's economy remains open and borderless. The pandemic highlighted and reinforced that our commitment to placing employee well-being as the highest priority, has never been more core to our success than it is today.

In 2021, we made milestone acquisitions that outperformed the market in top-line growth. We acquired well-managed, profitable businesses to super charge IHC's growth, and further accelerated our ambition to be the UAE's most valuable company. In 2022, we will spear head multi-

faceted directives, to deliver sustainable growth, despite highly challenging market conditions. We will continue to focus on growing our business verticals and delivering profitability and organic growth.

During the year, we also reframed our comprehensive ESG strategy across the business, by establishing multiple sustainability and governance objectives as prerequisites for the successful delivery of our strategy.

Finally, we thank our shareholders and partner employees for their truly extraordinary efforts to keep IHC growing under such challenging conditions. The company is as strong as ever, our strategy effective and execution well refined in laying the groundwork for long-term, sustainable growth.

Syed Basar Shueb
Managing Director & Chief
Executive Officer

1.5 IHC Strategy

A Diversified Holding Company of Listed Entities

Despite the significant global headwinds faced across industries due to the impact of the COVID-19 pandemic, IHC has responded robustly to various changes in the macro-economic environment, building further on our 2020 commitment to deliver higher shareholder value.

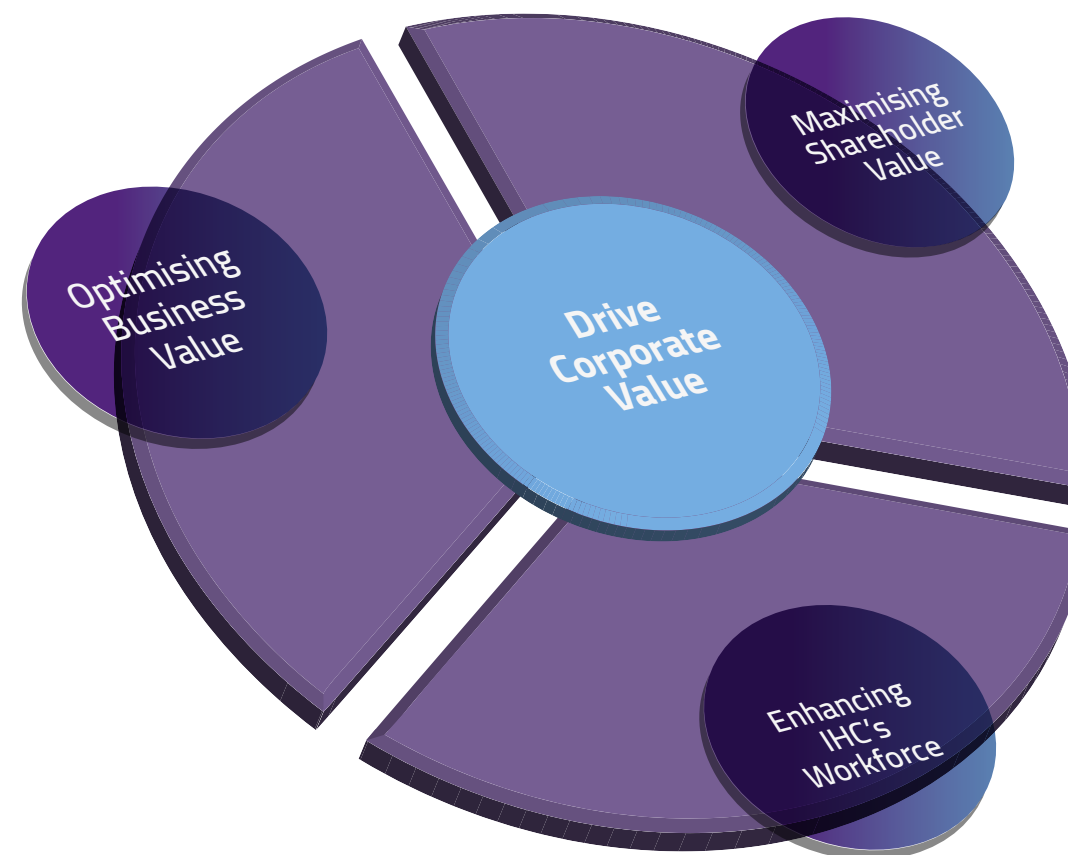
- In 2019, IHC focused on business transformation.
- In 2020, IHC's strategy for profitable growth expanded its range of offerings and services and established productive business ecosystems.
- During 2021, we further embedded our purpose, values and ambition into our strategy, pioneering our own path towards sustained long-term corporate value, paving the way to sustainable development and contributing to the growth of the UAE's economy.

The International Holding Company safeguards the interest of its shareholders, intensifying its efforts and executing its strategy to enhance corporate value.



a. IHC's Three Key Pillars in 2021

Our management philosophy has been to drive corporate value, defined by our focusing on 3 key pillars: **Maximising Shareholder Value, Optimising Business Value & Enhancing IHC's Workforce.**



Maximising Shareholder Value

IHC's objective of maximizing long-term shareholder value was further accelerated by our strategy of transforming into a diversified holding company of listed entities. Today, IHC's portfolio is comprised of 8 stock listed subsidiaries, with the view of further strengthening our listing model and generating strong shareholder returns.

Optimising Business Value

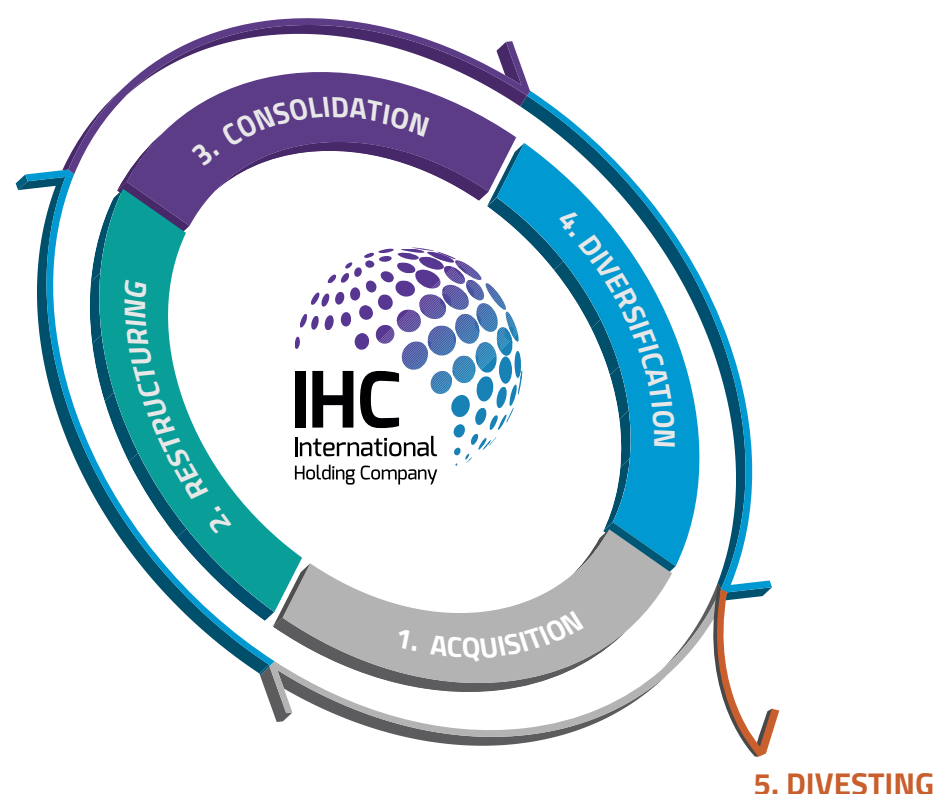
The business ecosystems established across our subsidiaries have led to substantial operational efficiencies and have optimized costs. IHC's strategic capital allocation made to its subsidiaries for acquisitions, coupled with empowering our business unit leaders to 'Think Big' has expanded the Group's offerings and services and provided for economies of scale.

Enhancing IHC's Workforce

IHC considers people to be its key competitive advantage and a source of differentiation in the market focusing on our values of 'Loyalty' and 'Growth'. We endeavour to select young, talented and qualified employees for officer positions and develop our human resources by developing their abilities. Our aim to inculcate the 'act like a shareholder' mentality in our employees has reaped significant productivity while raising employee engagement.

b. IHC's Five Key Strategic Fundamentals

IHC's recent growth and achievements are attributed to our strategy for long-term, resilient growth and for positioning IHC at the forefront of trends that shape our ability to scale-up and deliver long-term shareholder value. IHC's strategic initiatives are centred around five key fundamentals: Acquisitions, Restructuring, Consolidation, Diversification, and Divesting.



1. Acquisitions

Our deep-rooted acquisition strategy is to invest in businesses that have recurrent revenue models and strong returns on equity. This strategy is based on historically proven evaluation methodologies to acquire companies that can maximise shareholder value, deliver cost advantages, and expand our portfolio.

IHC has established a business ecosystem that realises its high growth potential from a combination of synergy and mutual evolution that overcome business segment boundaries, contributing to further growth and profitability.

2. Restructuring

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

3. Consolidation

Consolidation at IHC has been one of the key drivers of growth. Our Business Units are empowered to establish partnerships that achieve economies of scope and scale, expand to new geographies, and ultimately increase competitiveness and future-proof the business.

4. Diversification

IHC's diversification strategy aims to significantly increase shareholder value and mitigate risks. Diversifying across new horizons has introduced new global markets, channels, technology, products, and services to our businesses, generating new recurrent revenue models and rapidly incorporating technological innovation.

5. Divesting

Ultimately, IHC's divestment strategy is focused on empowering business leaders to innovate and dominate their sector. Through M&A or a listing process, additional shareholder value has been delivered. In 2021 our listing model was further augmented by the addition of five more stock listed subsidiaries, bringing up IHC's portfolio of listed companies to eight.

c. Forward Looking Statement for 2022

IHC delivered another year of exponential growth in 2021, which is attributable to its acquisitions, value-accretive investments, and investment in its workforce. Our reach spans across the sectors of real estate & construction; food, beverages and distribution; utilities; industrials, materials and services; capital and digital, IT and communications, with a programme of expansion and the establishment of new investments in healthcare, education, major events and leisure.

In 2022, we will continue to be pioneering in our approach to sustainable returns and maintaining our position as the region's leading holding company of listed entities whilst retaining the same values of Loyalty and Growth.

Our key objectives for the coming year:

1. Build a more expansive ecosystem through our business alliance & consolidation strategy that efficiently creates synergies with group businesses that have strong customer bases.
2. Establish investment channels with group companies that focus on innovative technologies which develop new frontiers.
3. Continue to expand our acquisition strategies more aggressively and multi-directionally.
4. Promote global expansion across all sectors and the positive network effects that result in maximised synergy.
5. Expand our value-based listing-model to IHC subsidiaries that exhibit solid fundamentals, strong earnings power and the potential for continued growth.

IHC's strategy of focusing on low-levered companies with recurrent revenues and high profit margins continues to accelerate the Group's bottom-line performance. For the next era of growth as a diversified holding company of listed entities, IHC aims to further expand both its reach and portfolio while maintaining the trust vested in the organisation by its shareholders.



1.6 IHC Streamlined Portfolio

a. Relentless and Escalated Growth Spree

IHC's effective execution of its growth strategy has seen our subsidiaries increase from 87 to 302, equivalent to a 247% increase in 2021. Under the guidance of the holding company's leadership, IHC continues its drive for growth via acquisitions and value-accretive investments, creating global ecosystems via business combinations and consolidation.

b. Diversified Holding of Listed Subsidiaries

IHC's effective execution of its strategic initiative, 'divestment via the listing model', has realised new horizons of growth and profitability for IHC and its shareholders. Today, IHC proudly stands by its eight stock listed subsidiaries, amassing a year-end market capitalisation of AED339.9 Billion (USD92.5bn). IHC's listed subsidiaries have thus far seen an average market capitalisation value increase of 97% by year end – providing fresh capital to further diversify and grow.

IHC's structure for its business ecosystem is being managed with the vision of maintaining its position as a holding group of high performing listed entities. IHC's interests remain heavily vested in the subsidiaries' long-term prosperity and accomplishing the objective of maximising shareholder value. Following a series of targeted actions and business combinations, IHC has achieved a more streamlined and simplified structure that unlocks the full potential of all of its subsidiaries.

c. IHC's Subsidiaries

In addition to our holdings in listed subsidiaries, IHC's portfolio includes privately held, controlled operating assets and holdings in the sectors of healthcare, retail, technology services, capital markets and industrial services. Empowered with an aggressive appetite for acquisitions and consolidation of business ecosystems we aim to continue providing additional liquidity and higher shareholder returns through our privately held subsidiaries.

d. Other Ventures

IHC's investments in other ventures include companies with high growth potential that leverage technologies and innovation to grow with scale. In 2021, we established lucrative and potentially game-changing entities that capitalise on emerging trends to provide a unique value proposition. The new era of growth will be augmented by our new initiatives, help further diversify UAE's non-oil business, encourage these ventures to innovate and expand based on 5-year plans, and new capital allocation. Supported by our balance sheet, we end the year, backed

by our prudent strategy and agile and streamlined mindset, with 2021 witnessing remarkable achievements for the Group. The strategy for 2022 aims to further grow our footprint internationally, and drive shareholder returns to new peaks, while deeply intertwining innovation and ESG initiatives into our investments and objectives with new ventures like:

e. R&D, Technology and Venture Capital Investments

Since the Pandemic, technology has seen a rapid uptake, with new and disruptive ideas gaining traction and investments to make them a reality. IHC understands the need to stay ahead of the curb with sizeable investments in innovative companies across all sectors. The companies invested in provide for added-value to the fast-changing and technology adopting world, prospects of significant ROI on our initial investments, while enabling scale and market penetration for disruptive ideas.

2.0

Group

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IHC Listed Subsidiaries

2021



Trading debut marked by bell ringing ceremony at St Regis Saadiyat, an Alpha Dhabi hotel property, on June 27th, 2021.

alphadhabi.com



An established conglomerate with a diversified portfolio of businesses in high revenue sectors, aiming for market leadership in all its business verticals.



ALPHA DHABI HOLDING

ADX Symbol: ALPHADHABI

Listing Date: 27-Jun-2021

Business Profile

Established in 2008, and now one of IHC's largest publicly listed subsidiaries, Alpha Dhabi Holding (ADH) is amongst the fastest growing holding companies in the Middle East. A 57,000 strong workforce paints a picture of the tremendous scale of the firm's operations.

Its subsidiaries operate on high profile projects, both domestically and internationally, across several industries. These include construction, real estate, hospitality and healthcare. Its contributions to the UAE's infrastructure include involvement in such notable projects as Nations Tower at Corniche, Waters Edge at Yas Island, Palm Tower

in Dubai, Deira Waterfront and Emirati Housing Project at Jabel Hafeet.

Augmented by synergy and emboldened by new technology, ADH is committed to maximising the performance of its subsidiaries while further diversifying its portfolio by scouting the market for unrealised potential, thereby playing its part in fulfilling the UAE's economic diversification goals.

ADH has shown resilience during the economically challenging period of late, and has demonstrated its expansion strategy by investments in hospitality, healthcare and technology.

Highlights

Subsidiaries
100+

Asset Growth
900%

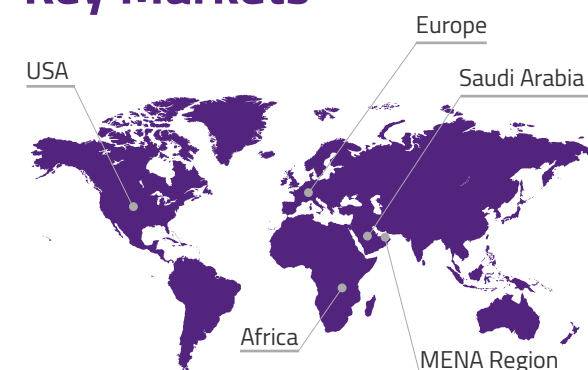
Revenue Growth
400%

Employees
57,000+

Key Industries

- Hospitality
- Healthcare
- Investments
- Construction
- Industrial

Key Markets



Key Management Personnel



H.E. Mohamed Thani Murshed
Ghannam Al Rumaithi
Chairman

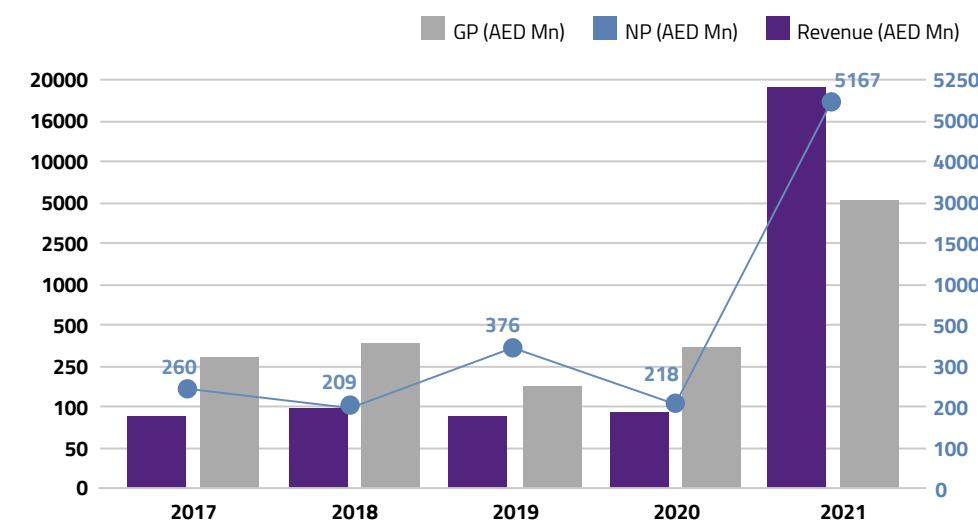


Eng. Hamad Al Ameri
CEO and Managing Director

Business & Financial Performance

- 2021 was a year of ambitious investments and strategic planning for ADH.
- The conglomerate planned for AED 8 billion's worth of strategic investment and expansion over 2021 and 2022 in sectors that include construction, healthcare, hospitality and industry.
- Moving to fulfil its investment plan in 2021 saw ADH purchase 24% of Al Qudra Holding, acquire an additional 17% of Aldar Properties (taking its stake to 29.8%) ownership, and invest AED 1 billion in a portfolio of world-scale chemicals projects alongside ADNOC, ADQ, and other strategic partners.
- As well as plans to continue its acquisitions into 2022, ADH announced its intentions to invest in workforce development, aiming to employ 2,500 Emirati citizens over the next five years.
- The conglomerate's subsidiaries have thrived in 2021. Pure Health will become the UAE's largest integrated healthcare platform after taking SEHA, Daman and Sheikh Shakhbout Medical City under its umbrella.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	4750	4673	4792	5395	47347
Liabilities	3396	3766	3568	4349	21376
Equity	1354	907	1224	1046	25971





As one of the fastest growing investment companies in the Middle East, ADH is on a mission to harness innovative technologies and sustainable solutions in a way that unleashes their potential, maximizes their performance and amplifies value for shareholders.



Healthcare



Pure Health is the largest integrated healthcare service platform in the UAE. It has a diversified healthcare portfolio of hospitals, clinics, health insurance, a group purchasing organization, diagnostic services, medical supplies, and healthcare technology services.



Response Plus Holding is the largest provider of onsite healthcare, medical emergency services and occupational health solutions in the UAE. The company boasts an infrastructure that includes a fleet of over 250+ ambulances, 260+ onsite clinics, 1600+ healthcare workforce, and 300+ international events per annum. It has undergone rapid expansion internationally with locations across Saudi Arabia, Oman, India and Ethiopia.



Construction



Trojan Construction Group is the largest and one of the fastest-growing firms in the UAE. The company focuses on the needs of the nation and invests in big development challenges with a focus on safety, quality, and timely delivery.



Industries



EGSS works in partnership with customers and is committed to delivering tangible results that continuously add value. EGSS has established a strong reputation, as a provider of security uniforms and equipment, sourced from well-known international brands and made of high-quality materials.



National Marine Dredging Company is one of the Middle East's marine industry leaders. They have a strong reputation for delivering high quality projects and services and provide flexible, cost-effective and on-time solutions for valued clients. Supported by an impressively large fleet of dredgers and support vessels, NMDC has the expertise to operate anywhere in the world, and the capability to overcome even the most challenging site conditions.



Hospitality



Alpha Dhabi Holding is dedicated to being the premium hub of luxurious guest experiences. ADH aims to be at the forefront of delivering exemplary hospitality services through strategic partnerships with leading hotel brands, both locally and internationally.

Partners



2022

AL SEER MARINE
SUPPLIES & EQUIPMENT CO.



شركة السمير
والتوريدات البحرية



AL SEER MARINE

SUPPLIES & EQUIPMENT COMPANY P.J.S.C.

A global leader in maritime craft manufacturing, commercial and technical management, developing maritime products and services using innovation and technologies.

Al Seer Marine and BGN International form AED 624 million joint venture partnership on September 8th, 2021.

alseermarine.ae



AL SEER MARINE

ADX Symbol: ASM

Listing Date: 29-August-2021

Business Profile

A leading maritime manufacturing company, offering comprehensive innovation-based technologies and services that are both flexible and specialised, meeting all the needs of our clients.

Our team of experts can turn a vision into reality, whether it's a superyacht, commercial ship, or unmanned vessel, through excellence in craftsmanship. We are known for successfully navigating even the most demanding

requirements, which is why we are one of the world's leading manufacturers & service providers.

Our Vision is to offer customers cutting-edge solutions for all their requirements while remaining financially competitive within a continuously evolving and challenging industry. We aim to become a globally respected marine industry leader through the application of innovation, quality human capital, excellence and dedication to customer satisfaction.

Highlights

-  Facility Size
71,000 m²
-  Asset Growth
753%
-  Revenue Growth
22%
-  Employees
1200

Key Sectors

- Unmanned Systems & Platforms
- Yacht Maritime Industry
- After-Sales Services
- Commercial Maritime Industry

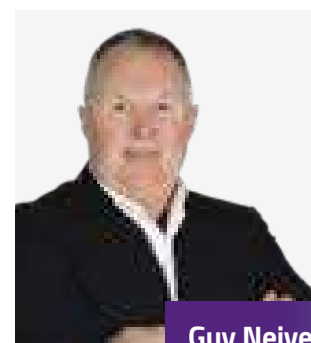
Key Products

- Boats
- Unmanned Vessels
- Unmanned Vehicles

Key Achievements in 2021

- AED 110m Acquisition of Commercial Vessels
- Investment in ADX Portfolio
- Commencement of Commercial Maritime Operations
- AED 524m Joint Venture with BGN International

Key Management Personnel



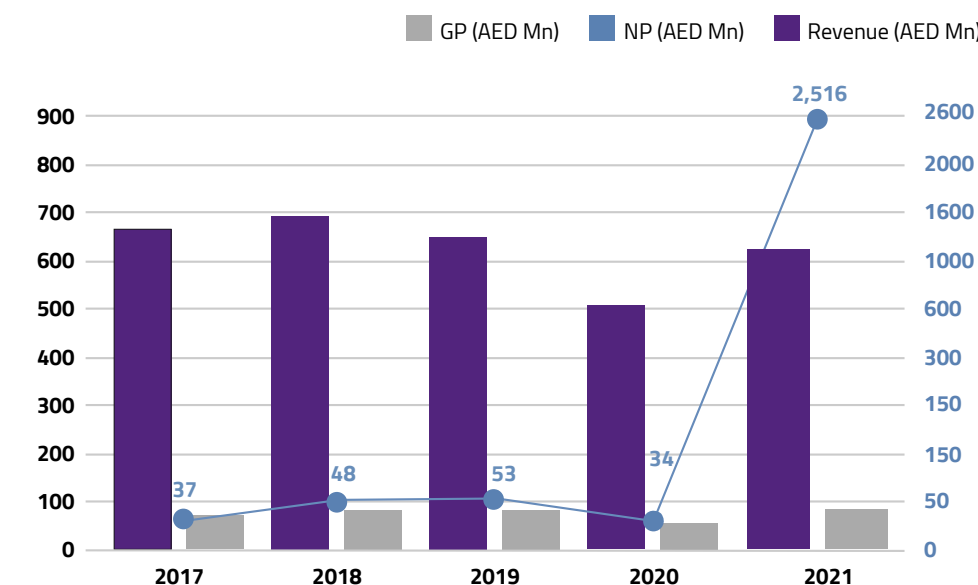
Guy Neivens
Chief Executive Officer



Business & Financial Performance

- Introduction to commercial maritime industry - technical & commercial management of tankers, bulk carriers, cargo, and gas carriers.
- Growth of assets by 753% and revenue at 22%.
- A joint venture with BGN International, one of the world's leading energy, trading, storage, and transportation companies, to acquire a portfolio of very large gas carriers (VLGCs) for transport of liquefied petroleum gas (LPG).
- Net profit achieved AED 2.51b, compared to AED 33.94m in 2020.
- Investment income of AED 2.46 billion has been attracted through Al Seer Marine's listing on the ADX.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	314	377	477	718	6,122
Liabilities	129	164	230	438	325
Equity	185	213	246	280	5,797





Al Seer Marine is the leading marine company in the Arabian maritime region, with a portfolio of services that cater to all needs of boat owners, managers and crew. Our team of highly trained professionals hold many years of experience in a wide range of services. We bring together the highest level of work, state-of-the-art technology and a proven track record of excellent operations.



Boat Building



**Al Seer Marine Boat Building
Sole Proprietorship L.L.C**

Al Seer Marine has a reputation for being one of the best in the region for design and manufacturing of boats & vessels. With over 18 years of specialist experience and two temperature-controlled composite facilities, we are the ideal company to provide marine platforms alongside customized composite boat building, repairs, refits, and custom fabrications.

Training Institute



**Al Seer Marine Training
Institute L.L.C**

Al Seer Marine Training Institute is an Abu Dhabi Centre for Technical and Vocational Education and Training certified institute offering comprehensive training solutions for manned and unmanned vessels. ASMTI takes pride in its excellent reputation for quality training. Equipped with lecture hall, classrooms, simulators, and open water training area, we are in the prime position to train your team.



Commercial Management of Ships



**Al Seer Marine Supplies
& Equipment Company P.J.S.C**

Al Seer Marine partners with their clients to provide highest quality commercial management services for their maritime assets. We optimise the revenue for the asset through our worldwide trading strategies, relationship with cargo interests and efficient commercial operations. Our charterer relationship provides a good cargo base for our fleet which advantageously delivers optimized revenues for our fleet.

Maintenance Services



**Al Seer Marine Supplies
& Equipment Company P.J.S.C**

Al Seer Marine has developed one of the world's finest maritime maintenance service divisions. Years of experience working with private and public sector clients have led to an impeccable service record. We provide fleet maintenance and repairs for boats of all types and sizes. We use predictive maintenance software to estimate the health of components and customize maintenance programs as required.

Unmanned Platforms



**Al Seer Marine Supplies
& Equipment Company P.J.S.C**

Al Seer Marine has a dedicated research and development centre to cater for the needs of unmanned platform users. Our innovative, modular USV systems are not bound nor limited to a standard, but aiming at exceeding customer requirements. Thus, giving the flexibility to adapt to any readily available platforms or become a part of existing operational systems.



2.3



easylease®

Technology driven motorcycle leasing solutions with full support services across the UAE and empowered with a task force of riders and technical team, ensuring efficiency to the last mile.

Maintenance and roadside assistance provided to empower clients more effectively.

easylease.ae



EASYLEASE

ADX Symbol: EASYLEASE

Listing Date: 27-Dec-2020

Business Profile

The EasyLease core business focuses on leasing motorcycles to a range of diversified industries. It operates 9 service centers across all 7 emirates. The company's primary activity is leasing motorcycles to restaurants, delivery companies, courier companies, food aggregators and similar customers.

During the year, the company strengthened its delivery services business by adding a subsidiary, 1885 Delivery Services, and diversified its portfolio into mobility technology solutions via the acquisition of Yallow Technologies.

Highlights

-  Service Centers
9
-  Asset Growth
62%
-  Revenue Growth
69%
-  Deliveries Completed
105 million+

Key Services

- Rider Support Applications
- Motorcycle Rental & Service
- Roadside Assistance
- Call Centre Support
- Maintenance Support
- Delivery Services & Management

Innovation & Achievements

- Partnership with Injazat to develop and operate an automated fleet management and intelligent transportation system to support their fleet of over 25,000 bikes. Using the latest technology, the platform will allow customers to track their vehicle in real time, improving efficiency, safety, and fleet quality
- The First Mobile workshop for motorcycles to serve our fleet all over UAE
- The first Motorcycle recovery vehicle in UAE to assist our fleet.

Key Management Personnel



Matar Suhail Ali Al Yabhouni Aldhaheeri
Chairman

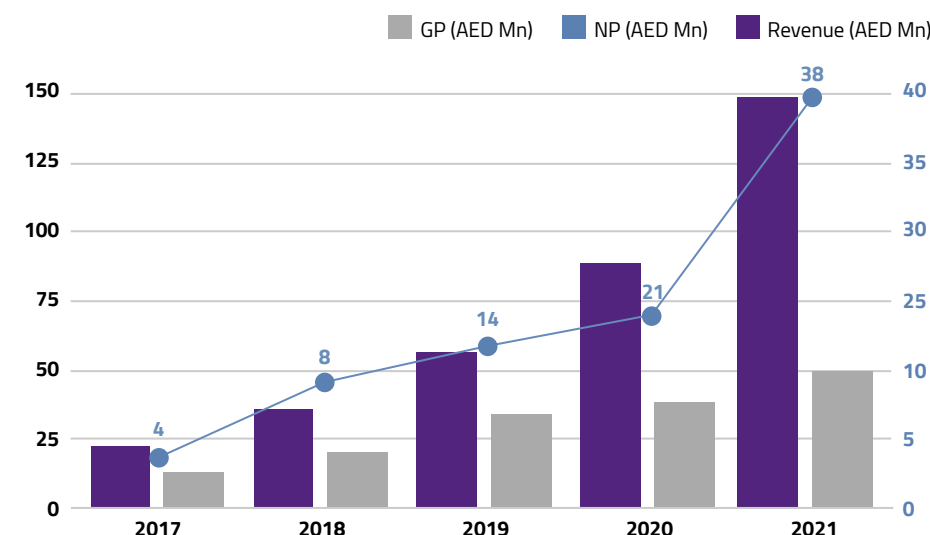


Ahmad Al Sadah
Chief Executive Officer

Business & Financial Performance

- EasyLease's first investment of the year was made jointly with Sampi Holding FZC LLC, when they acquired a 70% shareholding in 1885 Delivery Services, a Dubai-based delivery services company.
- Mid-year, the company made another major investment, acquiring a 62.5% stake in Yallow Technologies, a mobility solutions company, this time in partnership with the founders of British Virgin Island based company, Lynx Technologies.
- EasyLease acquired an additional 17.5% of Yallow Technologies later in the year (bringing its total shareholding to 80%).
- EasyLease incorporated EasyLease Vehicles Rental a sole proprietorship company during Q4 2021.
- Rounding the year off, an EasyLease subsidiary, Uplift Delivery Services, was named Fleet Partner of the Month by Talabat in November.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	27	44	54	80	130
Liabilities	15	24	31	33	43
Equity	12	20	22	47	87





EasyLease's portfolio of investment spans different business verticals to include, Uplift Delivery Services, 1885 Delivery Services and Yallow Technologies.



Provides turnkey logistics solutions through highly trained and carefully vetted motorcycle riders and delivery squads. Uplift helps brands to improve their sales and keep messaging intact, from ordering to delivery, through a range of unique market advantages.



1885 Delivery Services is based in the UAE and become a trusted delivery partner for food techs, aggregators and many others. It offers last mile, middle mile and on-demand services across the nation.



A technology company with a mission to enable deliveries across the globe, by making it faster, more efficient, and easily accessible. We envisage a world where "anyone can deliver", and aim to achieve that by building effective, reliable, and user-friendly solutions.

Acquisitions:

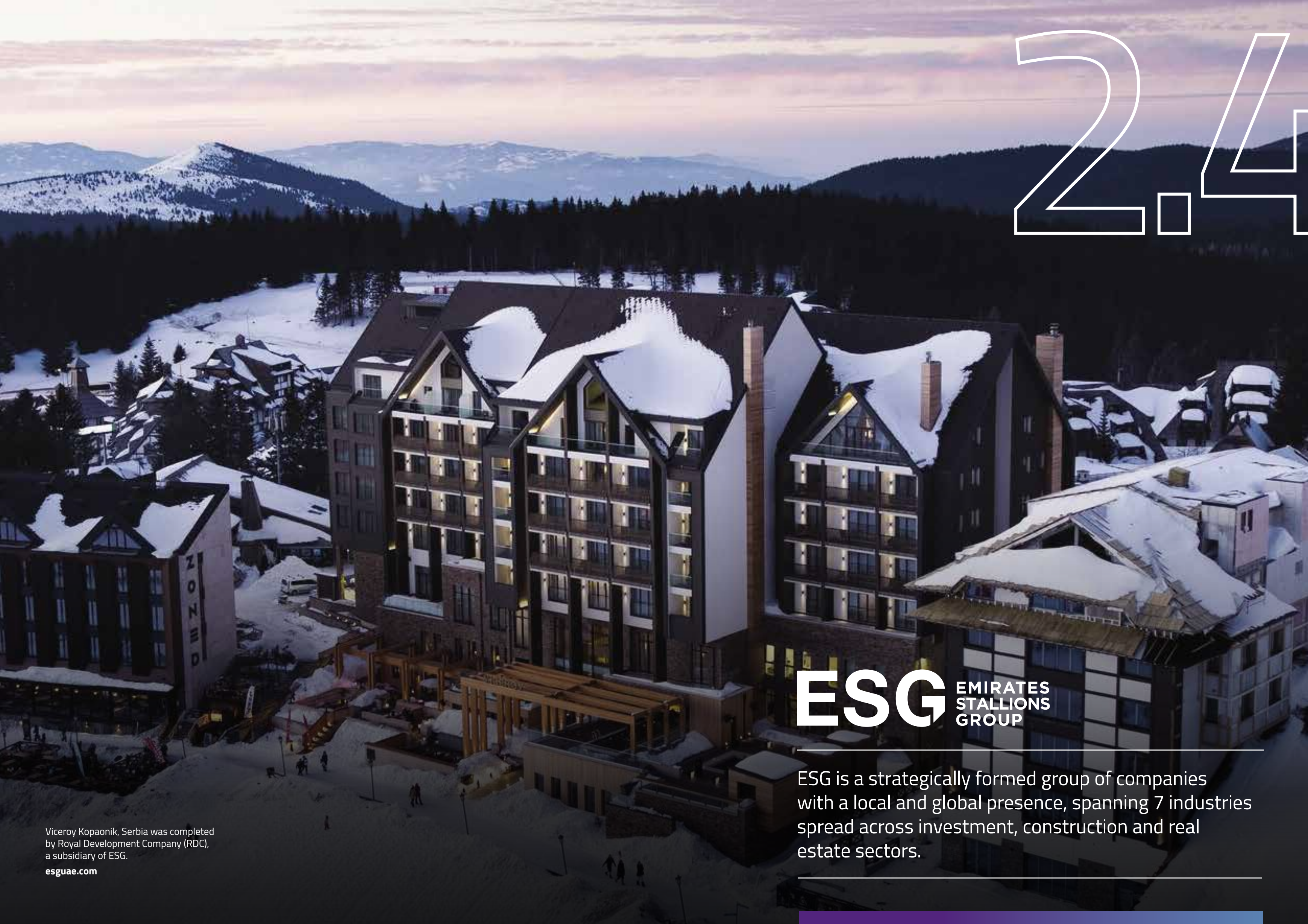
- 1885 Delivery Services – 70% shareholding
- Yallow Technologies – 80% shareholding

Enhancement and Improvement:

- Increased our fleet by 20% compared to 2020
- New ERP Dynamics 365 implemented to enhance internal operations and support futuristic technologies.
- Easy Lease now covers the entire UAE by launching three more new service centers during 2021.



24



ESG EMIRATES
STALLIONS
GROUP

ESG is a strategically formed group of companies with a local and global presence, spanning 7 industries spread across investment, construction and real estate sectors.

Viceroy Kopaonik, Serbia was completed by Royal Development Company (RDC), a subsidiary of ESG.

esgae.com



EMIRATES STALLIONS GROUP

ADX Symbol: ESG

Listing Date: 31-May-2021

Business Profile

Emirates Stallions Group of companies operates across core investments, construction, and real estate sectors.

Our diversified portfolio creates a total solution among its divisions: development, consultancy, design, project management, construction and engineering, landscaping, asset management, business process outsourcing (BPO), manpower outsourcing (MPO) and associated services.

This unique scope of services supports companies to work collaboratively to provide a turnkey solution and the ability to work individually.

Emirates Stallions Group portfolio comprises of 12 subsidiary companies spread across 7 industries, delivering projects and services across 20 countries in the Middle East, Africa, Asia, Europe, and the Americas.

Highlights



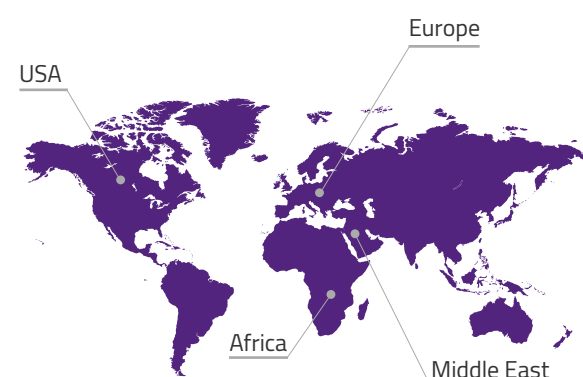
Key Products

- Real Estate Development
- Client Representation
- Asset Management
- Design & Project Management
- Marine Works
- Buildings & Infrastructure
- Hard & Soft Landscaping
- Operation & Maintenance
- Workers & Staff Accommodation
- Shared Services

Key Services

- Engineering & Construction
- Construction & Project Management
- Design & Architecture
- Real Estate development & Client Representation
- Landscaping Design, Operations & Maintenance
- Workers Accommodation
- HR Services

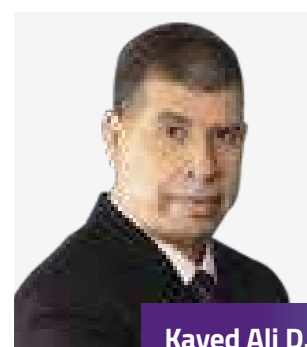
Key Markets



Key Management Personnel



Matar Suhail Ali Al Yabhouni Aldhaheri
Chairman

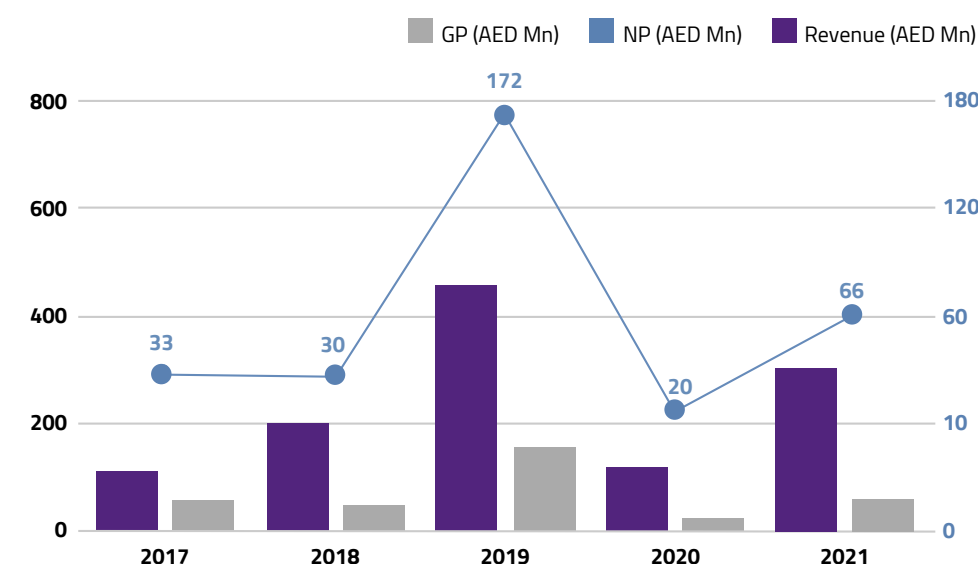


Kayed Ali D. Khorma
Chief Executive Officer

Business & Financial Performance

- Through growth and acquisition ESG has resulted in the revenue growth of 171%.
- ESG subsidiary Royal Development Company has completed the development management of Viceroy Kopaonik Hotel in Serbia at a total project value of Dh260 million.
- ESG has acquired 70% of WFC Holding, a UAE leading technology, data-driven and outsourcing company specialized in Business Process Outsourcing (BPO) and Manpower Outsourcing (MPO).
- Emirates Stallions Group (ESG) has announced a joint venture project to develop an AED 240 million hospitality project in central Khartoum, Sudan.
- Gulf Dunes Landscaping & Agricultural Services an Emirates Stallions Group associate has been awarded a 3-year landscaping contract for the Corniche Road in Abu Dhabi by the Abu Dhabi City Municipality.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	479	562	611	394	805
Liabilities	80	120	97	97	268
Equity	399	442	514	298	537



ESG EMIRATES STALLIONS GROUP

Emirates Stallions Group portfolio comprises 12 subsidiary companies spread across 7 industries, delivering projects and services across 20 countries in the Middle East, Africa, Asia, Europe, and the Americas.

Opened in 2021, Wolfi's Cycling flagship showroom at Hudayriyat Island, Abu Dhabi, was constructed by ESG.



Construction

ABU DHABI LAND GENERAL CONTRACTING
AN ESG COMPANY

A general contractor offering multi-disciplinary services to the construction industry, assisting with the completion of a wide range of civil and marine infrastructure projects

CENTURY REAL ESTATE
AN ESG COMPANY

One of the largest owner operators of worker accommodation facilities in the UAE, leading the market with properties in prime locations.



Real Estate Development

ROYAL DEVELOPMENT COMPANY
AN ESG COMPANY

A significant player in the international development arena, whose multi-disciplinary team delivers a range of projects in over 20 countries across Africa, Asia, Europe and the Americas.

Landscaping & Agriculture

GULF DUNES LANDSCAPING & AGRICULTURAL SERVICES
AN ESG COMPANY

This landscaping company constructs inspirational indoor and outdoor spaces, providing design consultancy, soft and hard landscaping, and landscape management and maintenance services.

Consulting

RAPM ARCHITECT PROJECT MANAGEMENT
AN ESG COMPANY

A consultancy taking on projects that bring original architectural visions to life, doing so with its design & engineering, project management and sustainable development expertise.

WFC HOLDING
AN ESG COMPANY

A group of companies specialising in business process outsourcing (BPO) and manpower outsourcing (MPO), this firm provides end-to-end business support services across multiple sectors and industries.

Accommodation Services

PREMIER DEVELOPMENT GROUP
AN ESG COMPANY

A joint venture company founded to create synergy between two investment groups, aiming to develop large scale projects both across the UAE and internationally.



PROGRESSIVE REAL ESTATE DEVELOPMENT
AN ESG COMPANY

This company was founded to operate a worker accommodation facility in Abu Dhabi and provides all the requisite support services including 24-hour security, catering, housekeeping, maintenance, and transportation.



In 2021, ESG's landscaping division awarded 3-year landscaping contract for the Corniche Road in Abu Dhabi by the Abu Dhabi City Municipality, which spans 600,000sqm and 250,000sqm of soft and hard landscape respectively.

2.5



غيثا
Ghitha

A food supplier, packager, and distributor; expanding its strategy to become a key player in the UAE food industry.

Ghitha, an industry leader, aims to ensure food security in the UAE by 2051.

ghitha.com



GHITHA HOLDING

ADX Symbol: GHITHA

Listing Date: 22-Dec-2020

Business Profile

Ghitha Holding PJSC (formerly Zee Stores) was founded in 2002 and currently operates as a food supply, packaging and distribution organisation. Ghitha specializes in trading food and non-food products, including importing, re-packaging, wrapping, storing, and distributing dry canned, chilled, frozen, processed and fresh food products, household items, stationery, disposables and cosmetics, chemicals and other allied on- and off-shore oil and gas field services. The company was listed on the ADX Second Market in December 2020 and will add

a number of related businesses to its existing portfolio through future acquisitions and subsidiaries' formation, enhancing its core capabilities in wholesale importing and trading in fresh and canned foods, packaging; and providing food services to industrial sites such as gas and oil fields. Its new strategic direction of growth will enable Ghitha Holding to become one of the largest and most important players in the regional food trading sector.

Highlights



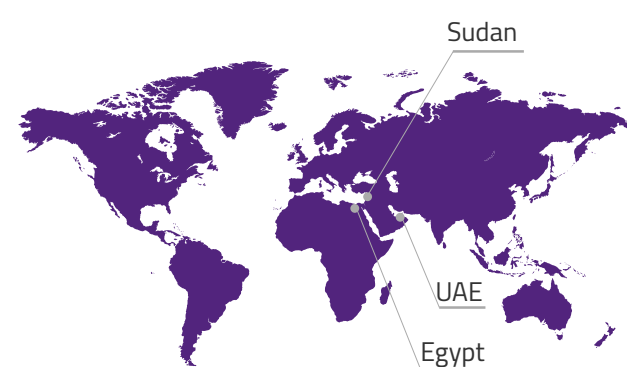
Key Products

- Dry, Canned, Chilled, Frozen, Processed & Fresh Food Products
- Seafood & Poultry Products
- Packed Food Products
- Household Items, Stationery, Disposables & Cosmetics
- Chemicals, On-Shore, & Off-Shore Gas Field Services
- Organic & Inorganic Fruits & Vegetables

Key Services

- Importing
- Re-packing
- Wrapping
- Storing
- Trading & Distribution

Key Markets



Key Management Personnel



Dr. Mohd Somar Nassouh Ajalyaqin
Chairman

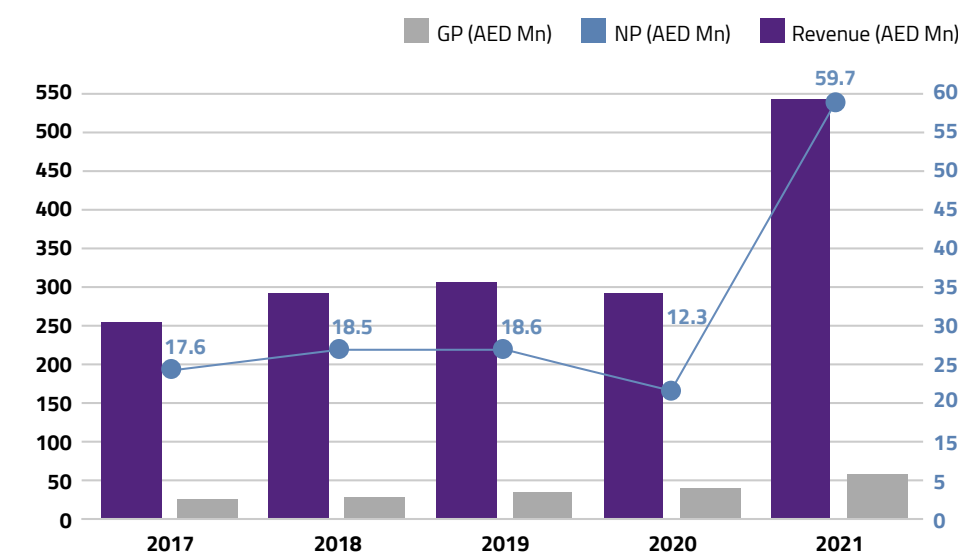


Falal Ameen
Chief Executive Officer

Business & Financial Performance

- The company was rebranded as Ghitha Holding PJSC from Zee Stores PJSC.
- The new subsidiary, Tamween Group in turn owns Alliance Food Co. SO LLC, Al Ajban Poultry LLC and Agrinv SPV Limited (Al Hashemeya - Egypt) and 41% stake in NRTC Food Holding LLC and instigated Joint Ventures with Ethmar.
- In terms of the year's investment, they acquired a major stake in Royal Horizon Holding LLC and added Tamween Group as a subsidiary.
- The company generated AED 545 million in revenue this year, compared to AED 289.02 million in 2020, culminating in net profits of AED 57.62 million (compared to AED 12.29 million in 2020), a figure which includes AED 31.92 million in investment income.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	165	185	191	310	1,489
Liabilities	51	58	51	149	525
Equity	114	126	139	161	963



غذاء Ghitha

Ghitha recently transformed into an investment holding company, which consolidates food, agriculture & poultry related businesses across UAE and abroad, including investments in companies such as NRTC, Alliance Food, Al Ajban Poultry and many more.



ROYAL HORIZON الأفق الملكي

A respected group of companies in the food and retail sector, known for successful projects with government entities, UAE national owned establishments and the private sector. Royal Horizon provides exemplary products and services, guaranteeing every client receives the very best quality at unbeatable prices.



Founded in 1981, Al Ajban Chicken is a UAE poultry company offering high-quality poultry, hatching eggs and chicks. They provide superior poultry, straight from the farm to your table. Al Ajban supplies other farms with hatching eggs, which can be incubated and hatched in the sanitized environment of their hatcheries.



ASMAK is a leading provider of fresh and frozen seafood across the Middle East. Founded in 1999, the company provides end-to-end solutions, in addition to products branded under the name "ASMAK". With an experienced team and extensive network across MENA and key global markets, ASMAK maintains a focus on processing, distribution, and exports.



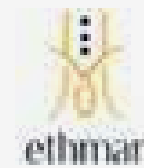
Established in 2002, Zee Stores is a reputable trading and distribution firm, specializing in food & non-food products. It currently operates as a retail subsidiary under IHC Abu Dhabi. It's activities include importing, trading, re-packaging, wrapping service, storage, distribution of food products, house hold items, chemicals and other allied on-shore, off-shore oil and gas field services.



AGRINV (AI-Hashemiya for Land Reclamation and Cultivation S.A.E.) was founded in 2004 in Egypt and joined the IHC Family in April 2020. The company is purposed with reclaiming and equipping agriculture land plots with highest facilities that make it suitable for cultivation.



Nassar Al Refae Trading Company (NRTC), established in 1973, supplies fresh premium quality fruits and vegetables to the blooming market markets across UAE. Today, NRTC successfully caters to the demands of local and international markets and is proud to be one of the leading importers and exporters of fresh fruits and vegetables in the Middle East.



The Agriculture Investment Company (Ethmar) Lt., is an AGDM licensed entity of IHC Subsidiary. It holds major stakes in businesses in UAE, Sudan, Spain and USA that are involved in farming, animal protein, and forage processing and distribution. The main customer base is in the Middle East, Africa, and the Far East for these products. Ethmar's portfolio businesses are focused on food security by implementing sustainable agricultural practices.



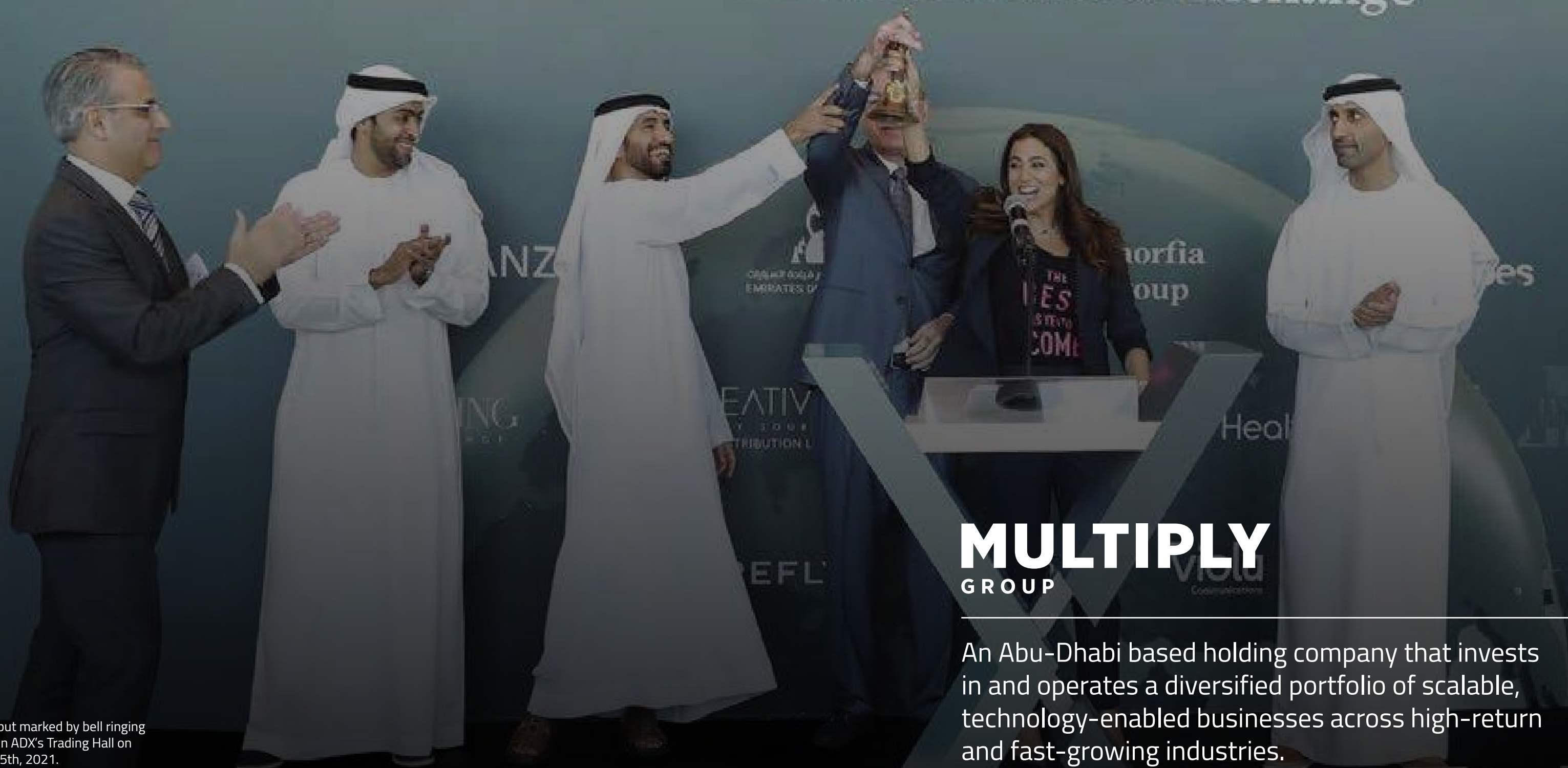
Alliance Food Security Holdings (AFSH) is a group of global partners and forage experts with over 300 years' combined experience. Through the alignment and investment in people, partnerships and sustainable processes, AFSH delivers ethical, expertly managed, value-added food and feed supply chains worldwide.





Listing of Multiply Group on Abu Dhabi Securities Exchange

2.0



MULTIPLY GROUP

An Abu-Dhabi based holding company that invests in and operates a diversified portfolio of scalable, technology-enabled businesses across high-return and fast-growing industries.

Trading debut marked by bell ringing ceremony in ADX's Trading Hall on December 5th, 2021.

multiply.ae

MULTIPLY GROUP

MULTIPLY GROUP

ADX Symbol: MULTIPLY

Listing Date: 05-Dec-2021

Business Profile

Multiply Group invests in, and operates, tech-driven businesses globally, providing a catalyst for profitable growth across five industries: media and communications, utilities, ventures, wellness and beauty, and digital economy. The Group's diversified portfolio strikes a balance between companies that generate recurring income and high-growth businesses. With a forward-thinking outlook, the Group is continuing its rapid expansion by organically growing existing businesses, empowering them with

capital, human resources, technology and the tools to create or acquire innovative solutions, gain operational excellence and become leaders in their own industries. In terms of inorganic growth, Multiply Group is well-capitalized and has a pipeline of global acquisitions lined up in its pursuit of disruptive, tech-driven and scalable mergers and acquisitions.

Highlights

- 

Asset Growth
11,740%
- 

Sectors
05
- 

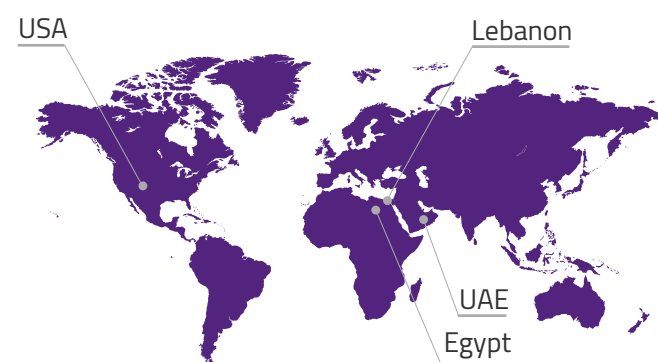
Investment deals
08
- 

Employees
3,240

Key Industries

- Multiply Ventures
- Multiply Utilities
- Multiply Wellness & Beauty
- Multiply Digital Economy
- Multiply Media & Communications

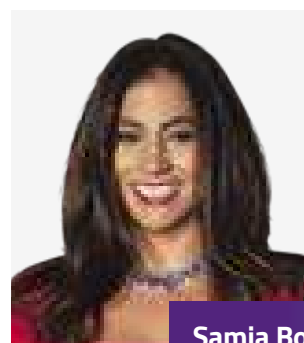
Key Markets



Key Management Personnel



André Sayegh
Chairman

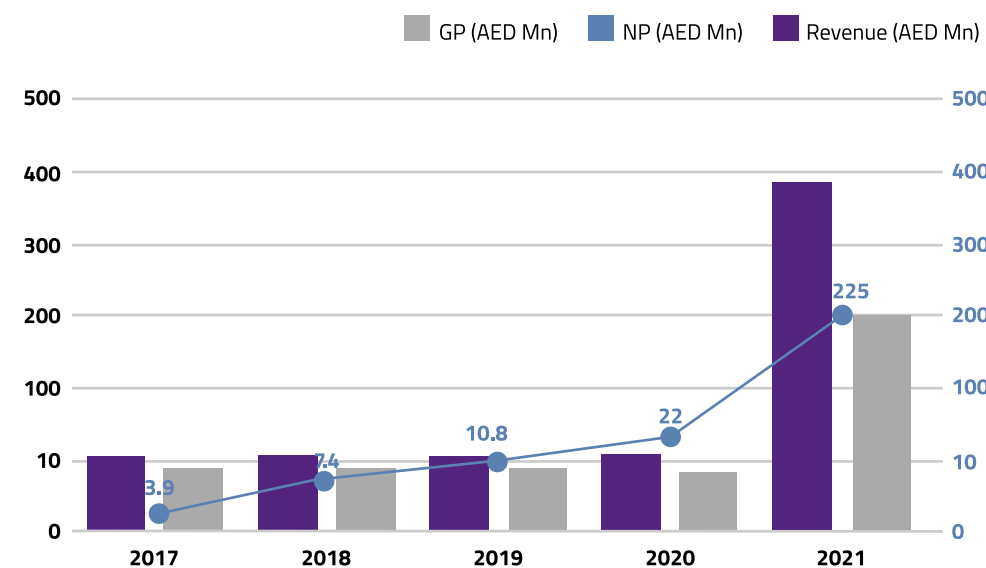


Samia Bouazza
CEO and Managing Director

Business & Financial Performance

- Building on years of inorganic growth momentum, Multiply Marketing Consultancy (MMC) strategically merged its marketing operations with Viola Communications and transformed into Multiply Group.
- Multiply Group invested in San-Francisco based Firefly, a street-level digital media platform with proprietary Wifi-enabled, high resolution smart screens that can be put on taxis and rideshares. The deal with Firefly includes bringing its technology to the region and Multiply operating as Firefly's exclusive MENA partner.
- Multiply Group listed on the ADX Primary Market on December 5, 2021, under the ticker MULTIPLY. Local Acquisitions: 100% Acquisition of PAL Cooling Holding, 48% of Emirates Driving Company and 100% of Viola Communications.
- Continuing to diversify across high-return industries; through a series of asset reorganization Multiply Group consolidates steady cash flow investments in Emirates Driving Company and utility company, PAL Cooling Holding.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	58.0	62.0	72.3	98	11,603
Liabilities	34.1	35.1	34.7	38.4	877.732
Equity	23.9	26.9	37.6	60.0	10,726



MULTIPLY GROUP

Multiply Group's investments span five verticals, and include holdings in businesses such as Emirates Driving Company, Omorfia Group, PAL Cooling Holding, Viola Communications and HealthierU.



Ventures



Established in 2000, Emirates Driving Company (EDC) is Abu Dhabi's sole provider of pre-licensing driving education and training, and is the government's trusted partner for creating safer roads. The company also works with government entities to design a traffic system that supports the emirate's rapid population growth and urban development.

Media & Communications



Established in 2001, Viola Communications was fully acquired by Multiply Group in 2021 to become Abu Dhabi's largest and fully integrated communications and media agencies. Viola Communications has high-level contracts across several government entities and exclusive OOH media rights across most of Abu Dhabi.

Utilities



Founded in 2006, PAL Cooling Holding (PCH) is one of the top players in the UAE's district cooling industry. Catering to landmark residential, commercial and mixed-use developments, PCH offers reliable and quality services, such as 24x7 chilled water for air conditioning from state-of-the-art central cooling plants.

Digital Economy



Yieldmo is a New York based fast growing digital advertising and attention analytics company focused on driving quality advertising. It delivers next-gen ad formats, powered by machine learning to make intelligent buying decisions in real time.

FIREFLY

Firefly is a San Francisco based street level digital media platform pioneer that connects audiences with dynamic media on taxis and rideshare vehicles by installing proprietary advertising displays atop their vehicles.

Wellness & Beauty

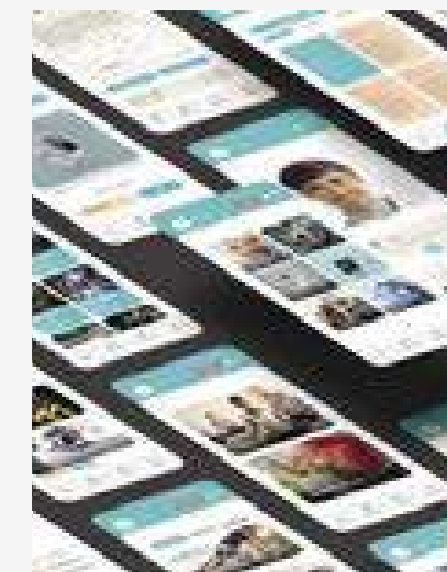


A unique scalable telemedicine start-up platform, HealthierU is a provider of health and wellness services. Developed in collaboration with global partners, such as Weill Cornell, the platform uses a proactive management approach to identify potential root causes of illnesses, in order to maintain wellness rather than treat symptoms. Offering a personalized health experience, HealthierU uses next-generation telemedicine via a secure, convenient and user-friendly app.

Omorfia Group



Omorfia Group comprises personal care and beauty companies, namely Tips & Toes, Bedashing Holding Company and the Ben Suhail Group. The group consolidates consumer-centric businesses that are high-growth, recession-proof and with high purchasing power.



27



بالمز الرياضية
PALMS SPORTS



بالمز الرياضية
PALMS SPORTS

Palms Sports designs efficient and effective programs to benefit the community.

palmssports.com

Palms Sports is the largest sports training company in the world.



PALMS SPORTS

ADX Symbol: PALMS

Listing Date: 21-Dec-2020

Business Profile

Established in 2011, Palms Sports PJSC is a UAE-based company that promotes niche sporting activities with specific focus on Jiu-Jitsu and Martial Arts to UAE Nationals.

Palms Sports is entrusted by the UAE government with A-to-Z management of numerous mass-scale nationwide sports programs and internationally

acclaimed professional sports promotions.

Listed on the Abu Dhabi Stock Exchange since 2020, Palms Sports is currently diversifying growth and revenue channels through a multitude of strategic investment and acquisitions both locally and internationally on its way to becoming a leading conglomerate within the global sports industry.

Highlights

- 

Market
UAE
- 

Asset Growth
34%
- 

Employees
701
- 

Blue Belts Trained
54,000

Key Services

- Sports Recruitment & Staffing
- Sports Training
- Sports Curriculum Development
- Sports Event Management
- Sports Project Management.

Key Products

- Sports Equipments
- Apparel

Key Clients

- Government
- Semi-government Entities
- Jiu Jitsu Sports Clubs
- Private Schools & Universities
- Ministry of Education

Key Management Personnel



H.E. Abdulmenem Al Hashemi
Chairman

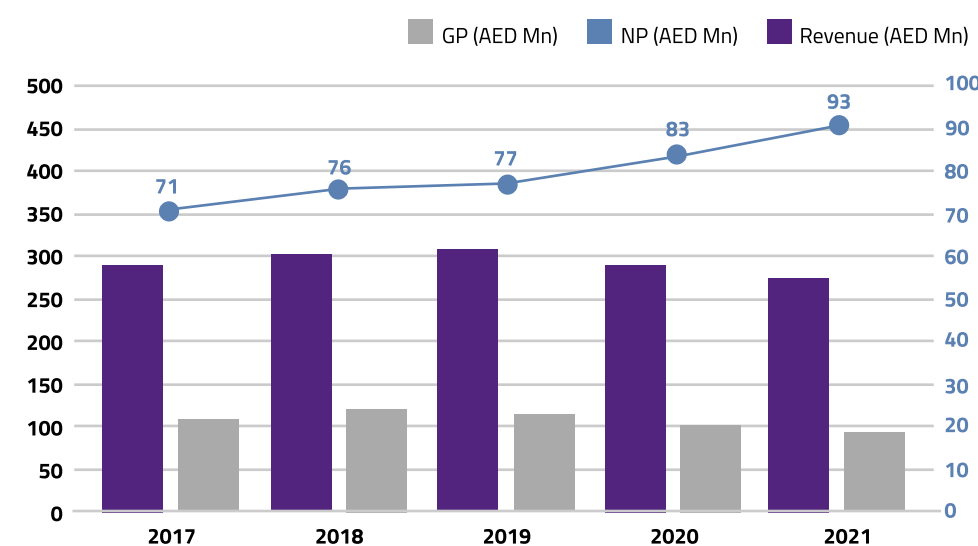


Fouad Darwish
Chief Executive Officer

Business & Financial Performance

- Completion of first year of ADX listing.
- 3-year deal to stream professional sports promotion 'UAE Warriors' on industry leading OTT platform 'UFC Fight Pass'.
- Initiation of M&A and capital investments in private funds and companies.
- Key role in formation and operations of newly founded UAE Mixed Martial Arts Federation.
- Return to presentational sports training sessions and competitions nationwide in light of pandemic.
- Major 5-year sponsorship deal secured through Abu Dhabi Department of Culture and Tourism.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	262	290	310	281	376
Liabilities	59	70	74	46	47
Equity	203	220	236	235	329





Palms Sports has exercised throughout the pandemic a consistent ability to adjust and thrive within volatile and testing market environments to ensure the stability and delivery of existing contracts combined with diversification, targeted investment, and strategic growth in alignment with the vision of our Board. Despite the innate risks posed by the pandemic, Palms Sports has been able to maintain all major contracts and in the past 12 months enter final phases of negotiations with major new clients.

Khabib Gym

Palms Sports is scheduled to launch in 2022 the world's first ever Khabib Gym in partnership with living legend of MMA, Khabib Nurmagomedov. The world class facility on Yas Island will offer members elite fitness and leisure experiences within a stone's throw of the best leisure, entertainment, hospitality, and dining attractions in Abu Dhabi.



UAE Warriors



UAE Warriors continues to represent our proud nation on the global sporting map, receiving a nomination for 'Best Promotion' at the coveted World MMA Awards held in Las Vegas along with multi-year agreements with Abu Dhabi DCT and leading OOT platform, UFC Fight Pass.



UAE Armed Forces

Palms Sports greatly supports the UAE Government in the development of physical and mental preparation of the nation's Armed Forces. The vast Jiu-Jitsu Military Program was developed in conjunction and coordination with MoD Sport Section.

Education Sector

The School Jiu-Jitsu Program is administered through 45-minute lessons to over 85,000 students each week along with a series of nationwide, televised competitions.

Event Management

Accustomed to annually staging in excess of 400 sporting events of all magnitudes, Palms Sports possesses an experienced team delivering world class events.

Jiu-Jitsu Sports Club

In addition to curricular activities, Palms Sports, under the guidance of Emirates Schools Establishment, offers extra-curricular sports training in over 130 schools across the UAE.



MoU Signing Ceremony

Palms Sports, alongside the UAE Mixed Martial Arts (MMA) Federation, signed an MoU with Abu Dhabi Department of Culture & Tourism (DCT) to further cement the UAE's capital as the globe's dominant MMA hub. In addition, a 5-year sponsorship agreement was announced between Abu Dhabi DCT and Palms Sports' professional MMA promotion, UAE Warriors.

Government Contract

A 5-year agreement with an Abu Dhabi Government entity was secured in 2021 worth AED 7 million. Palms Sports will provide the authority with 48 expert coaches to manage the delivery of combat sports and Jiu-Jitsu training programs throughout the year.



2.8



A leading general investment company with expertise in real estate development, offering a diverse range of projects as a master developer and developer.

Q Holding redefines the future of successful and sustainable growth for stakeholders.

qholding.com



Q HOLDING

ADX Symbol: QHOLDING

Listing Date: 04-Dec-2017

Business Profile

Q Holding is a major master developer based in Abu Dhabi. It is a private joint stock company listed on ADX's second market. The company has developed numerous residential and commercial projects as well as retail projects, such as

Danat Abu Dhabi, Souk Al Shaabi and Kasr Al Bahr. Q Holding is well established in the market with expertise in real estate development, real estate project management and property & asset management.

Highlights

- Market UAE
- Asset Growth 67%
- Net Profit Growth 11%
- Employees 273

Key Products

- Developed Land
- Real Estate Products (Commercial, Residential, & Retail)

Key Services

- Real Estate Management Services

Key Clients



Key Management Personnel



H.E. Abdulla Bin Mohammed Butti Al Hamed
Chairman

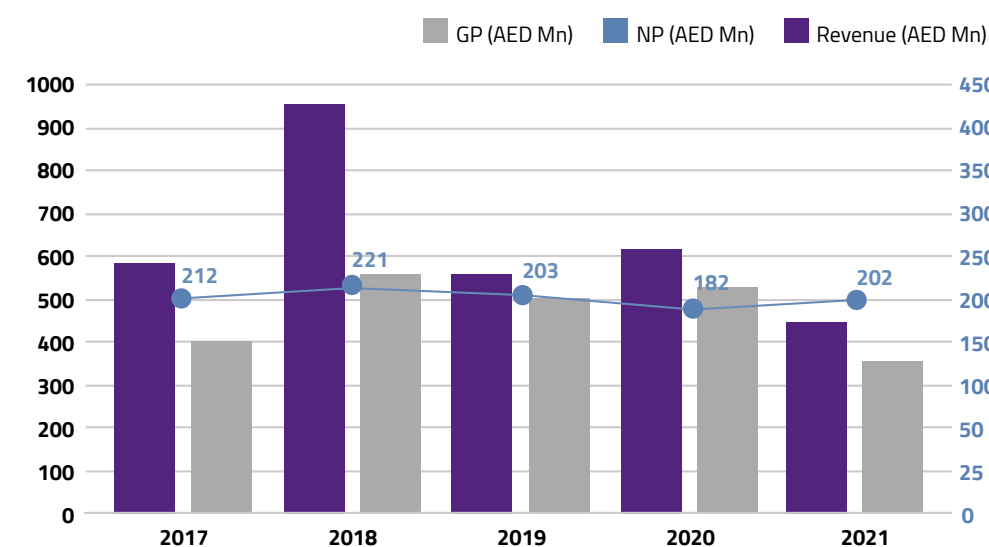


Majed Fuad Odeh
Chief Executive Officer

Business & Financial Performance

- Issued Mandatory Convertible Bonds - AED 2.4 billion.
- Increase share capital from AED 865 million to AED 3.3 billion.
- Acquisition of Tamouh Investments Company Share increase from 3.3 to 5.5 billion.
- Bank loans settlements - AED 623 million.
- Contractor settlements - AED 400 million.
- Up to 30 % foreigners' ownership of Company's capital.
- New board and management formation.
- Company's legal restructuring, staff integration and strategic alignment.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	4604	6145	7368	7529	12581
Liabilities	2143	3684	4818	4234	4936
Equity	2461	2461	2550	3295	7645





Q Holding is a powerful business enabler that provides a firm foundation upon which businesses and investors can build their networks, rewriting the future of successful, sustainable investment by focusing on excellence, diversification and increased stakeholder value through innovation.



A residential and commercial property developer, meeting the UAE market's growing demand for new real estate by transforming vast, uninhabited stretches of land into thriving urban communities.



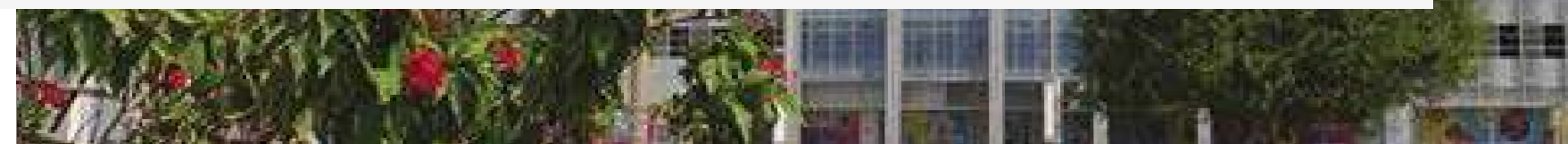
A real estate property developer for residential, commercial, and mixed-use communities, whose flagship development is the impressive Reem Island in Abu Dhabi.



A company established as an investment firm specialising in staff and labour accommodation provision in Abu Dhabi, offering high quality accommodation services that comply with international standards.



Engaged in sale and development of real estate and land, with projects initiating in Al Ain.





IHC Subsidiaries

2019



AFKAR

Financial & Property Investment LLC

AFKAR Financial & Property Investment LLC is a holding company for 2XL Home & OC Home Furniture.

2XL Home is an industry leader for delivering modern design and elegant furniture to a whole new level.

afkargroup.ae



AFKAR

Business Profile

Established in 2008, AFKAR Financial & Property Investment LLC has investments in commercial enterprise, real estate, and project management. It is a partnership business between IHC Industrial Holding LLC and Mr. Mohammad Bin Ahmad Bin Saeed Al Qassimi.

Highlights



Key Products

- Real Estate
- Furniture
- Investments & Shares

Key Services

- Real Estate & Retail

Business Channels

- Retail
- Real Estate
- E-commerce

Showrooms

- Marina Mall
- The Galleria Mall
- Al Ain Mall
- Mega Mall
- Al khalidiya White Tower

Key Management Personnel



Syed Basar Shueb
Chairman

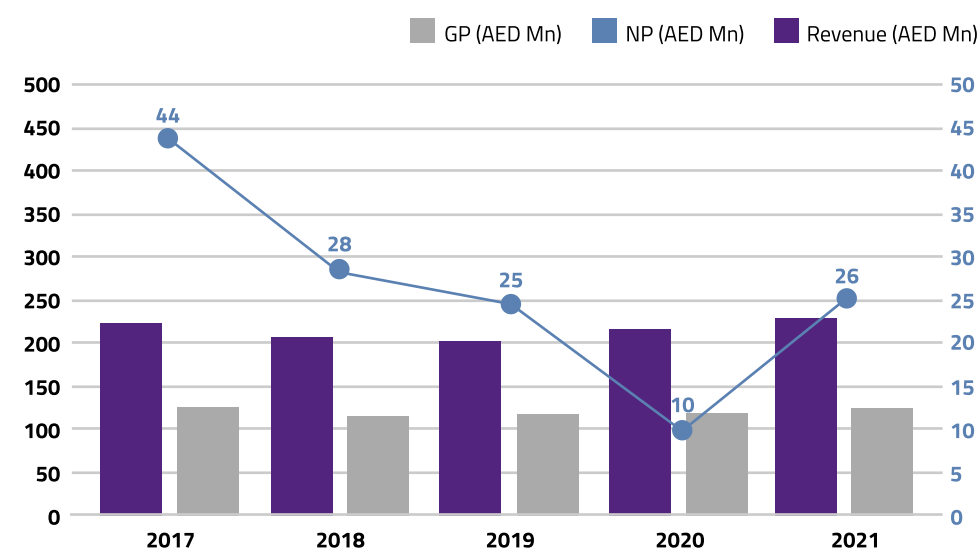


Suood Abdul Rahman
Chief Executive Officer

Business & Financial Performance

- OC Home will open new stores across the UAE, specifically Al Bateen (Abu Dhabi), Dubai Hills Mall (Dubai) and City Centre Al Zahia (Sharjah), plus an additional two branches.
- OC Home Furniture launched in Sharjah Megamall from December 2021.
- 2XL Home, Oman branch, commenced operation from December 2021.
- OC Home plans to boost its online presence becoming accessible to shoppers in Oman and other GCC regions.

Revenues & Gross Margin

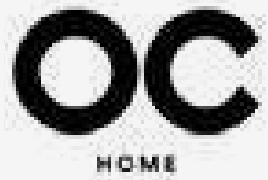


Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	275	301	431	479	506
Liabilities	33	39	147	207	203
Equity	242	262	284	272	303

AFKAR

Financial & Property Investment LLC



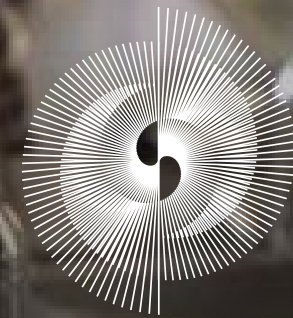
OC Home offers the best mid-century modern furniture and homeware collection catering to millennials and generation-z. With fresh and vibrant designs, the company showcases a captivating collection that competes with the latest market trends. Despite being newly established, the company has gained immense popularity in building a smart-urban lifestyle with a presence both online and in-store. With a vision to expand, they aim to build a presence across the GCC in the next 2 to 3 years, creating modern interiors that are accessible to everyone.



Established in 2000, 2XL Home is the UAE's most sought-after company, representing the epitome of luxury living. This iconic Emirati home furnishing brand presents premium furniture, lighting and home decor to create beautiful homes every single day with 10+ showrooms across the UAE and Oman. With an ambitious plan to expand, they anticipate to open new stores across the GCC in the upcoming years and reach new markets in the Middle East through e-commerce.



2020



APEX
HOLDING LLC
ابيكس القابضة ذ.م.م.

A diversified holding company focusing on strategic acquisitions in growth driven industries of F&B, facilities management, industrials, technology, and big data analytics.



APEX HOLDING

Business Profile

Apex Holding LLC is a diversified investment holding company with interests in a variety of sectors, including commercial catering, facilities management, contracting and auxiliary businesses, investments, technology and big data, among others. Founded in early 2021, Apex fully subscribes to the nation’s drive to implement sustainability, innovation, and economic diversification. Comprising several entities, Apex is expanding and diversifying its holdings across a growing number of sectors, including construction, industrial catering,

industries, retail and leisure and capital markets. With a core strategy of enhancing shareholder value and achieving sustainable growth, Apex develops operational synergies and maximizes cost efficiencies across all its market sectors. The organization continuously evaluates and explores investment opportunities through both direct ownership and partnerships in the UAE and abroad. Apex readily adapts to market volatility and remains focused on resilience, innovation and redefining the marketplace for itself, its clients, and its partners.

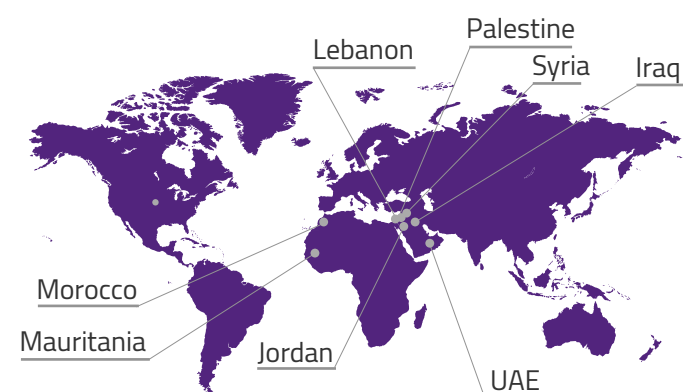
Highlights

Countries **09**
 Total asset **AED 1.3 bn**
 Total Revenue **AED 1.5 bn**
 Employees **1500+**

Key Services

- Industrial and Commercial Catering
- Facilities Management
- Contracting and Design
- Industrial and Commercial Laundry Services
- Field Hospitals Construction
- Provision of Tents, Shades and Mobile Halls

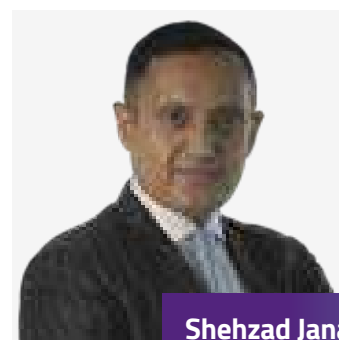
Key Markets



Key Management Personnel



Ahmad Amer Al Amry
Board Member and Managing Director

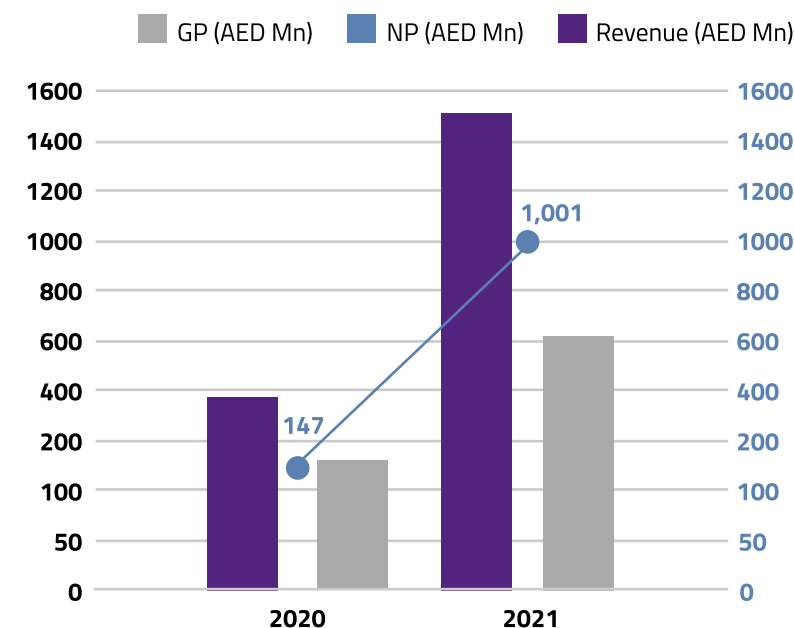


Shehzad Janab
Chief Executive Officer

Business & Financial Performance

- Apex Holding was established in January 2021 and by the end of the year had initiated a reverse takeover transaction with RAKCIC.
- Executed six (6) M&A transactions, with a combined business value of ca. AED1.5bn revenue by year-end 2021.
- Secured high profile contract awards from ADNOC, NPCC/NMDC and Schlumberger, through its wholly owned subsidiary, Apex Catering.
- Replicated our UAE success into the greater MENA region by providing tent contracting services to countries including Jordan, Mauritania, Iraq, Syria, Lebanon, Morocco.
- Established Apex Logistics which will be the division developing business interests in air, sea and land transportation, including drone deliveries, vessel and jet chartering.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2020	2021
Assets	300	1,331.7
Liabilities	156.2	187.7
Equity	143.7	1,143.9





Despite the economic headwinds blowing fiercely in 2021, APEX was able to deliver a strong year of business performance. New key strategic initiatives in the areas of contract wins, revenue diversification, and improving business fundamentals, drove significant operational accomplishments and strong financial results. APEX has momentum in their business across all verticals, and will continue to explore strategic investment opportunities in 2022.



The investment arm and incubator of new businesses and technologies, APEX National Investment also manages the proprietary capital.



One of the largest industrial and commercial catering service providers in the region, and the partner of choice of a select group of clients, including UAE government entities, ADNOC, Schlumberger, and NMDC/NPCC, amongst others.



Offers a full range of facilities management services with customized solutions to various businesses across a number of sectors. Key services include laundry, cleaning, sanitizations, repair and maintenance, security services, transportation, procurement and supply chain, waste management, etc.



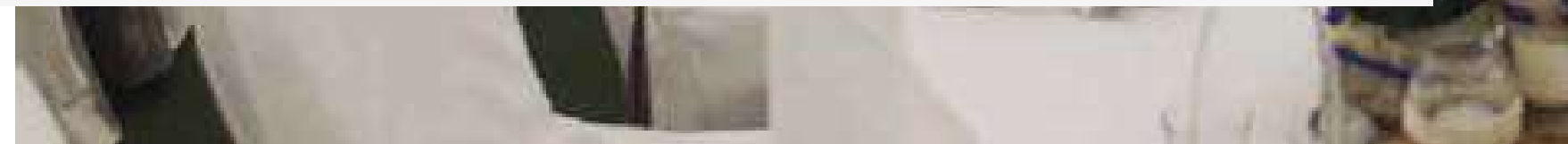
A regional pioneer in the provision of tents, shades and mobile halls. It is now leading the fight to contain the COVID pandemic with its state-of-the-art field hospitals, screening tents, and mobile medical facilities.



Leading industrial and commercial laundry and cleaning services provider, catering to various markets including hospitality and healthcare.



Well established and respected interior design and outfitting company.





2011

**International
Securities**
an IHC company

 **International
Securities**
an IHC company

A market leading brokerage firm based on value traded, specializing in equities and derivatives listed on ADX, DFM and NASDAQ Dubai.

International Securities is the first brokerage firm in the UAE market to be entirely cloud based.

intlsecurities.ae



INTERNATIONAL SECURITIES

Business Profile

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

Its business model was built around the simple idea of putting the client first. From that single concept, it has grown in alignment with its distinguished clients over many years.

The company rebranded as International Securities in 2018/19 from Integrated Securities & Shuaa Securities, initially founded in 2001 as the brokerage arm of First Gulf Bank (now First Abu Dhabi Bank, FAB). It has been part of the IHC conglomerate since November 1st, 2019.

As one of the UAE's most respected financial institutions, the company has consistently provided valuable equity research and advisory services, which help our clients stay ahead of the curve.

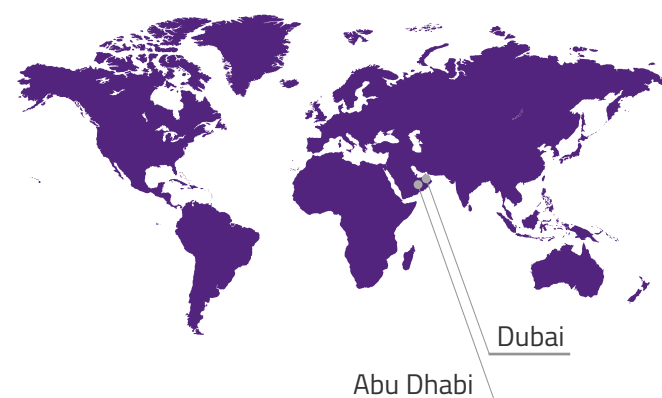
Highlights



Key Services

- Equities
- Derivatives
- Bonds/Sukuk
- EFT
- Margin Trading
- Short Selling
- Securities Lending & Borrowing
- Research & Advisory
- Institutional Placement
- IPO Underwriting
- Placement Agent

Key Markets



Key Management Personnel



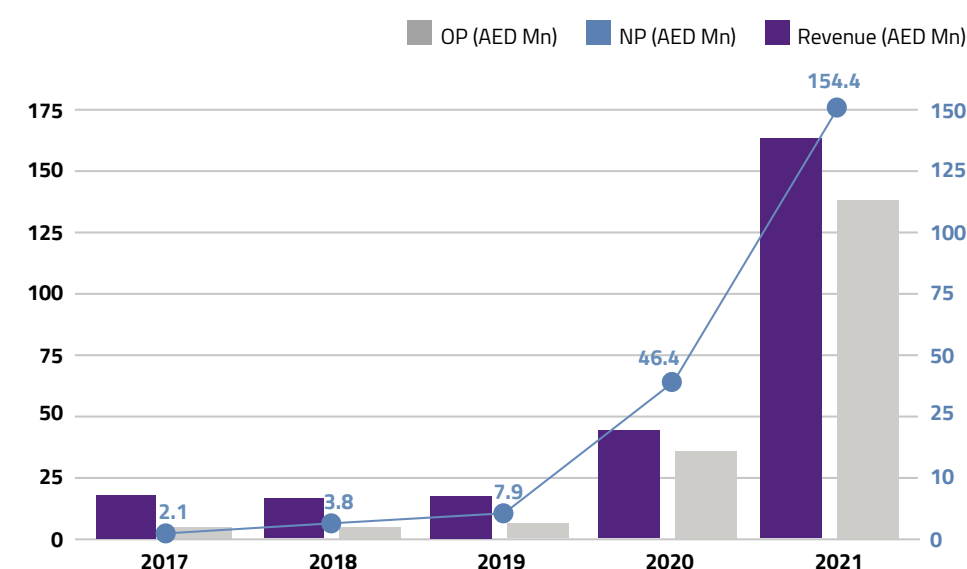
Ayman Hamed
Chief Executive Officer



Business & Financial Performance

- International Securities retained its title of "Best brokerage firm in the UAE" for 2021 with a 56.3% market share and AED 494 billion traded volume.
- In 2021, the company acted as a joint book runner (JBR) for the institutional tranche in the AED4b ADNOC Drilling IPO, and AED2.9b Fertiglobe IPO. International Securities was the only local securities company working with regional and global banks on these transactions.
- The firm is the first brokerage house in the UAE to elevate its business entirely to the cloud.
- The firm also facilitated the private listing of 5 entities with more than AED280b market cap, including Abu Dhabi-based companies such as Alpha Dhabi Holding, Al Seer Marine and Multiply Group.
- International Securities obtained research, advisory, and financial consulting license & started UAE market coverage.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	330.7	212.5	684.4	1,387.6	4,397.3
Liabilities	272.5	150.5	548.7	1,153.9	3,850
Equity	58.2	62.0	135.7	233.6	547.2





International Securities retained the best brokerage firm title in the UAE with a 56.3% market share and AED 494 billion traded volume in 2021.



In 2021, International Securities acted as a joint book runner (JBR) for the institutional tranche in AED 4.0bn ADNOC Drilling IPO, and AED 2.9bn Fertiglobe IPO. International Securities was the only local securities company working with regional and global

banks on these transactions. International Securities facilitated the private listing of 5 entities with more than AED 280bn market cap, which included Abu Dhabi based companies, such as Alpha Dhabi Holding, Al Seer Marine, and Multiply Group.

International Securities obtained research, advisory, and financial consulting license and started UAE market coverage. The firm is the first in the UAE to be entirely cloud based.



2022

Cutting-edge technology and a business model based on client first approach.

rts.ae



Secure hardware & software technology to empower the digital age.



RTS

Business Profile

Royal Technology Solutions is a leading system integrator & IT service provider in the Middle East. Established in 2010, the company is ISO 9001:27001:45001 Management Standard certified and works with clients through a combination of deep-level business and technical expertise, and a mature and competent delivery and services infrastructure. This reinforces RTS's leading position in the IT industry in the UAE. With the highest level of accreditation, RTS has established strong ties with HP, Dell, Cisco, Huawei,

Alcatel, Fortinet, Crestron, Extron, Epson, Christie Digital, JBL, LG, BOSE, FLIR, Hanwha, Hikvision, Seetec, Infotrend, Johnson Control, FAAC, Digifort, Honeywell, Keri Systems, Opterna, Belden, DME, Belconn, Excel, Oracle, Paloalto, Nvidia, Qualys and Microsoft Partners; all in addition to an ecosystem of complementary vendors. The structure enables RTS to deliver a wealth of best-of-breed solutions to its customers through its pre-sales, post-sales and project implementation teams, along with support experts.

Highlights

Market UAE
 Asset Growth **46.98%**
 Revenue Growth **149.85%**
 Employees **100+**

Key Products

- Audio Visual Systems, IPTV Solutions, Digital Signage, ICT infrastructure, Data Centre, Cinemas, Home Automation, & Network Infrastructure
- Integrated Surveillance & Security Systems, Lighting Control Systems, Building Automation, & Parking Management Systems
- IT Security, Business Continuity and Disaster Recovery, Servers & Storage, Cloud Computing, Voice Communication, ERP Solutions, Document Management, Mobile Application Development, Website Development, & Software Applications

Key Services

- Solution Design, Consultancy & Professional Services
- Support & Maintenance
- Project Management

Key Management Personnel



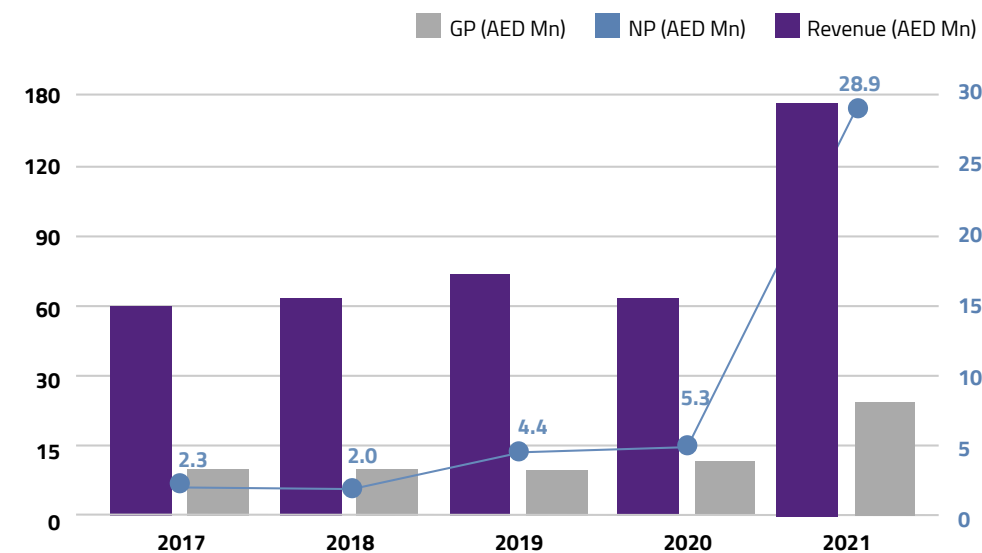
Akhtar Saeed Hashmi
Chief Executive Officer



Business & Financial Performance

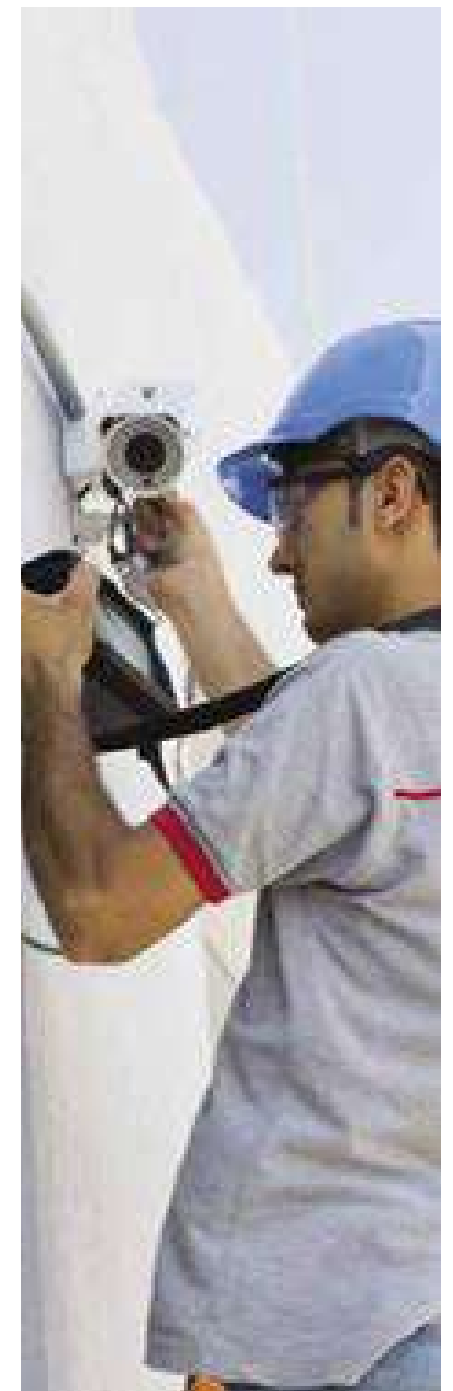
- Total Revenue achieved of over AED167m. (AED 167,350,232).
- Compared to 2020, gross profit increased by 137.34% and net profit by 447.40%.
- From 2021 onwards, RTS is continuously lowering costs through economies of scale, quick and direct deliveries to valued customers and reduced disruption from suppliers.
- Substantial business acquisitions are planned to add value and increase market share.
- FY21 reported a gross profit of AED 27,161,026 and net profit of AED28,890,970.
- Total Assets at year end of 2021: AED124,528,443, total Liabilities of AED 60,136,005, and total Equity standing at AED64,392,438.
- Revenue grew at a CAGR of 22.27% and 18.28% over the past 5 and 10 years respectively.

Revenues & Gross Margin



Balance Sheet (AED Mn)

Year	2017	2018	2019	2020	2021
Assets	73.18	143.70	96.91	84.72	124.53
Liabilities	48.54	116.18	66.69	49.22	60.14
Equity	24.64	27.52	30.22	35.50	64.39





Royal Technology Solutions provides comprehensive technology solutions for businesses across the globe.

ELV Solutions

- CCTV
- Access Control
- Structured Cabling
- Digital Signage
- SMATV
- AV System
- Building Automation Solutions
- Integrated Security & ELV Solutions
- Home Automation Solutions

IT Applications

- ERP
- Document Management
- Mobile Application Development
- Website Development
- Facility Management

ICT Solutions

- Network Infrastructure
- Business Continuity & Disaster Recovery Solution
- IT Security
- Servers & Storage
- Virtualization & Cloud Computing
- Voice Communication

Services & Support

- Solution Design & Professional Services
- Support & Maintenance
- Project Management



2023



TAMOUH
HEALTH CARE-L.L.C.
طموح للرعاية الصحية ذ.م.م.

UAE's key healthcare partner to battle the pandemic



TAMOUH HEALTH CARE

Business Profile

Tamouh Health Care is proud to be at the forefront of the battle against COVID-19, supporting, testing, and developing health care and vaccine both in the UAE and internationally. Tamouh Healthcare is one of the key healthcare partners in the UAE to battle the COVID-19 pandemic. Operations include 14 field hospitals, built within a time span of six months, including five medically equipped field hospitals in Africa. Tamouh Health Care manages the field hospitals in the UAE, providing over

2200 beds along with its vaccination program and PCR tests. Tamouh Health Care collaborated with Abu Dhabi Airport to set up, on the airport premises, the region's first COVID-19 PCR testing laboratory. The lab, launched in partnership with Pure Health, can conduct over 20,000 tests per day. Tamouh positions itself to further support the government in its endeavour to end the COVID-19 pandemic.

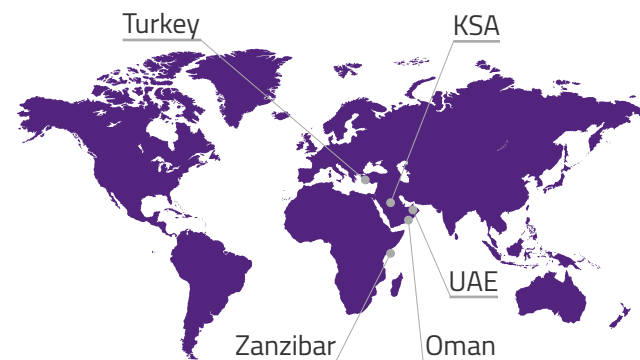
At a Glance

- Hospitals **11**
- Beds **2750**
- Vaccines **2,9 Mn**
- PCR Tests **2,8 Mn**
- Employees **2500**

Key Products & Services

- PCR Facilities & Screening Centres
- Hospitals
- Vaccination Centers
- PCR Tests
- Hospitalization
- Isolation
- Quarantine
- Lab

Key Markets



Key Management Personnel

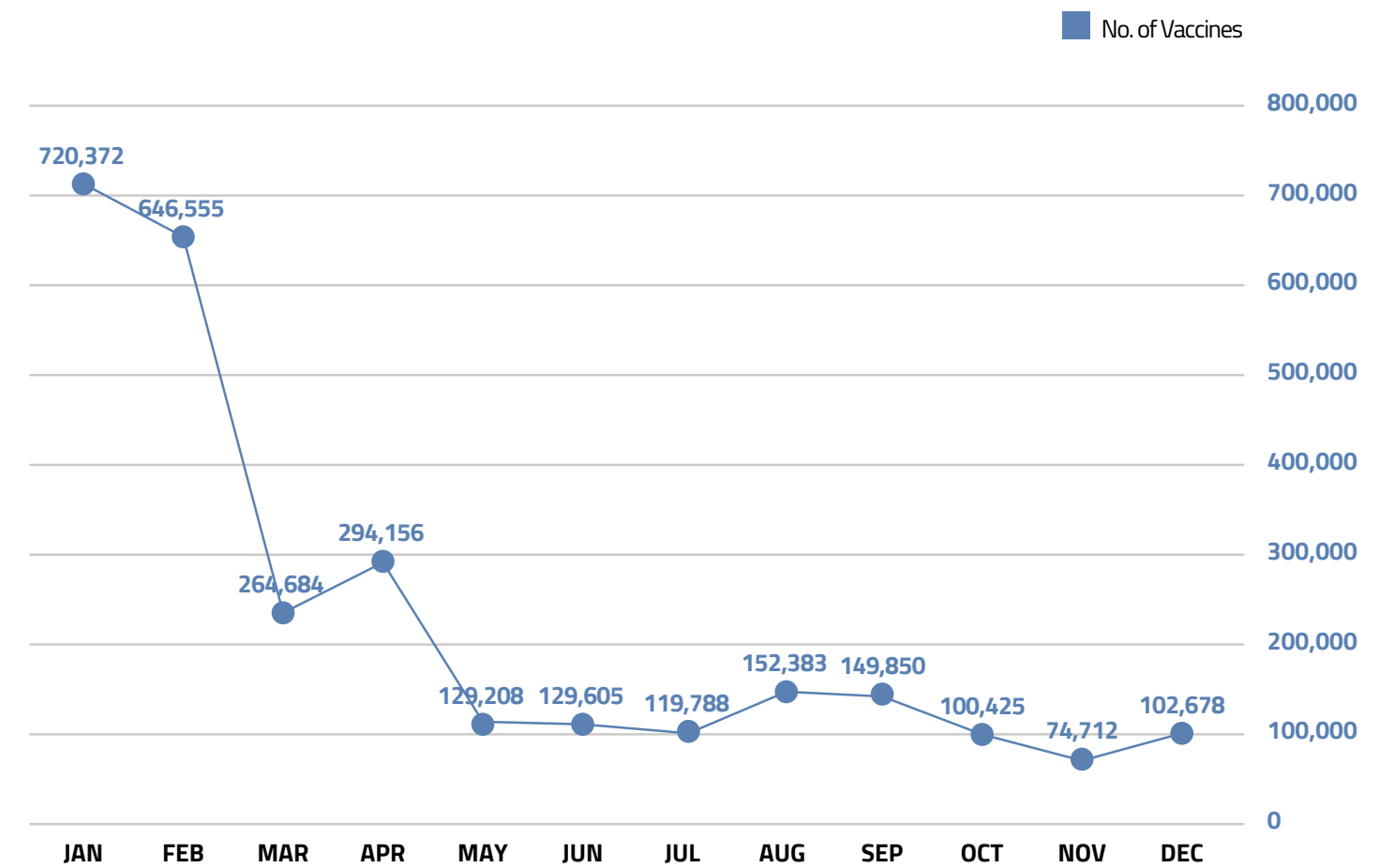


Abdulla Al Rashidi
Chief Executive Officer

Key Strategic Highlights & Milestones

- Tamouh Health Care supplied medical aid to around 96 countries across the globe.
- The company constructed and operated 10 field hospitals to serve people suffering from COVID-19.
- Around 383,000 were hospitalised and 18,000 patients were served in the company's ICU facilities.
- Around 3.2 Mn patients were treated in the 20 well-maintained and hygienic quarantine centres with a serving capacity of more than 30,000 patients.

Total Number of Vaccines Delivered per Month



TAMOUH

HEALTH CARE-L.L.C.
طوموح للرعاية الصحية ذ.م.م.

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



TAMOUH

HEALTH CARE-L.L.C.
طوموح للرعاية الصحية ذ.م.م.

Tamouh Health Care is one of the key healthcare partners in the UAE to battle the COVID-19 pandemic. Operations include 14 field hospitals, built within a time span of six months, including five medically equipped field hospitals in Africa. Tamouh Health Care manages the field hospitals in the UAE, providing over 2750 beds along with its vaccination program and PCR tests.



SH Somerian Health

Headquartered in Abu Dhabi, Somerian Health has been a leading force in the pandemic, setting up 84 Covid-care field hospitals, ICUs and clinical laboratories and ensuring effective prevention and infection control. This includes diagnostic services, such as RT-PCR, DPI testing, airport watch tracker programs and antigen testing in addition to vaccination drives at various touchpoints. Somerian Health aims to change the future of healthcare by bringing new-age, technology-led medical services with an efficient team of foreign-trained doctors and nurses under its management prioritizing health, no matter what.



\$ sanimed

Sanimed is a dynamic company with highly qualified personnel and vast experience in the production and marketing of in-vitro diagnostic reagents. Since 2003, Sanimed International Impex has developed its production line of reliable and high quality bacteriology products. Our dedication to customer satisfaction and exceptional manufacturing versatility have granted Sanimed International Impex continuous growth, as a result of the increasing quality of our products.





Other Ventures





2.14

A differentiated gas service provider, equipped with technology and founded upon years of innovation and experience.

Business Profile

Emirates International Gas is set up with the vision of simplifying gas supply and customer experience in the market. EIG is backed by IHC Utilities as a majority shareholder and is setting operations to gain significant market share. With over 30 years of experience in the market and utilizing the latest technologies, EIG's platformization of processes will bring to the market a differentiated and trust-worthy solution.

Key Management Personnel



Moustafa Rashad Al Fanar
Chief Executive Officer



Technology-backed and data driven solutions with 30 years of UAE experience.

Benefits & Outlook

- Technology-backed and data driven solutions to anticipate client issues and problem solve.
- LPG & Natural Gas supply to all types of customer profiles.
- Maintenance services of LPG, NG and SNG to all commercial, industrial or residential clients.
- Market-leading solutions with platformization of payment processes.
- More sustainable and economic gas supply.
- EIG has signed a partnership agreement with FAB Properties to provide gas supply services to all its residential, commercial and industrial properties and all gas asset management.
- The company is positioned to further scale its business and expand across the region while maintaining its trust and reliability.



2.15

Esyasoft is the pioneer serving the software solutions and analytics needs of smart grid for utilities market needs

Business Profile

Esyasoft is a SaaS based technology and analytical application for Smart Grid systems having modules including: Capturing data through sensors/smart meters, IoT Communication Gateways, Analysis of data and generate useful analytical results, helping management in decision making through AI and Machine Learning. Esyasoft collaborates with leading Energy Utilities, OEMs, and System Integrators to implement Smart Grid & Smart City solutions. Our Smart City IT Solutions mitigate the pressures and challenges presented by growing urban population and advances in digital technology, all while increasing sustainability.

Key Management Personnel



Bipin Chandra
Chief Executive Officer



Benefits & Outlook

- Esyasoft is working with multiple utility companies across 3 continents that have deployed Esyasoft smart grid platform with more than 20 million endpoints, across 19 distribution companies.
- Esyasoft innovative product "Digital Grid Analyser" a modular, secured and scalable IoT system that helps utilities to unlock full potential of Low and Medium Voltage distribution.
- Esyasoft has received a National Award from the government of India and featuring in Gartner reports for its platform for the 3rd consecutive year.
- Esyasoft helps utility companies to reduce their Aggregated Technical and Commercial (AT&C) losses there by maximising the revenues and reduce carbon footprint.
- Esyasoft and Smartworld - Etisalat join forces to deploy Edge IoT devices to enable Advanced Metering Infrastructure in Abu Dhabi, Al Ain and Northern Emirates region helping the consumers to better monitor & reduce consumption and improve energy efficiency.
- Esyasoft plans to expand into KSA, North Africa and the Americas by 2022.



Esyasoft's Integrated Smart Grid Suite is a cloud integrated platform that combines application and data integration that provides value-added benefits and savings to the leading utility systems in India and UAE.



2.16

Specialized turnkey provider for high quality fire protection systems and solutions.

Business Profile

FOOJ was founded in 2020 and is a specialized firefighting company engaged in managing and operating firefighting stations and offering turnkey solutions in the provision of Emergency Response, Firefighting Services in the UAE and Middle East. FOOJ is dedicated to maintain a comprehensive level of integrated safety measures and a high level of experience, as well as compliance with best practices internationally. Our core mission is to protect lives, critical infrastructure, and property.

Key Management Personnel



Jamal Al Shamsi
Chief Executive Officer



Effective and Reliable Protection for all facets of firefighting.

Benefits & Outlook

- Improved Cost Efficiencies for Operating Fire and Emergency Services.
- Increased flexibility and end to end solution provider for clients.
- Reduced liability impact for our clients.
- Creating new employment opportunities for Emirati Nationals.
- Scale-up Firefighting Training and Competency Assessments.
- Leverage the 10.1% CAGR in UAE to obtain new contracts and increase market share.



2.17

A visionary solution to the world's plastic problem, backed by technology, conceived by a global team of experts.

Business Profile

IHC is backing Rebound Plastic Exchange, the first global platform with quality assurance protocol for buyers and sellers to trade recycled plastic feedstock at scale, with the aim of generating large-scale positive environmental impact. Following a robust feasibility study, it is expected to be a profitable and ground-breaking new venture. The Rebound Exchange enables large volumes of recycled plastic feedstock to be traded with verified protocols which customers, traders, and national governments will trust and accept. With the proprietary Rebound Plastic Passport & platform, the company's protocol offers a set of internationally recognised certification and verification standards for the trusted movement of recycled plastic feedstock material across borders.

Key Management Personnel



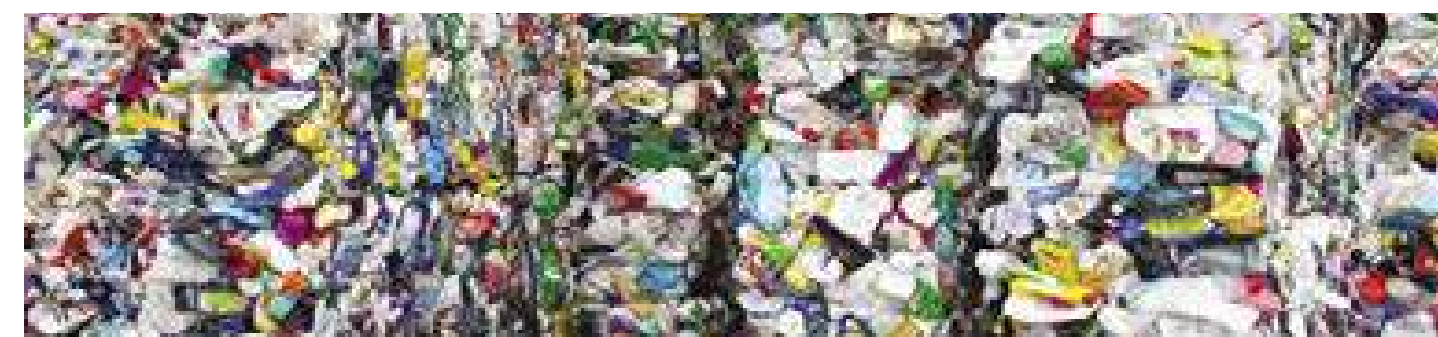
Maryam Al Mansoori
General Manager



The Rebound Plastic Exchange is the first global platform with quality assurance protocol for buyers and sellers to trade recycled plastic feedstock at scale.

Benefits & Outlook

- Offering pellets, bales and flakes on the trading platform will increase liquidity and address the lack of supply in the market.
- Rebound Plastic Exchange is set to 'Go-Live' by Q3 this year and will amalgamate a global solution for a market where US\$ 370 billion worth of recyclable plastic go unrecycled.
- Significant increase in volumes of plastic traded, enabled by the Rebound Plastics Passport, which provides a trusted, end-to-end supply chain traceability system.
- Help reduce a significant portion of global plastics pollution.
- Stimulating a circular economy through scalable and verifiable reuse of materials, thus reducing climate change impacts and enabling local economic development via collection and processing.
- Increase price transparency and enable scaled, global recycling infrastructure.





2.18

Helping enterprises realize their energy-efficiency targets by providing innovative and reliable solutions.

Business Profile

Reset is a UAE based Energy Service Company (ESCO) that provides turnkey energy and water saving solutions for buildings and infrastructures through energy performance contracts via a guaranteed or shared energy savings offering. Through our energy audits Reset has provided substantial water and energy savings to our clients. Backed by IHC as majority shareholders Reset aims to promote a greener economy and in the conservation of the country's natural resources supporting the national sustainability aspirations of the United Arab Emirates.

Key Management Personnel



Frederic Cantin
General Manager



Reset provides enterprises energy saving measures, implementation benefits and positive financial implications

Benefits & Outlook

- Expansion planned in Saudi Arabia and Bahrain.
- AED 15 Mn + in savings for our clients to be delivered in the next 12 months – with an average 50% reduction in water costs and 25% reduction in electricity costs.
- Contribute in a positive way to the conservation of the country's natural resources and help in supporting the national sustainability aspirations of the United Arab Emirates.
- Project coverage and reach in the 7 Emirates.
- Access to a total workforce of more than 40,000 people.
- Experienced team with over AED 300 Mn energy performance contracts in the region.
- RESET have built a pipeline of projects in the UAE worth more than AED 50 Mn.



Shory.

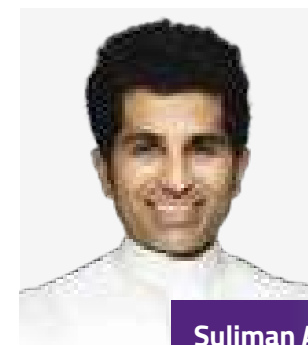
2.19

Technology that brings ease of mind, honesty, transparency, and respect for privacy to insurance customers.

Business Profile

Shory is a global InsureTech company that leverages technology and innovative solutions to serve its customers and create ease of mind and trustworthiness around insurance needs. Shory designs and develops platforms, AI systems, and integrated embedded systems where customer experience is the focal point and guiding principle. Headquartered in Abu Dhabi with offices in Dubai, Sharjah, Egypt and aiming to expand to other tech talent rich countries such as India and Europe. The company is driven to bring its products globally with the aim to be one of the largest insuretech companies in the world.

Key Management Personnel



Suliman Alfallaj
Cofounder & CEO



Shory's disruptive online platform that empowers users with transparent pricing and an integrated experience which is paperless and without human intervention.

Benefits & Outlook

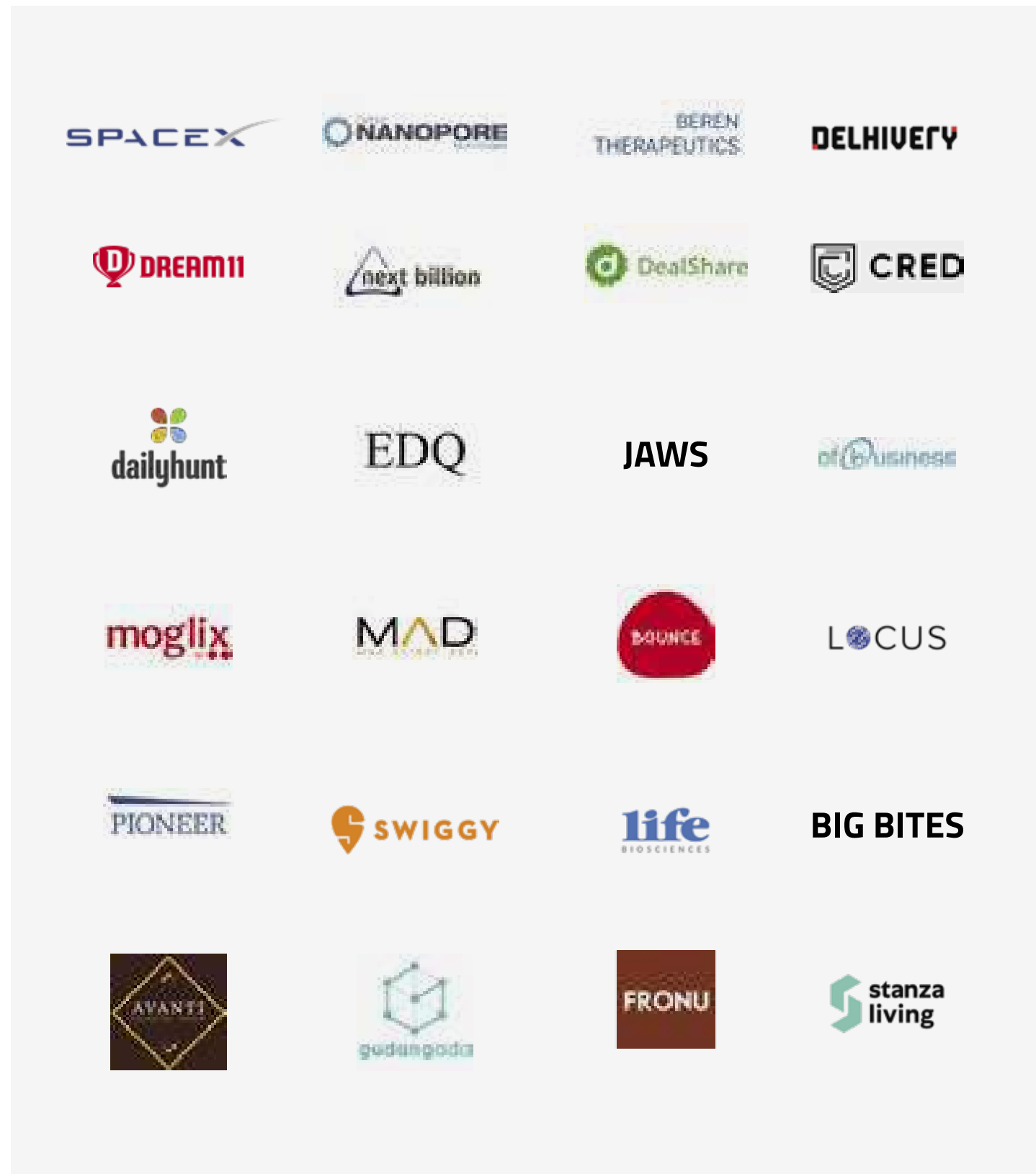
- Launch online platform in 2022, for motor vehicles bringing to the UAE its first fully online integrated insurance comparison experience.
- Completely paperless and digital customer experience to compare, buy and obtain their insurance policies.
- An Owned and operated first party Central Bank licensed insurance broker to service its corporate clients.
- The company has a team of top global experts specialized in insurance and risk in all business and government sectors.
- Integrated technology solutions to improve insurance experience of its corporate clients for better decision making and risk management consultancy.
- Shory is developing pilots and market penetration strategies for the MENA region and the USA, two highly lucrative insurance markets.



Technology and Venture Capital Investments 2.20

IHC today has a vast portfolio of investments in technology. Funding technology at the current rate of market evolution has called for dynamic investments across various sectors. Our investments have been across emerging technologies, in companies that provide the greatest potential for transformation and long-term value creation.

Today, our portfolio of Tech and Venture Capital investments include minority shareholding in:



Research & Development 2.21

Investments in R&D is an important driver to spur progress and breakthroughs that can drive profits.

Business Profile

In 2021, IHC ramped up investments in innovations and R&D including, but not limited to, bio-tech and life sciences, therapeutics, research and clinical trials, health-tech, AI image-analysis models, laser and optics, Machine Learning, Electromagnetic waves and spectral signatures.

QUANTLASE LAB

QuantLase Lab is an interdisciplinary research and innovation arm at IHC with commercial deployment of its rapid coronavirus laser testing technology in 2020; a scientific breakthrough using first-in-class, user-friendly test called the Diffractive Phase Interferometry (DPI), to indicate signature of infection within seconds.



Since inception, the Lab has developed state-of-the-art facilities to spearhead innovation with the use laser technology, quantum and bio-photonics. With a focus on sustainability, the Lab is dedicated to design and develop novel solutions for national security, cybersecurity, cryptography and healthcare.

In 2021, further investments in R&D were reaped through the enabling technology of EDE Scanners. A non-invasive scanning mechanism, based on passive multispectral interferometric analysis and ML Algorithms to detect presence of Covid-19 RNA Molecules in individuals. Today, following regulatory approvals, the authorised EDE Scanning system is deployed at high-traffic public areas in Abu Dhabi and has conducted over 100mn tests – enabling the UAE to curb the spread of the virus and aid in the Government’s integrated strategy to combat the pandemic. The innovative EDE Technology utilises unique properties of sensors, to identify Covid-19 virus presence with high sensitivity and specificity with real-time assessment (50 milliseconds) using AI & ML systems.



Key Management Personnel



Ajay Bhatia
Chief Executive Officer



EDE Scanning technology can detect a possible COVID-19 infection in a person’s body, with immediate results



3.0

Corporate Governance

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3.1 Introduction

International Holding Company (“IHC”, “Company”, “Group”) was established in 1999 and is a Public Joint Stock Company registered on the ADX since 2005. IHC is one of the fastest growing diversified holding companies in the region with an international presence extending across the Middle East, Europe and the Americas.

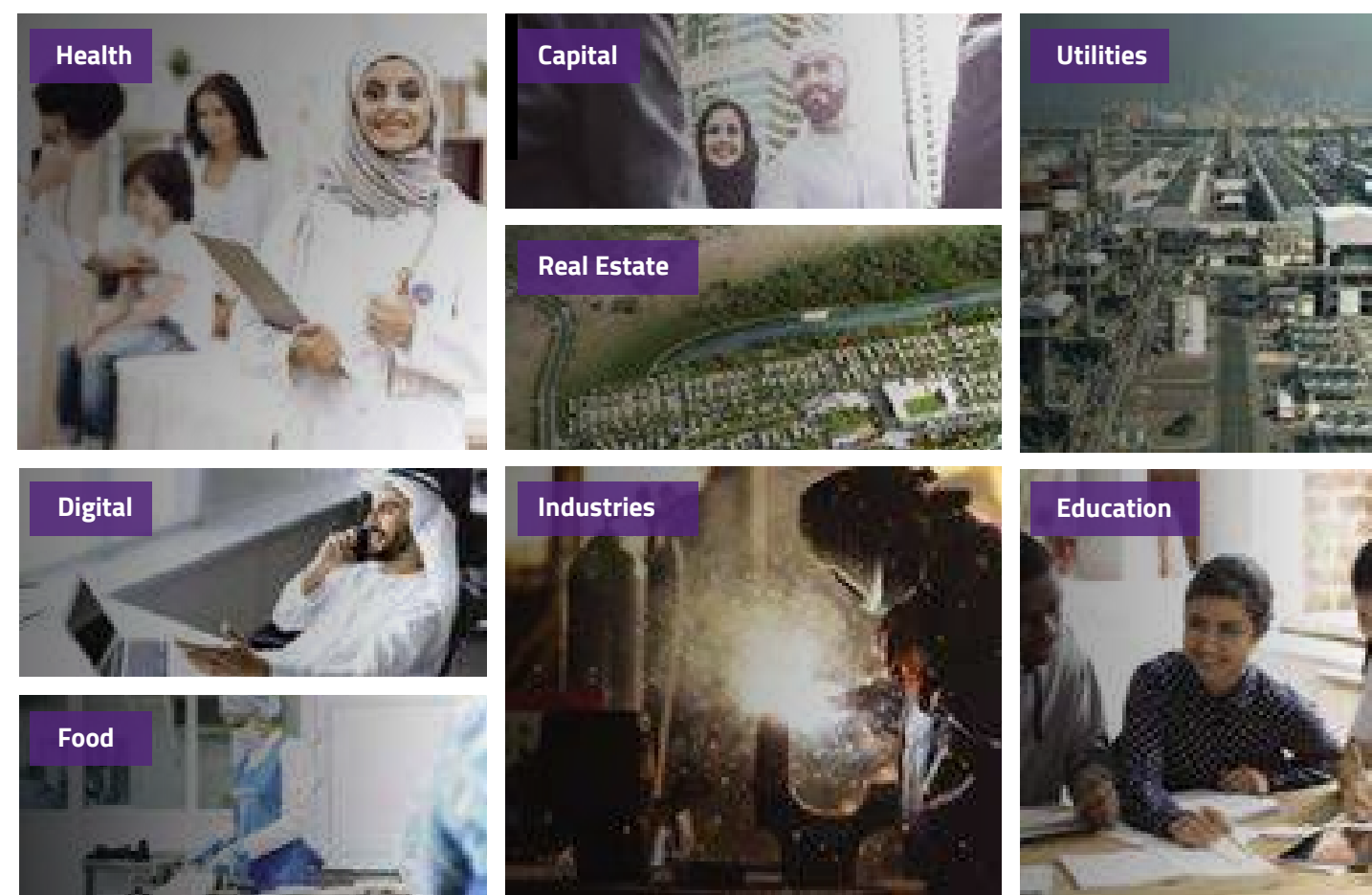
Good governance supports responsible corporate behaviour, transparency, and sustainable business practices. Over the years, IHC has strengthened its governance practices and continued to do so in 2021, during which IHC’s Board of Directors (the “Board”) and IHC senior management acted proactively and continuously monitored all components of the business to ensure minimal disruptions and impact on the Group’s business due to COVID-19. Several measures were taken to protect the health and safety of employees: technology driven new product innovations to support the UAE Government’s fight against the COVID-19 pandemic situation and improve the speed and accuracy

of COVID-19 assessments helped create a positive impact on society as a whole and enabled business continuity in a sustainable, responsible manner. Further, during 2021, IHC continued to pursue its robust investment strategy and completed various acquisitions both within and outside the GCC. All these elements combined to help IHC deliver a stellar performance in 2021.

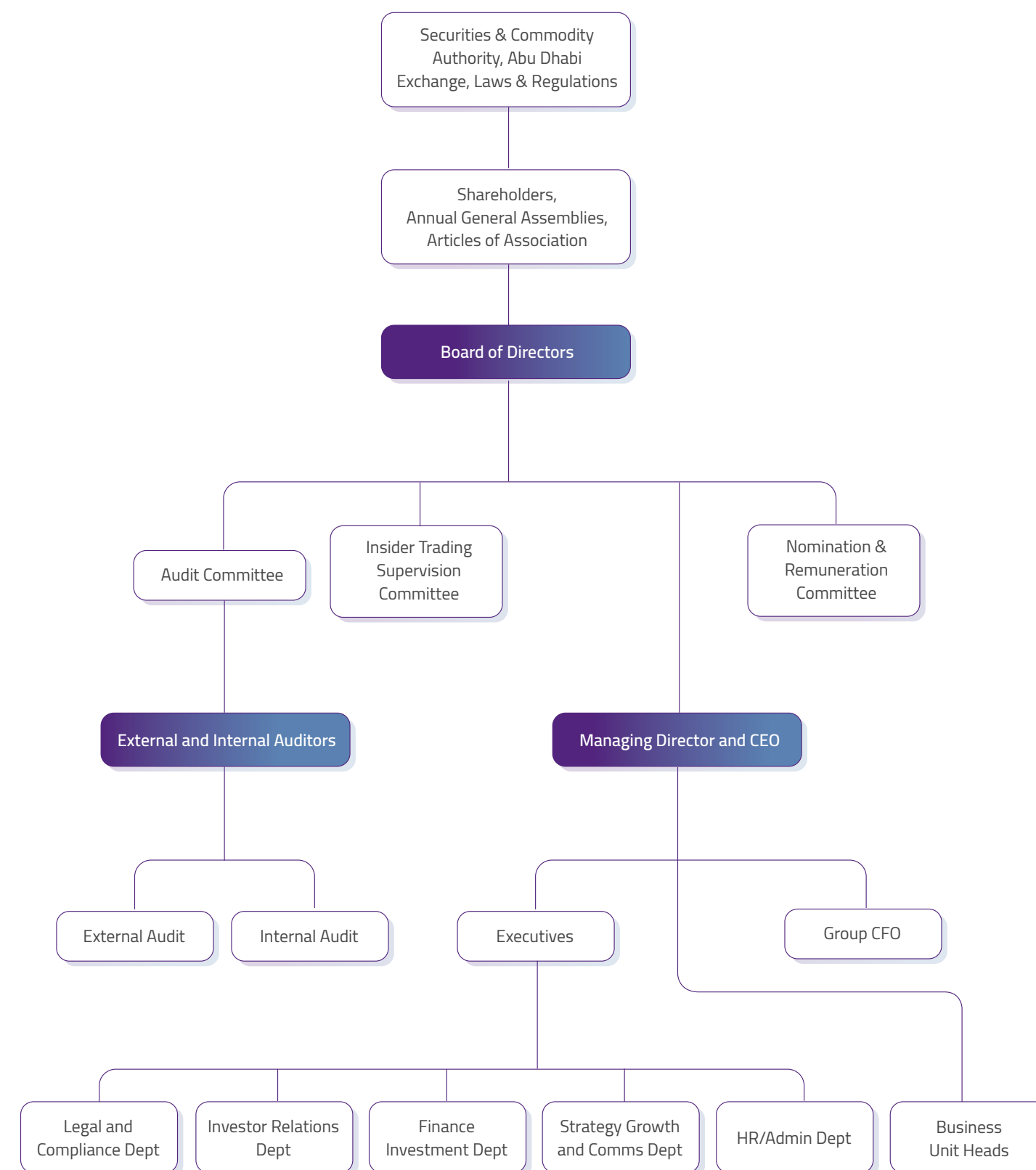
This report gives an overview of IHC’s Corporate Governance systems and procedures as of December 31st 2021, and has been filed with the Securities and Commodities Authority (SCA), posted on the Abu Dhabi Exchange (ADX) website and the Group’s website. This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/ Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020) and the format of this report is as prescribed by SCA.

3.2 Group Governance Structure

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



Group Governance Structure



3.3 Corporate Governance Practices

a. Solid foundations for management and oversight

The Board of the Company is committed to high standards of Corporate Governance, which it considers are critical to business integrity and to maintaining investor confidence in the Company. IHC expects all its directors and employees to act with honesty, integrity, and fairness. The Group shall strive to act in accordance with the laws and regulations of the countries in which it operates, adopt proper standards of business practice and procedure, operate with integrity and observe and respect the culture of every country in which it conducts business.

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

The Company is managed by the Board of Directors comprised of five members, elected by the Ordinary General Assembly through secret ballot, for a period of three years. The Board of Directors elects the Chairman and the Vice Chairman from among its members. The position of the Chairman of the Board of Directors and the position of the Managing Director is separate.

b. Role of the board

The IHC Board provides leadership to the Group and, either directly or through the functioning of the Board sub-committees and delegated authority, provides independent judgment on all issues of strategy, performance, resources (including key appointments) and standards of conduct. The Board approves the Group's strategic objectives, implements them through its approval and regular monitoring of a business plan and budget prepared by senior management. The business plan specifies key developments towards the strategic objectives that are to be achieved by management within an agreed budget. The Board also ensures that rigorous governance processes operate effectively to guide decision-making across the business.

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

- Setting IHC's strategic direction/goals, approve and monitor corporate strategy (including subsidiaries), business plan, annual budget, and any amendments thereto.

- Reviewing financial performance considering the Strategy, Business Plan and Budget of IHC, ensuring that where necessary, corrective action is taken.
- Approving investment related decisions on Mergers, Acquisitions, Reorganisation and Exits.
- Establishing, promoting and maintaining proper processes and controls to preserve the integrity of accounting and financial records and reporting.
- Approving the Risk Management Framework of IHC, including risk appetite, maximum limits, or indicators of risk appetite. Receiving regular reports from IHC management on all actual and anticipated strategic risks confronting IHC Group, including updates from the Audit Committee, as appropriate.
- Adopting and overseeing implementation of corporate governance practices.
- Reviewing Board composition and performance.
- Recruitment, Termination, Reward, Compensation and Benefit Matters for IHC MD and Senior Management of IHC.
- Determining and reviewing authorities delegated to the Managing Director.

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

The Board is also responsible for ensuring that management maintains a system of internal control that provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations and has delegated the responsibility for oversight of the Internal Control to the Audit Committee. The Internal Control Department (ICD) along with an outsourced service provider, performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit Committee reviews the effectiveness of the ICD.

The Board is also the decision-making body for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial, or reputational implications or consequences. There is a formal schedule of matters reserved for the Board's decision, which are specified in IHC's Delegation of Authority Policy Framework.

c. Delegation of Authority to the Board Members and Executive Management

IHC Board, through a Power of Attorney, has delegated the Chairman and Vice-Chairman to represent, attend, act, and sign (with wide authorities) on behalf of the Company, its subsidiaries and its affiliates in all matters, disposals, transactions and other acts that each of the Company, the subsidiaries and/or the affiliates may carry out or assume. The Power of Attorney is provided for a period of 3 years and is attested by the notary public.

The IHC Board, through a Power of Attorney and Financial Delegation of Authority, has delegated the Managing Director with the authority and powers necessary to implement the strategies approved by the Board and to manage the business affairs of the IHC Group within the policies and delegation limits specified by the Board from time to time. This Power of Attorney is provided for a period of 3 years and is attested by the notary public.

The Managing Director may further delegate authority to a Business Unit's management, but remains accountable for all authorities delegated. The Group has a decentralized corporate structure in which the overall management of operational activities is largely performed by the respective business unit leadership team. To enable this, the Managing Director has delegated (or is in the process of delegating) part of his authorities on operational matters to the Business Unit Heads, as necessary to run the business. The delegation of authorities has been effected through a notarized Power of Attorney. IHC Senior Management holds monthly meetings with business units to review the performance, discuss strategic issues and agree on action plans.

d. Corporate Governance Policies

Below is a summary of IHC's key policies and guidelines which promote and enhance higher Corporate Governance standards:

- Corporate Governance Manual covering the roles and responsibilities of all stakeholders involved in governance processes, including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, Managing Director, Senior Management, Internal Audit/Internal Control, External Audit, Board and Committees Secretary and other stakeholders.
- Delegation of authority for IHC, subsidiaries and affiliates of IHC, to ensure efficient and effective decision-making which balances empowerment against controls.

- Code of Conduct and Business Ethics to guide the conduct of Directors and Employees
- Board of Directors Charter for effective functioning of the Board.
- Charters for effective functioning of the Board Committees, namely Audit Committee, Nomination and Remuneration Committee and Insider Trading Supervision Committee.
- Conflict of Interest Policy setting forth requirements for the avoidance and management of potential and actual conflicts of interest involving the Group.
- Anti-Fraud Policy to facilitate the development of controls that will aid in the detection and prevention of fraud and provide an overall framework for managing suspected cases of fraud.
- Whistleblower Policy whereby employees can, in confidence, report on matters where they feel a malpractice is taking place, or if ethical/integrity standards are being compromised.
- Disclosure and Transparency Policy provides guidelines to ensure that IHC makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
- Compliance Management Policy to promote a culture of good corporate governance and compliance practices, and gain assurance through its governance arrangements that the Group is in conformance with its legal and policy obligations.
- Investment Policy provides framework and guidelines to IHC Senior Management and IHC's Investment Function on investment strategy and process (new investments, effective monitoring of the performance of portfolio companies and exit/divest investments).
- Dividend Policy provides the framework, principles and methodology for dividend distribution by IHC and its subsidiaries



e. Subsidiary Governance

IHC Group has been organized into eight (8) verticals, and the operating business units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations. IHC's "Subsidiary Governance" process are as below:

- Establishment of strategic plans for subsidiaries and a monitoring process for review of actual performance vs strategic plan has been laid out.
- During 2020 and 2021, eight (8) subsidiaries and affiliates of IHC were listed on the ADX. Independent Boards and Committees have been established for the effective functioning and monitoring of the listed subsidiaries and affiliates. IHC has also laid out a road map for listing many of its subsidiaries and affiliates
- Clear governance structure has been defined. The Delegation of Authority Policy framework lists the matters reserved for IHC Shareholders, IHC Board, Subsidiary Board/IHC Managing Director (where the Subsidiary Board is not established) and Subsidiary Management.
- Institutionalization of Policies and Procedures across the Group. Various IHC subsidiaries are in the process of developing, implementing and auditing compliance with the policies.

in financial markets in the short to medium term, and these entities shall be managed by independent Boards and Committees. Roles and responsibilities of the subsidiary and affiliate Boards and Committees are clearly defined in the Board and Committee Charters.

3.4 Transactions in company Securities by Board Members

a. Transactions report of the members of the Board of Directors, their spouses, and their children, in Company securities during the year 2021

None of the Board Members, their spouses and their children, have traded in Company shares during 2021. As at 31st December 2021, the Board Members, their spouses and their children do not own any shares in IHC.

3.5 Board of Directors




The Board currently has five members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors and a Non-Independent Executive Director. The composition of the Board has remained consistent during the reporting period ended 31st December 2021. The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience, and diversity to develop and support the Company's vision and strategic objectives.



Board of Directors	Role	Category	Member Since
H.H. Sheikh Tahnoon bin Zayed Al Nahyan	Chairman Board of Directors	Independent, non-executive	2020
Dr. Mhd Somar Nassouh Ajalyaqin	Vice Chairman - Board of Directors Chairman - Nomination and Remuneration Committee Member – Audit Committee	Independent, non-executive	2020
Mr. Syed Basar Shueb	Board Member & Managing Director Chairman - Insider Trading Supervision Committee	Non - independent, executive	2019
Ms. Sofia Abdellatif Lasky	Board Member Chairman – Audit Committee Member - Nomination and Remuneration Committee	Independent, non-executive	2020
Mr. Mohammed Nasser Saif Howaiden Al Shamsi	Board Member Member – Audit Committee Member - Nomination and Remuneration Committee Member - Insider Trading Supervision Committee	Independent, non-executive	2020



a. Profile of Board Members

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

Board of Directors	Role	Profile
 H.H. Sheikh Tahnoon bin Zayed Al Nahyan	Chairman, Independent/ Non-Executive	<p>His Highness Sheikh Tahnoon bin Zayed al Nahyan has been the Chairman of International Holding Company (IHC) since April 2020. His Highness also chairs a number of leading business groups in the Emirate of Abu Dhabi, such as First Abu Dhabi Bank (FAB), ADQ (formerly Abu Dhabi Developmental Holding Company PJSC) and G42, the leading Artificial Intelligence and Cloud Computing group.</p> <p>In his government roles, His Highness is a member of the Abu Dhabi Executive Council, Chairman of the Strategic Affairs Committee and a Board member of the "Supreme Council for Financial and Economic Affairs", set-up to oversee, organise and approve policies for Abu Dhabi, related to financial, investment, economic, petroleum, and natural resources.</p>
 Syed Basar Shueb	Board Member, Chief Executive Officer & Managing Director Chairman – Insider Trading Committee	<p>Syed Basar Shueb has been Chief Executive Officer, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group Chief Executive Officer of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, and Keyhole TIG (K-TIG) Limited, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.</p> <p>In addition to becoming Vice Chairman of Alpha Dhabi Holding (ADH) recently, Syed Basar has been elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry, which aims to strengthen the role of the private sector by supporting and ensuring the representation of companies of all sizes, in all economic sectors.</p> <p>An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Middle East's top-tier of CEOs by Forbes in 2021; known to be a decisive and pragmatic leader and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines, he has contributed to IHC being in the top 10 performers of Abu Dhabi Bourse listed companies.</p>
 Dr. Mhd Somar Ajalyaqin	Vice Chairman, Independent/ Non-Executive Chairman - Nomination & Remuneration Committee Member - Audit Committee	<p>Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.</p> <p>Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on mergers and acquisitions strategies and the tactical growth of companies, and he has been integral to the successful overall performance of IHC.</p> <p>He holds a degree in DAA from Syria, and during his tenure at IHC, has been instrumental at board level in all matters relating to business acquisitions and dynamic investment opportunities.</p>

Board of Directors	Role	Profile
 Sofia Abdellatif Lasky	Board Member Independent/Non-Executive Chairwoman – Audit Committee Member – Nomination & Remuneration Committee	<p>Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 16-year tenure at Royal Group.</p> <p>She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.</p> <p>She holds a Bachelor's Degree in Management Information Technology from the United Kingdom and has held and continues to occupy a position on the Boards of Directors of a number of companies, including Alpha Dhabi Holding (ADH).</p> <p>Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.</p>
 Mohammed Nasser Saif Howaiden Al Shamsi	Board Member Independent/Non-Executive Member – Audit Committee Member – Nomination & Remuneration Committee Member – Insider Trading Committee	<p>Mohammed Nasser Al Shamsi is an International Affairs Specialist at Presidential Level in the UAE Ministry of Presidential Affairs. His role involves managing the strategic relationships with foreign governments, diplomatic missions and international institutions.</p> <p>Mohammed holds a Bachelor's Degree in Business Management from the United Arab Emirates University, and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts before moving to the Supreme Council for National Security in 2013, where he played an active role in international relations.</p> <p>Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.</p>

b. The Board Secretary

The Board Secretary is the point of communication with the Board of Directors and senior management, and plays a key role in the administration of important corporate governance matters.

Ms. Linda Ballout, IHC's Investor Relations Officer, has been Board Secretary since 2020. Linda reports to the Board in relation to all secretarial responsibilities

The Board Secretary has the following key responsibilities:

- Working closely with the Board of Directors and Executives in the planning of Board of Directors' meetings as well as the mechanism of meetings (attendance, conference calls, virtual/online attendance etc.)
- The creation and timely distribution of the agenda for Board meetings as well as General meetings.
- Recording and distributing the minutes of Board of Directors meetings.
- Maintaining of a full contact list of Board Members, including Board Members' appointment dates, term of appointments and Board Member biographies.
- Updating, maintaining and securing safe storage of the minutes and other legal/related documents.
- Knowledge of the meeting procedures, decision-making rules, governance policies.
- Providing regular disclosures/announcements on the Board Meetings' results and financial decisions.
- Managing external correspondence and ensuring that requests made of the Board of Directors, or that are relevant to the governance of the Company, is reported and responded to in a timely manner.
- Preparing presentations and other communication materials for meetings.

- Maintaining the information and data disclosed to regulators, markets, or the general public, and those posted on the Company's website.
- Managing all formal correspondences.
- Assisting in the preparation and review of key regulatory filings, corporate annual reports, and other reports, as well as other announcements regarding material events.

c. Diversity - Women's representation in the Board of Directors in 2021

In keeping with the Company's commitment to gender diversity, IHC is proud to have one female representative on the Board and IHC actively seeks to recruit more female employees across all areas of the Company's operations

d. Board Induction and Development

The Chairman, with the support of the Board Secretary, is responsible for the induction of new Directors and their continual development. All Directors receive a tailored induction upon joining the Board, detailing their duties and responsibilities as Directors. The Board is committed to ensuring that its performance is enhanced, and its Directors are able to perform their role effectively, by providing Non-executive Directors with regular briefings on the Company's operations, as well as periodic site visits and presentations by external parties in a range of fields.

e. Board Effectiveness Evaluation

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

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

- The Board of Directors and the Board Sub-committees are fully engaged in the oversight of the management of IHC and are fully discharging their responsibilities towards the shareholders.
- The Directors are individually discharging their responsibilities as Directors of IHC.
- The Board Committees are acting in accordance with and discharging their responsibilities pursuant to their Charters.

f. Key focus areas for the Board during 2021

During 2021, the Board of Directors focused and made decisions on various areas as below:

- Approved the Annual Budget and Business Plan.
- Pursued a robust acquisition plan and approved acquisitions of various strategic investments (details given in Paragraph 19).
- Establishment of an "Education" vertical. UAE Government has set a focus on the education sector with the objective of fostering a high-quality education system that ensures competitiveness at the early childhood stage, an innovative global educational system that enhances future skills, alignment of higher education outputs with the needs of the future labour market, and an advanced and flexible national qualifications system that copes with the requirements of future economic development. In support of UAE Government's focus, IHC has established a separate vertical to focus on investments in the Education Sector in the coming years.
- Restructuring of various business units under the core Verticals.
- Reviewed updates from the Management on Group performance
- Listing of five subsidiaries and affiliates on the ADX
- Regularly reviewed the COVID-19 pandemic situation with Executive Management
- Identified and capitalized on various strategic and operational opportunities resulting in optimization of the overall financial performance of the Group.

g. Directors' Fees and Remuneration

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

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

1. Total Remuneration Paid to the Members of Board of Directors in 2021
 - No remuneration has been paid to the Board of Directors for the year 2020.
 - No remuneration has been proposed for the Board of Directors for the year 2021.
2. Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2021
 - No allowances were received for attending the sessions of the Board of Directors and the Committees emanating from the Board for the year 2021.
3. Details of additional allowances, salaries or fees received by a Board Member, during the year 2021, other than the allowances for attending the Committees
 - No allowances, salaries, or additional fees were disbursed during the year 2021.

h. Board Meetings and Attendance of Board Members

Statement of the number of meetings held by the Board of Directors during the fiscal year. The Board of Directors had convened four meetings during 2021 as follows:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
01	March 4th 2021	5 (2 Via Video-call)	-	-	-
02	May 5th 2021	5 (2 Via Video-call)	-	-	-
03	August 8th 2021	5 (2 Via Video-call)	-	-	-
04	November 4th 2021	5 (2 Via Video-call)	-	-	-

Board of Directors	No. of Absence	First Meeting 04/03/21	Second Meeting 05/05/21	Third Meeting 08/08/21	Fourth Meeting 04/11/21
H.H. Sheikh Tahnoon bin Zayed Al Nahyan	-	✓	✓	✓	✓
Dr. Mhd Somar Ajalyaqin	-	✓	✓	✓	✓
Syed Basar Shueb	-	✓	✓	✓	✓
Sofia Abdellatif Lasky	-	✓	✓	✓	✓
Mohammed Nasser Alshamsi	-	✓	✓	✓	✓

i. Summary of Board Resolutions Passed During 2021

1. Resolutions Passed at the Board Meetings

Sr No	Board Meeting Date	Resolutions Passed
1	4th March 2021	<ul style="list-style-type: none"> • Initiation of the acquisition for the following: <ol style="list-style-type: none"> i. 45% shares in Trojan Holding LLC. ii. 61% shares in Mirak Royal Nature Fruit and Vegetables LLC. iii. 40% shares in Response Plus Medical Services LLC and OccuMed Clinic LLC. • Transfer of investment in Aflag Investment LLC to IHC West Investment Sole proprietorship. • Approval of interim financial statements for the year ended 31st December 2020 • Approval to hold Shareholders' General Assembly Meeting on 4th April 2021 • Recommendation to the General Assembly not to distribute any dividends to Shareholders for the year ended 31st December 2020 • Recommendation to the General Assembly not to allocate any remuneration for the Members of the Board of Directors for the year ended 31st December 2020
2	5th May 2021	<ul style="list-style-type: none"> • Approval of interim financial statements for quarter and three months ended 31st March 2021 • Initiation of the acquisition for the following: <ol style="list-style-type: none"> i. 100% shares in DecoVision Company WLL ii. 100% shares in Vision Furniture and Decoration Factory LLC iii. 41% shares in Nassar Al Rafeae Trading Company (NRTC) iv. 60% shares in Joint Scope Technologies LLC
3	8th August 2021	Approval of interim financial statements for quarter and six months ended 30th June 2021
4	4th November 2021	Approval of interim financial statements for quarter and nine months ended 30th September 2021

2. Other Board Resolutions

Sr No	Resolution Date	Resolutions Passed
1	1st Jan 2021	Resolutions for the Incorporation of Apex Holding LLC and acquisition of shares in Apex Group.
2	2nd February 2021	Resolution to incorporate new vertical in health sector MediQ Healthcare and Clinic LLC (health services enterprises management, institution management, commercial enterprises etc).
3	2nd February 2021	Resolution to incorporate new vertical in the Education sector, IHC Education Holding LLC (investments in education sector).

Sr No	Resolution Date	Resolutions Passed
4	7th February 2021	Resolution to acquire, through IHC subsidiaries, WFC Holding SP LLC and IHC Digital Holding LLC, 100% shares of Tamouh Integrated Business Services LLC, from its shareholders Elitzam Asset Management LLC and Al Tamouh Investments Company.
5	18th February 2021	Approved the assignment and sale of shares held by IHC Industrial Holding LLC in R Med Medical Supplies LLC to Learning Wings Education System FZE LLC.
6	24th February 2021	Approved the sale and assignment of shares collectively held by IHC Industrial Holding LLC and IHC Companies Management LLC in Trust International Group LLC to Aurugulf Commercial Investment SP LLC and Mr. Khaled Khalfan Sultan Khaled Al Aljneibi.
7	23rd March 2021	Approved the acquisition of a 50% shareholding in Emirates International Gas LLC by IHC Subsidiary, IHC Utilities Holding LLC.
8	25th March 2021	Approved the incorporation of a new limited liability company under the name Synergy ESCO LLC for the purpose of power enterprises investment, institution, and management, and providing energy efficiency services for buildings.
9	28th March 2021	Approved the incorporation of Retiro Properties LLC, Playa Properties LLC for the purpose of real estate enterprises investment, development, institution, and management.
10	30th March 2021	Approved the incorporation of Blink Biz Holding LLC for the purpose of commercial enterprises investment, development, institution, and management.
11	2nd May 2021	Approved the incorporation of a new limited liability company under the name Apex Companies Management LLC for the purpose of management services of companies and private institutions.
12	2nd May 2021	IHC Capital Holding LLC, a Subsidiary of IHC, acquired 45% of shares in Alpha Dhabi Holding LLC from shareholder Royal Group Companies Management LLC.
13	2nd May 2021	Resolution for the incorporation of EDE Research Institute Limited. IHC's wholly owned Subsidiary, Quantlase Lab, has entered into a joint agreement with Serivizi, whereby the parties will incorporate a company to purchase, sale market and develop COVID-19 detection device.
14	9th May 2021	Approved the sale of shareholding in Eltizam Asset Management Estate LLC (the Target Company) that is owned by Al Tamouh Investments Company LLC, to IHC Real Estate Holding LLC and IHC Companies Management LLC.
15	15th June 2021	Approved the incorporation of new limited liability companies under the names Reset Energy LLC, Serenity Aviation Holding LLC, Shory Technology LLC.
16	6th September 2021	Approved the sale and transfer of entire shareholding held by the Company Subsidiary, IHC Capital Holding LLC in Pure Health Medical Supplies LLC, representing 31.5%, to Alpha Dhabi Health Holding LLC.

Sr No	Resolution Date	Resolutions Passed
17	13th September 2021	IHC subsidiaries, IHC Companies Management and IHC Real Estate, have entered a strategic partnership with ADQ for a 50% stake in its subsidiary Eltizam Asset Management Group, through a new shares' issuance and a total cash contribution of AED111.6m.
18	14th September 2021	Approved the sale and transfer of entire shareholding (50 shares) held by IHC Digital Holding in Bedashing to Multiply Group Digital Holding.
19	7th October 2021	<ul style="list-style-type: none"> Acquisition of 41% shareholding in NRTC Food Holding LLC IHC subsidiary Multiply Group, the owner of beauty brand Bedashing, and Ben Suhail Group, owner of the UAEs famous beauty and spa brand, Tips and Toes, signed a strategic merger between both brands. Operating under the newly formed Omorfia Group, the Joint Venture is majority owned 51% by MG Wellness Holding, a subsidiary of Multiply Group, and 49% by another shareholder.
20	11th October 2021	IHC subsidiary, IHC Industrial Holding LLC, deliberated the acquisition of a shareholding in Arena Group together with TasHeel Holding Group. IHC Industrial and TasHeel Group to incorporate a joint venture holding company, BidCo, for the purposes of the acquisition of 100% of Arena.
21	16th October 2021	Sale and transfer of entire shareholding held by IHC Subsidiary, IHC Digital Holding LLC, whereby 70% of shares will be transferred to Emirates Stallions Group, ESG, and 30% shall be transferred to ZMS Holding.
22	23rd November 2021	Acquisition of a 90% shareholding in GENQORE DRUG STORE LLC by Sumerian Health LLC, which is a subsidiary of Tamouh Health Care LLC.
23	29th November 2021	Approved the incorporation of a new company in the Abu Dhabi Global Market (ADGM) under the name "Rebound Limited", specializing in Market Research and a Commodities Exchange Platform for recycled plastic.
24	30th November 2021	Incorporated a new limited liability company in Abu Dhabi under the name "NAS AIRPORTS SERVICES LLC".
25	5th December 2021	<ul style="list-style-type: none"> Approval of the transaction to be entered into between the Company's subsidiaries, IHC Real Estate Holding LLC, IHC Companies Management LLC and Al Qudra Holding PJSC. IHC Board of Directors approved the initiation of the sale and transfer of IHC entities' shareholding in Al Tamouh Investments LLC (Tamouh) equivalent to 100% of its share capital to Al Qudra Holding, in consideration of the issuance by Al Qudra to the Company of unsecured mandatory convertible bonds, which will be converted into ordinary shares in the issued share capital of Al Qudra.

3.6 Board of Directors' Committees

a. Audit Committee

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

Audit Committee Chairman's Acknowledgment

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

Sr No	Name	Title	Category
1	Ms. Sofia Abdellatif Lasky	Chairman	Non-Executive/Independent
2	Dr. Mhd Somar Ajalyaqin	Vice Chairman	Non-Executive/Independent
3	Mr. Mohammed Nasser Alshamsi	Member	Non-Executive/Independent

b. Audit Committee Functions

Financial Reporting

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

Corporate Governance

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

Internal Control and Risk Management

- Ensure that an annual review of internal control system is performed to determine the overall adequacy and effectiveness of IHC Internal Control System.
- Consider the effectiveness of IHC's risk management processes and internal control systems, including information systems, and technology security and control.

- Review the assessment and responses to the risk of fraud, particularly management fraud, as this typically involves overrides of internal controls.

External Audit

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

Group Internal Audit

- Review and approve audit plans, budget, staffing, and organisational structure of the Internal Audit Function and related Internal Control activities.
- Review the appointment, resignation or dismissal of the Internal Audit Staff and the internal audit provider, in case of an outsourced service provider.
- Review all reports submitted to the Committee by the Internal Audit Function and monitor management response and reaction to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by Executive Management.
- Review performance of the Internal Audit Function/

Outsourced Internal Audit service provider (as applicable) and evaluate its performance on an annual basis.

- Report to the Board all matters presented to the Audit Committee by the Internal Audit Function/Outsourced Internal Audit service provider.

Compliance Monitoring

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

Audit Committee Meetings During the Year 2021

Audit Committee Members	No. of absence	First Meeting 03/03/21	Second Meeting 12/04/21	Third Meeting 04/05/21	Fourth Meeting 08/08/21	Fifth Meeting 14/09/21 16/09/21	Sixth Meeting 03/11/21
		External Auditor (EY)	Internal Auditor (Protiviti)	External Auditor (EY)	External Auditor (EY)	Internal Auditor (Protiviti)	External Auditor (EY)
Ms. Sofia Abdellatif Lasky	-	✓	✓	✓	✓	✓	✓
Dr. Mhd Somar Ajalyaqin	-	✓	✓	✓	✓	✓	✓
Mr. Mohammed Nasser Alshamsi	-	✓	✓	✓	✓	✓	✓

i. Summary of Board Resolutions Passed During 2021

Nomination and Remuneration Committee Chairman's Acknowledgment

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

Audit Committee Meetings During the Year 2021

Sr No	Name	Title	Category
1	Dr. Mhd Somar Ajalyaqin	Chairman	Non-Executive/Independent
2	Ms. Sofia Abdellatif Lasky	Vice Chairman	Non-Executive/Independent
3	Mr. Mohammed Nasser Alshamsi	Member	Non-Executive/Independent

Committee Functions

- Proposing policies and criteria for membership on the Board and Senior Management. The policy shall consider gender diversity, encouraging the active participation of women.
- Identifying individuals qualified to become Board Members, consistent with criteria approved by the Board, and to recommend to the Board the Director nominees for the next annual meeting of shareholders.
- Regularly review the structure, size, and composition (including the skills, knowledge, and experience) required of the Board relative to its current position and make recommendations to the Board with regard to any changes.
- Continuously ensure that independent Directors remain independent throughout the term of their office.
- If the Committee finds that a member lacks the conditions of independence, it shall submit the matter to the Board in order for them to notify the member (by a registered letter to his address known to the company) about the grounds of a lack of independence. The member shall reply to the Board within fifteen days from the notice date. The Board shall issue a decision that the member is independent or not independent at the first meeting following the member's reply or the expiration of the period referred to in the preceding paragraph without reply.
- Subject to the provisions of Article (145) of the Companies Law, if the decision of the Board regarding the lack of reasons or justifications for the member's independence affects the minimum percentage of its independent members, the Board shall appoint an independent member to replace this member if he/she submitted their resignation due to said lack of independency. If the member refuses to resign, the Board shall present the matter to the general assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.
- Conducting an annual evaluation of Board performance and the performance of Board Members and Committees to determine ways of strengthening its effectiveness.
- Identifying the competencies required for Senior Management and the basis of their selection.
- Considering succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.
- Formulating and carry out an annual review of policies on granting remunerations, benefits, incentives and salaries to Board Members and employees of the Group.
- Ensuring the correlation of remuneration and bonuses, including any other deferred options and remuneration and benefits offered to Senior Management to the performance of the company in the medium and long term.
- Annually reviewing executive compensation trends and policies at peer groups of companies and making relevant modifications to its own policies and practices to consider market practice.
- Overseeing any major changes in employee benefit structures throughout the Group.
- Developing, recommending and reviewing the Group's human resources and training policies annually and monitoring the implementation of the same.

Committee Meetings During the Year 2021

Sr No	Name	No. of absence/ No. of Meetings	First Meeting Date 02/03/21	Second Meeting Date 08/11/21
1	Dr. Mhd Somar Ajalyaqin	-	✓	✓
2	Ms. Sofia Abdellatif Lasky	-	✓	✓
3	Mr. Mohammed Nasser Alshamsi	-	✓	✓

c. Insider Trading Supervision Committee

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

Insider Trading Supervision Committee Chairman's Acknowledgement

The Chairman of the Insider Trading Supervision Committee acknowledges responsibility for the committee system in the Company, reviewing its work mechanism and ensuring its effectiveness.

Members of the Insider Trading Supervision Committee as of 31/12/2021

Sr No	Name	Title	Category
1	Mr. Syed Basar Shueb	Committee Chairman	Managing Director and CEO
2	Mr. Mohamed Yaser Bader	Member	Group FC – Alpha Dhabi Holding PJSC
3	Mr. Mohammed Nasser Alshamsi	Member	Board Member Member – Audit Committee Member – Remuneration and Nomination Committee

Committee Functions

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

Members of the Insider Trading Supervision Committee as of 31/12/2021

Sr No	Member Name	Position in the Committee	Position according to Organisational Chart	Meeting date 17/11/2021
1	Mr. Syed Basar Shueb	Committee Chairman	Managing Director and CEO	✓
2	Mr. Mohamed Yaser Bader	Member	Group FC – Alpha Dhabi Holding PJSC	✓
3	Mr. Mohammed Nasser Alshamsi	Member	Board Member Member – Audit Committee Member – Remuneration and Nomination Committee	✓

Summary of The Committee Work During the Year 2021

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

3.7 Executive Management

The following table lists Senior Executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2021:

Position	Appointment Date	Total salaries and allowances paid during the year 2021 (in UAE Dirhams)	Total bonuses * paid during the year 2021 (in UAE Dirhams)	Any other bonuses to be paid in the future for the year 2021 (in UAE Dirhams)
Executive Board Member and Managing	29/07/2019	3,717,023	Nil	Nil

3.8 Related Parties Transactions

Summary of transactions with related parties amounting to 5% or more of the Company's capital for the year 2021

The Company did not conduct transactions with any related parties amounting to 5% or more of Company's capital for the year 2021.

3.9 Risk Management and Internal Control System

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

a. Risk Management

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

The Group's business has now been structured into 8 verticals based on sectors/industries and operating businesses have been categorized into one of these verticals. The Risk Management responsibility and accountability, therefore, is vested largely in vertical

management/business unit management structures. Any risk taken is considered within the scope of the Group's risk appetite and tolerance levels, which are reviewed annually by the IHC Board.

During 2021 and in the wake of the ongoing COVID-19 pandemic situation, IHC made additional strategic investments in the health care sector, including introduction of scanners for rapid detection of COVID-19, and reduce the economic burden that a fresh wave posed. Further, IHC continued to make various strategic investments in other sectors as listed out in Para 3.18.

The Group also ensures that comprehensive insurance coverage exists and addresses material financial consequences arising out of potential risk events.

b. Internal Controls

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

The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

i. The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

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

ii. Internal Control Department In-charge's Profile

Mr. Ishtiaque Ahmed, Internal Control Manager and Compliance Officer (appointed 18/06/2017), performs the duties of the Internal Control Department Manager in addition to the work of Compliance Officer.

He holds a Bachelor of Commerce Degree and Certified Internal Auditor (CIA) from the Institute of Internal Auditors (USA), He has more than ten years of experience in accounting and internal auditing.

In order to adapt with the changing needs of the organisation and to enhance assurance over internal controls and risk management, the Company has continued to outsource the internal audit function during 2021 to the Protiviti business consulting firm (see below), reporting functionally to audit committee.

Considering regulatory requirements and the nature of business complexities, some of the Business Units within the Group, namely National Marine Dredging Company PJSC, Response Plus Holding PJSC, Alpha Dhabi Construction and Pure Health, have set up independent internal control functions within the respective units reporting to their respective Audit Committee and/or Board.

iii. Protiviti Profile

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

Named on the 2020 Fortune 100 Best Companies to Work For® list, Protiviti has worked with more than 60% of Fortune 1000 and 35% of Fortune Global 500 companies as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

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

The outsourced Internal Audit Function governs itself by adherence to the Institute of Internal Auditors' mandatory guidance, including the definition of internal auditing, the code of ethics and the international standards for the professional practice of internal auditing (standards).

iv. Working Mechanism of the Internal Control Department

The Internal Control Department (ICD) is established by the Board of Directors Audit Committee. The department's responsibilities are defined by the Audit Committee as part of their oversight role.

The objective of the ICD is to provide independent assurance and consulting services through a systematic approach to improving the effectiveness of risk management, internal control, compliance, governance process, and the integrity of the Group's operations.

The audit plan is derived from an independent risk assessment conducted by the outsourced Internal Audit team to identify and evaluate risks associated with the execution of the company strategy, operations, and processes. The plan is designed to address the most significant risks identified within the Group and its business areas. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal

audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, as is the status of management's implementation of agreed actions to address findings identified in the audits.

In 2021, the outsourced Internal Audit team issued 19 reports. During the year, no significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

3.10 External Auditor

a. Brief about the Company's External Auditor

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

Mr. Raed Ahmed is the Engagement Partner for IHC. The scope of the audit for the financial year 2021 is as follows:

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

b. External audit fees, services & costs

Below are the details and breakdowns of the external audit costs paid during 2021:

The External Audit Services fees of E&Y for 2021 amounted to AED 1.2 mn. These fees are against annual audit and interim review of financial statements of IHC and its subsidiaries.

The fees for services, which were delivered to the Company in 2021 by KPMG Assurance and Consulting Services amounted to AED 421,758 /-. These fees were against Due Diligence Services.

c. External Auditor's Opinion on the Financial Statements

The Company's external auditor did not have any reservations about any item in the interim and annual financial statements during 2021.

3.11 Violations Committed by the Group during the year 2021

During 2021, the Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

3.12 Corporate Social Responsibility

a. "Run for a Cause" - an event by Emirates Stallions Group, a subsidiary of IHC

To increase awareness about Breast Cancer, the Emirates Stallions Group team organised the "Run for a Cause" event in October 2021 to reinforce the importance of early screening and timely treatment.

b. Partnership with by Emirates Foundation

Emirates Foundation is a national organisation set up to facilitate public-private funded initiatives to instil social responsibility within communities across the UAE through development of market-based research programmes.

Emirates Foundation focuses on nurturing the growth and empowerment of youth social innovators and entrepreneurs, combined with the knowledge, skills and financial competencies to achieve sustainable development. Emirates Foundation has created a range of programmes that develop the creative and innovative potential of young people. Through its programmes and interactive platforms, Emirates Foundation supports active youth engagement by allowing them to voice their ideas and thoughts, and providing them with the technical and financial support that they need to bring their ideas into reality.

International Holding Company has entered a partnership with Emirates Foundation and intends to support the overall programme portfolio, thereby creating a positive social impact on different sectors of UAE society. Part of the overall programme is led by youth and Emirates Foundation aims to create an enabling environment for Emirati youth to innovate, allowing them to contribute to the socio-economic development of the nation.

IHC is committed to supporting Emirati youth, to care for people with special needs, develop knowledge, nurture talented and creative UAE nationals, and enable students that wish to pursue further education.

IHC Group is also committed to various initiatives aimed at creating value for all its stakeholders through economic, environmental, and social actions. Details about IHC Group's Corporate Social Responsibilities are provided in IHC's Environmental, Social and Governance report, which is part of IHC's 2021 Annual Report.



3.13 Sustainability Report

IHC Group views Environmental, Social and Governance (ESG) practices as a core constituent of its culture. Sustainability is embedded in its values and is key to the Group's identity. IHC's sustainability framework comprises four pillars that adhere to IHC's corporate mission and values, and align with material issues.

- Empowering IHC personnel and supporting its communities
- Good governance
- Responsible business practices
- Management of environmental impacts

The Group has hired an external consultant to assist the Board in the development of a Sustainability Report for **2021**.

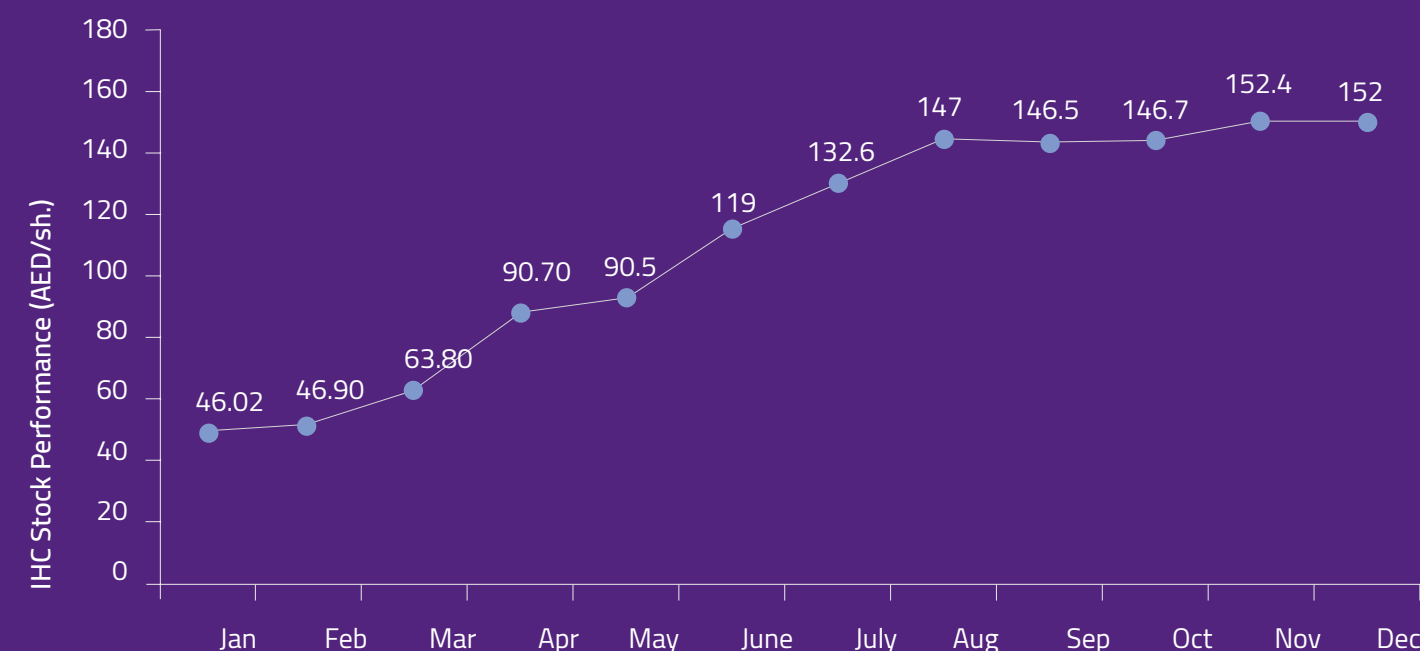
3.14 Shareholding and Share Price Information

a. Share Price

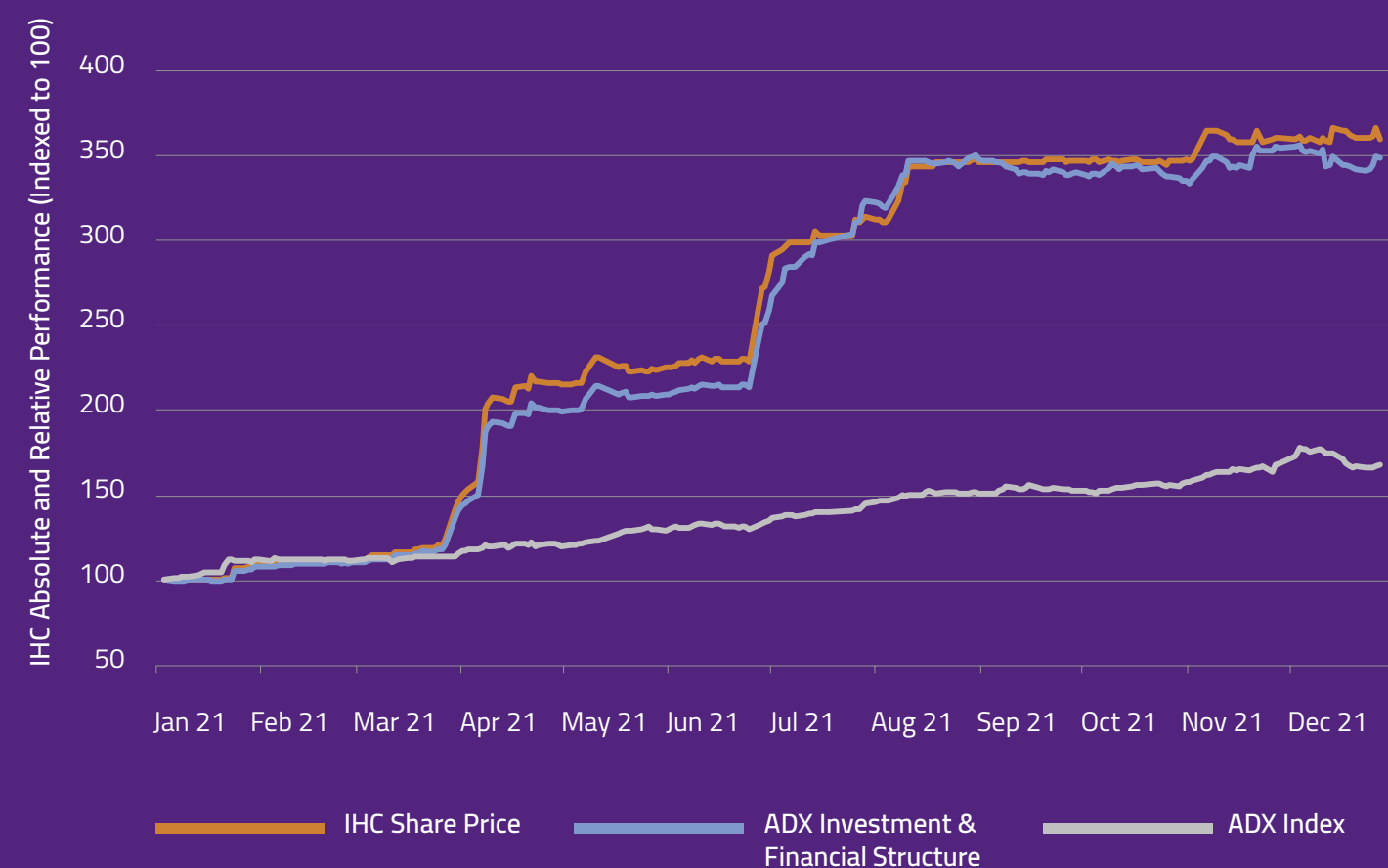
The following table presents the company's highest and lowest share price at the end of each month during 2021, and share performance against market index and sector index as of 31st December 2021:

Share Price (AED)				Share Performance				
Month	High	Low	Closing Price	Market Index	Financial Services Index	Absolute	Vs Market	Vs Sector
January	47.96	41.70	46.02	5,593.48	3,304.48	10%	-1%	2%
February	46.90	45.50	46.90	5,663.62	3,378.74	2%	1%	0%
March	68.45	46.00	63.80	5,912.56	4,462.66	36%	32%	4%
April	100.00	63.80	90.70	6,046.81	6,143.42	42%	40%	5%
May	97.50	90.05	95.00	6,558.71	6,455.20	5%	-4%	0%
June	122.90	94.00	119.00	6,835.43	8,000.57	25%	21%	1%
July	139.00	119.20	132.60	7,318.18	9,972.01	11%	4%	-13%
August	152.80	131.00	147.00	7,684.62	10,797.57	11%	6%	3%
September	149.90	145.10	146.50	7,698.82	10,483.86	0%	-1%	3%
October	150.00	143.60	146.70	7,865.12	10,397.67	0%	-2%	1%
November	165.00	146.00	152.40	8,546.52	10,942.52	4%	-5%	-1%
December	160.70	150.20	152.00	8,488.36	10,747.03	0%	0%	2%
Overall Performance During 2021	165.00	41.70	152.00	8,488.36	10,747.03	230.3%	51.8%	252.2%

b. Company share price performance during the year 2021



c. Performance of the Company's shares compared with the ADX Investment and Financial Sector index during 2021



d. Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local		24,963,271	1,789,453,769	1,814,417,040
GCC		97,860	271,766	369,626
Arabs		425,931	1,565	427,496
Foreigners		1,460,746	4,753,663	6,214,409
Total		26,947,808	1,794,480,763	1,821,428,571
Percentage %		1.5%	98.5%	100%

e. Statement of Shareholder Ownership reaching 5% or More

Name of Shareholders	Shareholders Share %
Royal Group for Corporate Management LLC	15%
PAL Group of companies LLC	59%
Total	74%

f. Shareholders Ownership Distribution

Ownership of Shares	Number of Shareholders	Number of owned shares	Ownership %
Less than 50,000	7,566	15,536,150	0.9%
From 50,000 to 500,000	65	9,635,804	0.5%
From 500,000 to 5,000,000	18	34,294,264	1.9%
More than 5,000,000	18	1,761,962,353	96.7%
Total	7,667	1,821,428,571	100.0%

3.15 Investor Relations Affairs

The Company has established a department specialised in managing the affairs of shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding Corporate Governance Regulations and related circulars.

A Shareholder Relations Officer has been appointed and holds the following qualifications:

- Holds a Degree suitable for the work involved.
- Has experience in managing the affairs of shareholders and legal matters within the state, including companies and banks.
- Is aware of all relevant legal & legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has attended a training workshop on Investor Relations.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A special Investor Relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information, such as a dedicated phone number and e-mail

address, providing all reports on financial results whether recorded or published, Financial Year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.

Information and data disclosed to regulators, markets or the general public are posted on the company's website at the following link:

<https://ihcuae.com/#investor>

Contact details for Shareholder's Relations Officer:

Miss Linda Ballout
Address: RG Procurement Building, Second Floor,
Khalifa Park, Abu Dhabi – United Arab Emirates.

Tel: 02-6448090
Fax: 02-6447060

P.O. Box 32619, Abu Dhabi – United Arab Emirates

Email: linda.b@ihcuae.com

Available to respond to shareholder enquiries from Monday to Friday, 10am to 3pm.

3.16 Special Resolutions presented to General Assembly meetings held during 2021

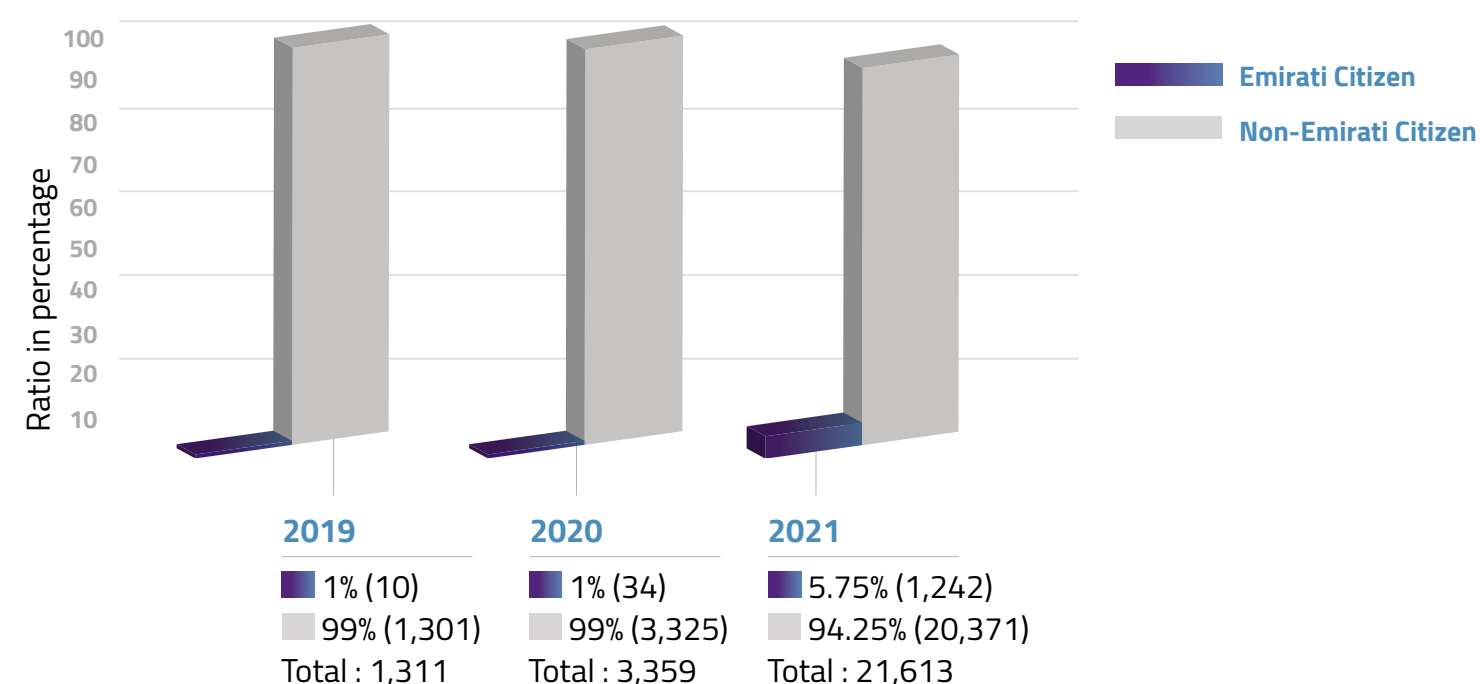
a. IHC General Assembly Special Resolutions

Sr No	Meeting Date	Items / Special Resolutions	Measures Taken
1	4th April 2021	No special Resolutions.	NA

b. Subsidiary Companies' General Assembly/Partners' Meeting Special Resolutions

Sr No	Meeting Date	Items / Special Resolutions	Measures Taken
1	12th May 2021	Alpha Dhabi Holding – Resolution of Partners issued in their meeting conducted on 12/05/2021 whereby the partners resolved to approve the conversion of the company into a Public Joint Stock Company and list the shares on the primary market.	Approved
2	8th April 2021	Emirates Stallions Group LLC - Resolution of Partners issued in their meeting conducted on 08/04/2021 whereby the partners resolved to approve the conversion of the company into a Private Joint Stock Company and list the shares on the secondary market.	Approved
3	8th April 2021	Al Seer Marine Supplies & Equipment Company PJSC - Resolution of Partners issued in their meeting conducted on 08/04/2021 whereby the partners resolved to approve the conversion of the company into a Private Joint Stock Company and list the shares on the secondary market.	Approved
4	27th October 2021	Multiply Group PJSC – Resolution of Partners issued in their meeting conducted on 27/10/2021 whereby the partners resolved to approve the change of legal form of the company into a Public Joint Stock Company and list the shares on the primary market.	Approved

3.17 Emiratisation Percentage in the Company as of 2021 (excluding unskilled labour)



3.18 Significant Events During 2021

January	<ul style="list-style-type: none"> UAE's leading brokerage firm by trading value rebrands from Shuaa Securities to International Securities, following its acquisition by IHC in 2019. Acquisition of 60% of the share capital of Afkar Financial and Property Investment LLC by IHC subsidiary: IHC Industrial Holding LLC.
February	IHC opens a new AED +200 million facility to process, store and distribute a quarter of the seafood consumed in the UAE
March	<ul style="list-style-type: none"> IHC invests in Falcon CI IV LP and SpaceX - IHC purchased a 94% stake in Falcon CI IV LP – a Cayman Island based private equity fund that has invested in California-based aerospace company, SpaceX. IHC subsidiary, Multiply Marketing Consultancy (now Multiply Group), to bring virtual wellness and prevention to the UAE with its HealthyU platform, in partnership with Weill Cornell Wellness and Cardiovascular Preventative Medicine in NYC.
April	<ul style="list-style-type: none"> IHC divests its 100% stake in Trust International Group LLC for a consideration of AED 350 million. Completion of IHC's purchase of a 45% stake in Alpha Dhabi Holding. Completion of Acquisition of a 40% stake In Response Plus Medical Services, through one of its subsidiaries.
May	<ul style="list-style-type: none"> IHC divests its 100% stake in Trust International Group LLC for a consideration of AED 350 million. Completion of IHC's purchase of a 45% stake in Alpha Dhabi Holding. Completion of Acquisition of a 40% stake In Response Plus Medical Services, through one of its subsidiaries. Palm sports, a subsidiary of IHC, signs an annual AED 7 million contract with an Abu Dhabi government entity to provide training for personnel over 5 years. IHC's subsidiary Alpha Dhabi Holding acquires the owning company of St Regis Saadiyat Island, Murban Energy Limited, in a AED 1.7 billion assets deal. IHC's subsidiary ESG, Emirates Stallions Group, list on the ADX secondary market. Initiation of negotiations regarding: <ol style="list-style-type: none"> Acquisition of 100% of Deco Vision Company WLL. Acquisition of 100% of Vision Furniture & Decoration Factory LLC. Acquisition of 41% of the shares of Nassar Al Refaee Trading Company (NRTC). Acquisition of 60% of the shares of Joint Scope Technologies LLC.
June	<ul style="list-style-type: none"> IHC subsidiary, Multiply Marketing Consultancy (now Multiply Group), acquires 48% of the shares of Emirates Driving Co. PJSC through business combination under common control. Multiply acquires further 10,104,181 shares, representing 11.25% of the EDS shares, in a block deal. IHC subsidiary Alpha Dhabi Holding PJSC lists on the ADX. IHC subsidiary Alpha Dhabi Holding (ADH) acquires more assets from Murban Energy: The Cheval Blanc Randheli Resort in the Maldives and Etihad International Hospitality, which brings the value of assets acquired by ADH from Murban to AED 2.5 billion.
July	Acquisition of 100% of the shares in Spranza Commercial Investment – Sole Proprietorship LLC by IHC subsidiary, Multiply Group LLC.
August	Listing of IHC subsidiary AlSeer Marine on the ADX Secondary Market.

July	Acquisition of 100% of the shares in Spranza Commercial Investment – Sole Proprietorship LLC by IHC subsidiary, Multiply Group LLC.
September	<ul style="list-style-type: none"> Acquisition of Inspire Integrated for AED 37 million by Eltizam Asset Management Group, a subsidiary of IHC. Alpha Dhabi's Response Plus Medical Holding is listed on the ADX Secondary Market. Transfer of IHC's 31.5% shares (through IHC Capital Holding LLC) in Pure Health Medical Supplies LLC to Alpha Dhabi Health Holding LLC. Investment of additional AED 55m by IHC subsidiary Multiply Group in its U.S. digital media platform, "Firefly".
October	<ul style="list-style-type: none"> IHC enters into a strategic partnership with ADQ for a 50% stake in its subsidiary Eltizam Asset Management Group, through new shares issuance and a total cash contribution of AED 111.6 million. Completion through an IHC subsidiary of the acquisition of a 41% stake in the Nassar Al Refaee Trading Company for AED 166 million. Merger of Tips & Toes and Bedashing to form Omorfia Group, a joint venture majority owned 51% by MG Wellness Holding, a subsidiary of Multiply Group, and 49% by another shareholder. 100% acquisition of UAE marketing and communications firm Viola Communications by IHC subsidiary, Multiply Group. 70% acquisition of Arena Events Group PLC (listed on the London Stock Exchange) an by IHC subsidiary. IHC announces AED 359 m recommended cash offer to acquire Arena Events Group PLC.
November	IHC and a strategic investor enter into an agreement to exchange 58.29% ownership in Multiply Group LLC for consideration of assets amounting to AED 5.5 billion
December	<ul style="list-style-type: none"> Listing of Multiply Group PJSC on the ADX Primary Market. IHC approves the merger of its subsidiary Al Tamouh Investments with Al Qudra Holding, through sale and transfer of shares in Al Tamouh Investments in return for unsecured mandatory convertible bonds issued by Al Qudra Holding. IHC announces acquisition of a majority and controlling stake in Al Qudra Holding PJSC (AQH), Abu Dhabi-based Real Estate, Services, Hospitality, and Investments company IHC announce that Tamween Group LLC fully owned entities (AGRINV, Alliance Food Co., Al Ajban Poultry LLC, Ethmar JV and NRTC Food Holding LLC) will be transferred to Zee Stores PJSC, under common control method.

3.19 Initiatives and Innovations during 2021

a. Rebound: The Global Recycled Plastic Exchange

One of the most complex environmental challenges the world is facing today is the issue of plastic pollution. New policies related to taxation on newly-created plastics as well as mandates for a minimum content of recycled plastic in suitable products are dramatically increasing the demand for recycled material. Rebound Exchange is a globally accessible centralised

exchange platform for recycled plastic which has been created to professionalise, secure, facilitate and scale-up the trade of recycled plastic, uniting buyers with suppliers across borders. IHC has made a strategic investment in the Rebound Exchange platform as part of its commitment to address plastics pollution.

The Rebound Exchange offers a global, standardised solution for this problem and is both a commercially viable business opportunity and a large-scale environmental solution to significant volumes of the world's plastic waste.

The Rebound Exchange Will:

- Address the existing lack of approved quality standards in recycled plastic.
- Provide a simple and transparent route to source recycled plastic.
- Increase liquidity in the recycled market and encourage growth in supply.
- Increase price transparency in the market, which in turn helps to reduce investment risk in the recycling infrastructure.

The Rebound Exchange focuses on products from four plastic types PET, HDPE, LDPE, PP.

The Rebound Exchange will capture an increasing percentage of established traded material due to the advantages offered by a secure, and trusted exchange that provides never-before-seen levels of transparency.

The main goal of the Rebound Exchange is to enable widespread access for sellers and buyers to generate robust trading volume early on.

Because of the world's growing plastic waste, accompanied with pent up demand and favorable market conditions for recycled plastic, The Rebound Exchange platform is an immediate opportunity.



Rebound Exchange: Key Stakeholders and Solutions

Governments

Creates a trusted system for governments to facilitate the trade of recycled plastics in compliance with the Basel Agreement and enables them to solve their local plastic waste management issues

Consumers

Solution to global plastic recycling that will provide tangible and sustainable benefits for the environment and local communities, providing accessible and affordable options for consumers to make environmentally-conscious choices

Petrochemical Companies

Enables companies to fulfil their plastic recycling commitments by alleviating the difficulties of locating and obtaining feedstock

Brands & Corporates

Provides an opportunity to take part in the circular economy and fulfil plastic recycling content commitments

Supply Chain

Heralds a new era of plastic recycling by bringing trust, fairness and accessibility to the trade of recyclable plastic as a valuable commodity

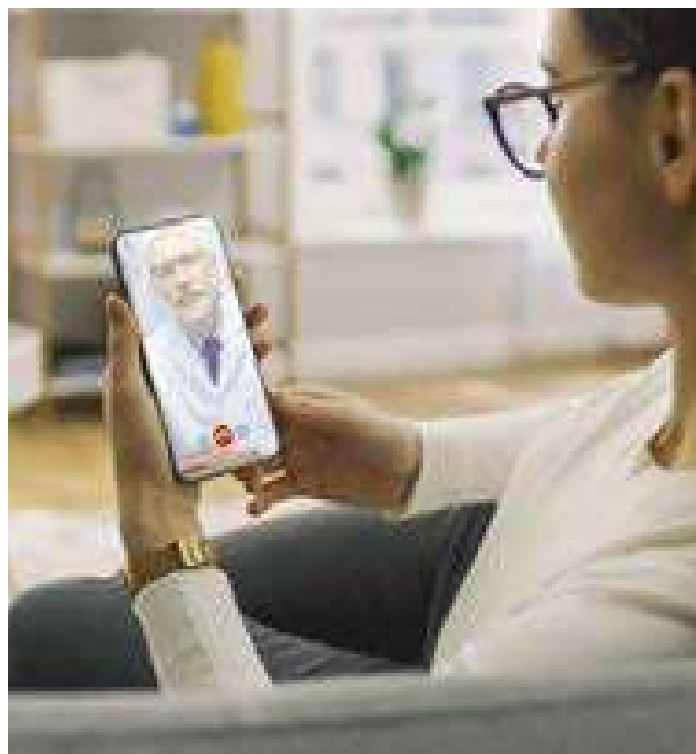
SMEs

Creates a market entry point for those without the domestic capacity to sell

b. Multiply Group Launches UAE's First Virtual Wellness and Prevention platform: HealthierU

IHC subsidiary, Multiply Group, launched the UAE's first Virtual Wellness and Prevention platform, HealthierU, which uses a proactive management approach that identifies the root cause of illness to help in maintaining wellness. The HealthierU app is convenient and easy to use and can be accessed 24/7 by professionals in the wellness and prevention field. It uses robust and powerful technology to provide comprehensive solutions to help predict and prevent diseases.

Key aspects are its use of a proactive management approach and ability to identify the root causes of illnesses while maintaining data security. The app also provides quick access to the nearest labs, reminder for appointments and medicines, customized fitness plans and nutrition meals and e-Courses on health, wellness and much more.



d. HFO REFRIGERANT

IHC subsidiary PAL took the initiative of using HFO refrigerant in 2017 when they successfully commissioned the first-ever chiller in the GCC using HFO refrigerant R-1233zd(E) in the Shams DCP expansion project on Abu Dhabi's Al Reem Island. The selected HFO refrigerant chillers were of higher module capacity 7,500TR, also the first-ever in the GCC, compared to the market trend of 5,000TR. Since then, it has become normal market practice to select bigger module capacity, which reduces the plant footprint.

For all new district cooling plants under design and construction stages, chillers have been selected with HFO refrigerants (R-1233zd(E) and R-514A).

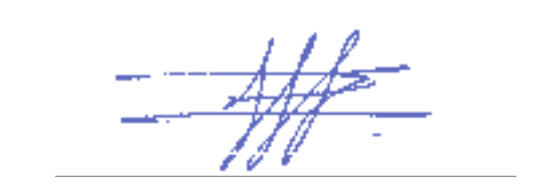
Compounds formed from hydrogen, fluoride and carbon atoms, Hydrofluoro-Olefins (HFO) are 4th generation fluorinated refrigerant gases (GF) and have a zero-ozone depletion potential (ODP) and a low global warming potential (GWP). They are the fluorinated gas solutions with the lowest environmental impact. HFO refrigerants are non-flammable, low in pressure and have very short atmospheric lives reducing the risk to the personnel and the environment.



This report was approved by the Board of Directors on 24 / 03 / 2022


 H.H. Sheikh Tahnoon Bin Zayed Al Nahyan
 Chairman of the Board of Directors


 Ms. Sofia Abdellatif Lasky
 Chairman - Audit Committee


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


 Mr. Ishtiaque Ahmed Shaikh
 Manager - Internal Control

c. Battery Energy Storage System (BESS)

IHC subsidiary IHC Utilities has invested in the research and development work of Battery Energy Storage System (BESS) to enhance the effectiveness of renewables.

The aim of this R&D work is to study the latest technology of super capacitor energy storage system to efficiently store energy generated during daylight hours and utilise that stored energy in the hours of darkness. Super capacitor energy storage is state-of-the-art cutting edge technology with storage capacity of 100 kwh.

This technology has the least environmental impacts as it has no chemical reaction, hence no heat generation, it is non-flammable, non-toxic and temperature tolerant as it is able to operate in temperature ranges of -30 °C to +85 °C, requiring minimal air conditioning.

The technology offers various benefits, including maximum 'round trip' (DC-to-storage-to-DC) efficiency, 99% depth of discharge, maximum life cycles of 1 million (45 years) and fast charge and discharge rate.





4.0

Financial Statements

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4.1 Directors' Report

4.2 Independent Auditor's Report

4.1 Directors' Report

31 December 2021

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report together with the audited consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021.

Board of Directors

The Directors of the Company are:

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

Fiscal year 2021 was a milestone and transformation year in the Group history. The Group achieved great success due to the clear strategy of enhancing its portfolio through acquisitions, strategic investments, restructuring, diversification and divesting. Below is the summary of the main strategic acquisitions performed during the year (other acquisitions are included in note 6 of the audited consolidated financial statements):

- Alpha Dhabi Holding PJSC and its subsidiaries
- Al Qudra Holding PJSC and its subsidiaries
- National Marine Dredging Company and its subsidiaries (A subsidiary of Alpha Dhabi Holding PJSC)
- Emirates Driving Company PJSC and its subsidiary (A subsidiary of Multiply Group PJSC)

Financial highlights

During the year ended 31 December 2021, the Group reported revenue of AED 28,562,490 thousand and profit of AED 11,577,356 thousand (2020: revenue of AED 7,046,569 thousand and profit of AED 3,014,615 thousand). Revenue and profit increased by 305% and 284% respectively.

The Group recorded change in fair value of financial assets carried at fair value through profit or loss amounting to AED 2,271,629 thousand in 2021 as compared to AED 8,692 thousand in 2020 with an increase of AED 2,262,937. This was achieved through strategic investments acquired during the year.

Earning per share (EPS) increased from AED 1.58 per share in 2020 to AED 4.03 per share in 2021 with an increase of 155%.

Total assets amounting to AED 88,980,148 thousand in 2021 as compared to AED 14,012,280 thousand in 2020 with an increase of AED 74,967,868 thousand.

Total equity amounting to AED 56,032,026 thousand in 2021 as compared to AED 7,821,933 thousand with an increase of AED 48,210,093 thousand.

4.1 Directors' Report continued

31 December 2021

Listing of subsidiaries

During the year, the Group listed the below subsidiaries in the primary and secondary markets in Abu Dhabi Securities Exchange ("ADX"):

- Alpha Dhabi Holding PJSC – Primary Market
- Multiply Group PJSC – Primary Market
- ESG Emirates Stallions Group PJSC – Secondary Market
- Al Seer Marine Supplies and Equipment Company PJSC – Secondary Market

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 22 March 2022.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2022 will be put to the shareholders at Annual General Meeting.

On behalf of Board of Directors



Chairman

22 March 2022

4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

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

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



4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2021, total revenue of the Group amounted to AED 28,562,490 thousand (2020: AED 7,046,569 thousand) (note 27).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed, or involved component auditors to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, and to perform, substantive audit procedures which included overall analytical procedures at the Group, and subsidiary level and performed testing on transactions throughout the year, to assess whether revenues were properly recognised.

Business combinations within the scope of IFRS 3

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

We have obtained the purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group. We involved our internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax ('EBIT'), growth rates and discount rates.

Business combination of entities under common control

During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions were excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 7,259,776 thousand during 2021.

We held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details. We also obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of equity. Additionally, we assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy



4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc continued

Report on the Audit of the Consolidated Financial Statements continued



Fair value of investment properties

Investment properties amounting to AED 7,927 million (2020: AED 1,294 million) as at 31 December 2021 (note 9) are stated at cost less accumulated depreciation and impairment. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

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

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

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

The component auditors involved their internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, and consideration of reasonableness of the significant assumptions.

Other information

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

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

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

4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc continued

Report on the Audit of the Consolidated Financial Statements continued



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc continued

Report on the Audit of the Consolidated Financial Statements continued



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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

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

4.2 Independent Auditor's Report To The Shareholders Of International Holding Company Pjsc continued

Report on Other Legal and Regulatory Requirements



Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that for the year ended 31 December 2021:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended), the Memorandum and Articles of Association of the Company;
- iii) the Group has maintained proper books of account;
- iv) the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;
- v) investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2021;
- vi) note 32 reflects the disclosures relating to material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2021, any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or of its Memorandum and Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2021.

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

22 March 2022
Abu Dhabi

Consolidated Statement of Financial Position

At 31 December 2021

	Notes	2021 AED'000	2020 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	9,306,889	1,566,985
Intangible assets and goodwill	8	2,442,712	507,404
Right-of-use assets	26	970,813	88,431
Investment properties	9	7,926,902	1,293,721
Investment in associates and joint ventures	10	12,103,106	438,733
Investments in financial assets	11	1,143,972	447,057
Contract assets	17	659,938	-
Trade and other receivables	14	200,411	267,011
Biological assets	15	55,825	-
Due from related parties	32	951	4,706
Loan to related parties	32	20,000	1,200
Deferred tax assets	36	16,938	38
		34,848,457	4,615,286
Current assets			
Inventories	13	899,351	406,959
Development work-in-progress	16	1,349,824	680,312
Biological assets	15	5,363	5,480
Investment in financial assets	11	9,096,931	622,525
Due from related parties	32	1,896,162	344,738
Loan to related parties	32	6,200	-
Contract assets	17	5,201,530	155,773
Trade and other receivables	14	11,213,109	2,598,744
Cash and bank balances	18	20,246,582	3,665,334
		49,915,052	8,479,865
Assets held for sale	19	4,216,639	917,129
		54,131,691	9,396,994
Total assets		88,980,148	14,012,280
EQUITY AND LIABILITIES			
Equity			
Share capital	20	1,821,429	1,821,429
Merger and acquisition reserve		16,668,311	2,119,615
Statutory reserve	21	910,715	332,085
Cumulative changes on revaluation of investments		360,372	49,322
Currency translation reserve		2,038	969
Hedging reserve		1,627	-
Retained earnings		7,329,169	3,145,427
		27,093,661	7,468,847
Equity attributable to owners of the Company		28,938,365	353,086
Non-controlling interests		56,032,026	7,821,933
Total equity		56,032,026	7,821,933

Consolidated Statement of Financial Position

At 31 December 2021

	Notes	2021 AED'000	2020 AED'000
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefit	22	809,804	114,889
Lease liabilities	26	876,906	72,559
Borrowings	23	6,793,019	743,053
Trade and other payables	24	65,201	140,881
Contract liabilities	25	83,663	79,001
Derivative financial instruments		19,559	-
Due to related parties	32	32,963	125,082
Deferred tax liabilities	36	1,885	795
		8,683,000	1,276,260
Current liabilities			
Due to related parties	32	2,141,128	656,673
Lease liabilities	26	117,629	15,950
Borrowings	23	1,663,542	183,106
Derivative financial instruments		26,005	-
Loans from related parties	32	1,007,072	-
Contract liabilities	25	2,762,752	1,134,244
Trade and other payables	24	14,350,562	2,681,131
		22,068,690	4,671,104
Liabilities directly associated with assets held for sale	19	2,196,432	242,983
		24,265,122	4,914,087
Total liabilities		32,948,122	6,190,347
TOTAL EQUITY AND LIABILITIES		88,980,148	14,012,280



Managing Director



Chairman



Chief Financial Officer

The attached notes 1 - 44 form part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

At 31 December 2021

	Notes	2021 AED'000	2020 AED'000
Revenue	27	28,562,490	7,046,569
Cost of revenue	28	(18,395,429)	(4,615,161)
Gross profit		10,167,061	2,431,408
General and administrative expenses	29	(2,233,712)	(477,687)
Selling and distribution expenses	30	(139,465)	(46,503)
Share of profit from investment in associates and joint ventures	10	672,186	948,247
Investment and other income	31	3,266,954	216,411
Loss on partial disposal of an associate	10(iv)	(6,659)	-
Gain on acquisition of subsidiaries	6.2	8,808	4,745
Gain on disposal of subsidiaries	6.3	43,854	-
Finance costs	35	(189,051)	(61,627)
Profit before tax		11,589,976	3,014,994
Taxation	36	(12,620)	(379)
Profit for the year		11,577,356	3,014,615
Attributable to:			
Owners of the Company		7,338,660	2,868,936
Non-controlling interests		4,238,696	145,679
Profit for the year		11,577,356	3,014,615
Basic earnings per share (AED)	33	4.03	1.58

The attached notes 1 - 44 form part of these consolidated financial statements.

Consolidated Statement Of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
Profit for the year		11,577,356	3,014,615
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange difference on translation of foreign operations		9,241	1,211
Change in fair value of hedging instruments		5,523	-
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	(4,253)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	774,020	40,928
Total other comprehensive income		784,531	42,139
Total comprehensive income for the year		12,361,887	3,056,754
Attributable to:			
Owners of the Company		7,909,833	2,911,120
Non-controlling interests		4,452,054	145,634
Total comprehensive income for the year		12,361,887	3,056,754

The attached notes 1 - 44 form part of these consolidated financial statements.

Consolidated Statement Of Changes In Equity

For the year ended 31 December 2021

Attributable to equity holders of the Company

	Share capital AED'000	Merger and acquisition reserve AED'000	Statutory reserve AED'000	Cumulative changes on revaluation of investments AED'000	Currency translation reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	Non controlling- interests AED'000	Total equity AED'000
Balance at 1 January 2020 (audited)	1,821,429	(219,722)	45,191	8,394	(287)	-	517,476	2,172,481	22,428	2,194,909
Profit for the year	-	-	-	-	-	-	2,868,936	2,868,936	145,679	3,014,615
Other comprehensive income (loss) for the year	-	-	-	40,928	1,256	-	(45)	42,184	(45)	42,139
Total comprehensive income for the year	-	-	-	40,928	1,256	-	2,868,936	2,911,120	145,634	3,056,754
Transfer to statutory reserve	-	-	286,894	-	-	-	(286,894)	-	-	-
Share based payments (note 37)	-	-	-	-	-	-	-	-	-	-
Share based payments – awards to certain personnel of the Ultimate Parent Company and its related entities (note 37)	-	-	-	-	-	-	(27,460)	(27,460)	-	(27,460)
Business combination of entities under common control (note 6.1(b))	-	1,740,923	-	-	-	-	-	1,740,923	647	1,741,570
Disposal of partial interest in subsidiaries (note 6.4C)	-	-	-	-	-	-	73,369	73,369	36,240	109,609
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	120	120
Acquisition of investment in financial asset carried at fair value through profit or loss (note 11.2)	-	543,664	-	-	-	-	-	543,664	-	543,664
Acquisition of an associate	-	54,750	-	-	-	-	-	54,750	-	54,750
Acquisition of subsidiaries (note 6.2(b))	-	-	-	-	-	-	-	-	40,851	40,851
Balance at 31 December 2020	1,821,429	2,119,615	332,085	49,322	969	-	3,145,427	7,468,847	353,086	7,821,933
Balance at 1 January 2021	1,821,429	2,119,615	332,085	49,322	969	-	3,145,427	7,468,847	353,086	7,821,933
Profit for the year	-	-	-	568,864	682	1,627	7,338,660	7,909,833	4,452,054	12,361,887
Other comprehensive income for the year	-	-	578,630	568,864	682	-	(578,630)	-	-	-
Total comprehensive income for the year	-	-	578,630	568,864	682	1,627	7,338,660	7,909,833	4,452,054	12,361,887
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	(257,814)	-	-	257,814	-	-	-
Business combination of entities under common control (note 6.1(a))	-	7,259,776	-	-	-	-	-	7,259,776	12,667,139	19,926,915
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	-	107,830	107,830
Additional non-controlling interest from acquisitions of subsidiaries at the Group level (note 6.2(a))	-	-	-	-	-	-	(228,383)	(228,383)	228,383	-
Consideration settled by the Ultimate Parent (note 6.2(a))	-	-	-	-	-	-	-	382,154	951,253	1,333,407
Acquisition of investment in financial assets carried at fair value through profit and loss (note 11.2)	-	4,976,271	-	-	-	-	-	4,976,271	-	4,976,271
Acquisition of assets from entities under common control (note 6.1(a))	-	2,590,198	-	-	-	-	-	2,590,198	3,113,407	5,703,605
Dividend paid to non-controlling interest (note 4.2)	-	-	-	-	-	-	-	-	(1,451,522)	(1,451,522)
Share based payments (note 6.4(A))	-	-	-	-	-	-	-	-	52,000	52,000
Acquisition of non-controlling interest (note 6.5)	-	244,538	-	-	-	-	(4,278,064)	(4,033,526)	(478,335)	(4,511,861)
Disposal of partial interest in subsidiaries (note 6.4)	-	(904,241)	-	-	-	-	1,672,345	768,104	5,849,288	6,617,392
Disposal of subsidiaries (note 6.3)	-	-	-	-	387	-	-	387	(21,281)	(20,894)
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	3,135,063	3,135,063
Balance at 31 December 2021	1,821,429	16,668,311	910,715	360,372	2,038	1,627	7,329,169	27,093,661	28,938,365	56,032,026

The attached notes 1 – 44 form part of these consolidated financial statements.

Consolidated Statement Of Cash Flows

For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
OPERATING ACTIVITIES			
Profit before tax		11,589,976	3,014,994
Adjustments for:			
Depreciation of property, plant and equipment	7	634,931	88,521
Amortisation of intangible assets	8	122,972	68,104
Depreciation of investment properties	9	64,819	52,290
Depreciation of right-of-use assets	26	74,689	17,516
Amortisation of biological asset	15	6,870	5,954
Impairment loss on non-financial assets	28	55,249	50,316
Investment properties written off	9	104	-
Share of profit from investment in associates and joint ventures	10	(672,186)	(948,247)
Gain on disposal of property, plant and equipment	31	(8,477)	(3,302)
Gain on acquisition of subsidiaries	6.2	(8,808)	(4,745)
Gain on disposal of subsidiaries	6.3	(43,854)	-
Loss on partial disposal of an associate	10(iv)	6,659	-
Change in fair value of biological assets	15	(5,630)	(328)
Allowance for slow moving inventories	13	188,710	21,724
Allowance for expected credit losses	29	462,159	29,998
Interest and dividend income	31	(203,759)	(30,462)
Write back of other payables	31	-	(106,030)
Unwinding of discounting of long-term receivables	31	(27,986)	(24,439)
Share base payments	37	46,000	79,706
Covid-19 rent concession	31	(3,848)	(2,584)
Change in the fair value of financial assets carried at fair value through profit or loss	31	(2,271,629)	(8,692)
Reversal of bad debts written off	31	(518,685)	-
Fair value gain on revaluation of previously held equity interest	31	(40,988)	-
Provision for employees' end of service benefit	22	162,101	39,625
Finance costs	35	189,051	61,627
Operating cash flows before changes in working capital		9,798,440	2,401,546
Working capital changes:			
Decrease (increase) in inventories		45,610	(185,176)
Increase in biological assets		(27,118)	(5,229)
Decrease (increase) in due from related parties		1,503,042	(75,097)
Increase in loan to related parties		(25,000)	-
Increase in trade and other receivables, including contract assets		(959)	(1,109,100)
Increase in development work in progress		(24,326)	(15,056)
Decrease (increase) in assets held for sales		236,106	(67,561)
(Decrease) increase in due to related parties		(1,044,029)	519,322
Increase in loan from related parties		910,939	-
Increase in trade and other payables, including contract liabilities		1,663,940	946,373
Cash generated from operations		13,036,645	2,410,022
Employees' end of service benefit paid	22	(159,993)	(11,463)
Tax paid		(15,439)	(78)
Finance costs paid		(157,747)	(50,295)
Net cash generated from operating activities		12,703,466	2,348,186

Consolidated Statement Of Cash Flows continued

For the year ended 31 December 2021

Notes	2021 AED'000	2020 AED'000
INVESTING ACTIVITIES		
Movement in term deposits and margin accounts with an original maturity more than three months	(708,402)	(194,430)
Addition to property, plant and equipment	(932,018)	(214,153)
Addition to intangible assets 8	(28,041)	(6,975)
Proceeds from sale of property, plant and equipment	26,668	4,975
Cash acquired on business combination of entities under common control 6.1	4,637,951	417,001
Cash acquired on acquisition of assets from entities under common control 6.1	371,776	-
Net cash acquired (paid) on acquisition of subsidiaries 6.2	141,428	(185,465)
Proceed from disposal of subsidiaries, net of cash disposed 6.3	322,979	-
Proceeds from disposal of shares of subsidiaries 6.4	1,998,100	109,609
Cash paid on acquisition of non-controlling interest 6.5	(757,339)	-
Purchase of investment properties 9	(84,700)	(224,453)
Purchase of investment in associates and joint ventures 10	(1,451,681)	(30,590)
Cash received on partial disposal of shareholding in an associate 10(iv)	18,800	-
Dividend received from associates and joint ventures 10	553,890	637,635
Purchase of investment in financial assets 11	(2,127,285)	(550,106)
Proceed from sale of investment in financial assets 11	313,230	149,675
Interest and dividend received 31	203,759	30,462
Net cash generated from (used in) investing activities	2,499,115	(56,815)
FINANCING ACTIVITIES		
Net repayment of borrowings	(1,230,758)	(92,021)
Proceeds from share-based payments 37	6,000	-
Capital injection by non-controlling interest	3,135,063	-
Dividend paid to non-controlling interest 42	(1,451,522)	-
Payment to non-controlling interests towards contributed capital	(20,000)	-
Repayment of lease liabilities 26	(80,883)	(17,957)
Net cash generated from (used in) financing activities	357,900	(109,978)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
DURING THE YEAR	15,560,481	2,181,393
Cash and cash equivalents at beginning of the year	3,460,353	1,284,853
Effect of foreign exchange rate changes	(5,508)	(5,893)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR 18	19,015,326	3,460,353

Significant non-cash transactions are disclosed in note 6, 10 and 11 to the consolidated financial statements. The attached notes 1 to 44 form part of these consolidated financial statements

Notes To The Consolidated Financial Statements

31 December 2021

1 GENERAL INFORMATION

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

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

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

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 22 March 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the applicable provisions of the Company's Article of Association and the UAE Federal Law No. (2) of 2015 (as amended). Federal Law by Decree No 32 of 2021, which repeals and replaces Federal Law No. 2 of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021, and is effective from 2 January 2022. The Group is in the process of reviewing the new law and will apply the requirements thereof no later than one year from the date on which the new Decree Law came into effect.

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Basis for consolidation

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

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

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

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

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

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

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

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company's subsidiaries as at 31 December 2021 and 31 December 2020 are as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
IHC Holdings RSC Limited	United Arab Emirates	Investment Company.	100%	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management.	100%	100%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Education Holding LLC (i)	United Arab Emirates	Education services enterprises investment, institution and management.	100%	-
IHC Healthcare Holding LLC (i)	United Arab Emirates	Health Services Enterprises Investment, Institution and management.	100%	-
IHC West Investment - Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	100%	100%

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
ESG Emirates Stallions Group PJSC (Formerly "Emirates Stallions Properties LLC")	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	85%	100%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in property, plant and equipment of fish farming.	80%	80%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	75.36%	71.98%
Zee Store PJSC	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	74.41%	71.18%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	100%	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	100%	100%
Serenity Aviation Holding LLC(i)	United Arab Emirates	Aviation consultancy and commercial enterprises investment, institution and management.	50%	-
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	80%	80%
Multiply Group PJSC (formerly "Multiply Marketing Consultancy LLC")	United Arab Emirates	Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading.	31.77%	100%
Royal Technology Solutions LLC	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services.	100%	100%
Easy Lease Motorcycle Rental PSC	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	49.57%	45.07%
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and researches, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches.	80%	85%
Quant Lase Lab LLC	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.	80%	80%
Al Seer Marine Supplies and Equipment Company PJSC (formerly "Al Seer Marine Supplies and Equipment Company LLC")	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	44.96%	100%

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Qausar Energy Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Alpha Technologies Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Tamouh Healthcare Group LLC (i)	United Arab Emirates	Medical services related to COVID-19.	100%	-
West Investments SPV RSC Ltd.	United Arab Emirates	Investment Company.	100%	100%
Fooj Fire Fighting Services LLC (i)	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations.	75%	-
Retiro Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	-
Playa Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	-
Apex Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	60%	-
Shory Technology LLC (i)	United Arab Emirates	Information Technology Network Services.	70%	-
Alpha Dhabi Holding PJSC(ii) (formerly "Trojan Holding LLC")	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and abroad, primarily through its subsidiaries.	45.41%	-
Afkar Financial & Property Investments LLC (ii)	United Arab Emirates	Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.	60%	-
CH Artillgence LLC (i)	United Arab Emirates	Investment holding company.	100%	-
Blink Biz Holding LLC (i)	United Arab Emirates	Commercial Service, Real estate, Industrial, contracting and other type of business.	70%	-
Al Qudra Holding PJSC (ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management and investment in properties.	67.9%	-
Rebound Limited (i)	United Arab Emirates	Facilitating global trade of recycled plastic.	100%	-
Theta Bidco Limited (i)	England	Investment Holding Company.	70%	-

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of ESG Emirates Stallions Group PJSC (formerly "Emirates Stallions Properties LLC"):				
Abu Dhabi Land General Contracting LL	United Arab Emirates	Technical, commercial and contracting services specifically marine work contract.	100%	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	100%	100%
Century Real Estate Management LLC	United Arab Emirates	Labour camp management.	79.85%	82%
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy.	100%	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction.	100%	100%
Royal Development Company d.o.o Beograd - Vracar	Serbia	Hotel accommodation.	100%	100%
ESG Companies Management - SP LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	100%	-
ESG Capital Holding LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution & Management.	100%	-
Anse La Mouche Property Development LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	99.99%	99.99%
WFC Holding - Sole Proprietorship LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	70%	100%
Below are the subsidiaries of WFC Holding - sole proprietorship LLC:				
Workforce Connexion LLC	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	100%	100%
Corporate Solutions Consultants LLC	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	100%	100%
Multi Serve Typing and Transactions Follow Up LLC	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	100%	100%
Tamouh Integrated Business Services LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Connect Outsourcing Temporary Employment LLC (ii)	United Arab Emirates	Employees provision services and onshore and offshore oil and gas fields and facilities services	100%	-
Below are the subsidiaries of Zee Store PJSC:				
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	United Arab Emirates	Storehouses and warehouses management and operations.	100%	100%
Tamween Group LLC (i)	United Arab Emirates	Holding Company.	100%	-
Royal Horizon Holding LLC (ii)	United Arab Emirates	Holding Company.	60%	-
Zee Stores International LLC (i)	United Arab Emirates	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	100%	-

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Royal Horizon Holding LLC:				
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	100%	-
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	100%	-
Royal Horizon Fazaat LLC	United Arab Emirates	Retail and wholesale consumer stores.	100%	-
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products.	100%	-
Subsidiaries of Tamween Group LLC:				
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products.	100%	100%
AGRINV SPV RSC	United Arab Emirates	Investment Company.	100%	100%
Subsidiary of AGRINV SPV RSC:				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	99.99%	99.99%
Below are the subsidiaries of Multiply Group PJSC (formerly "Multiply Marketing Consultancy LLC"):				
Multiply Companies Management - Sole Proprietorship LLC (i)	United Arab Emirates	Management Services of Companies and Private Institutions.	100%	-
MG Communications Holding LLC (i)	United Arab Emirates	Investing establishing and managing technology projects. Commercial and Industrial Enterprises Investment, Institution and Management.	100%	-
MG Wellness Holding LLC (i)	United Arab Emirates	Health, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	-
MG Digital Holding LLC (i)	United Arab Emirates	Investing establishing and managing technology projects. Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	-
MG Utilities Holding LLC (i)	United Arab Emirates	Infrastructure, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	-
MG Ventures Holding LLC (i)	United Arab Emirates	Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	-
Viola Communications LLC (ii)	United Arab Emirates	Commercial publication printing.	100%	-

Notes To The Consolidated Financial Statements

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Multiply Group PJSC (formerly "Multiply Marketing Consultancy LLC"): continued				
Spranza Commercial Investment - Sole Proprietorship LLC (ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
Emirates Driving Company PJSC (ii)	United Arab Emirates	Drivers training and road safety education	48.01%	-
Norm Commercial Investment - Sole Proprietorship LLC (iv)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
Omorfia Group LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	-
Below are the subsidiaries of Emirates Driving Company:				
Tabieah Property Investment - Sole Proprietorship LLC	United Arab Emirates	Manage investment properties	100%	-
Below are the subsidiaries of Omorfia Group LLC:				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services.	100%	100%
Tips & Toes Beauty and Spa Centre LLC (ii)	United Arab Emirates	Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	100%	-
Jazz Lounge Spa (ii)	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.	100%	-
Ben Suhail Distribution LLC (ii)	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, Soap and hair care products trading, and beauty and personal care requisites trading.	100%	-
Below are the subsidiaries of Bedashing Holding Company LLC:				
Dashing International Group - Sole proprietorship LLC	United Arab Emirates	Company representation.	100%	100%
Bedashing Beauty Lounge - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Nippers & Scissors training Centre - Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Dazzling Beauty Salon - Sole Proprietorship (ii)	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling.	100%	-
Groovy Ladies Beauty Center (ii)	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre.	100%	-
Glam & Glow Beauty Lounge - Sole Proprietorship (ii)	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading.	100%	-
Stella Beauty Lounge Center (ii)	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics.	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Viola Communications LLC:				
Purple Printing LLC	United Arab Emirates	Commercial publication printing.	100%	-
Below are the subsidiaries of PAL Cooling Holding LLC:				
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment.	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:				
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	67%	67%
Yallow Technologies LLC (i)	United Arab Emirates	Computer systems & communication software trading equipment.	80%	-
1885 Delivery Services LLC (ii)	United Arab Emirates	Delivery services.	70%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:				
Project Ceres One Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Project Ceres Two Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Project Ceres Three Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Al Seer Marine Boats Building LLC	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	100%	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Ship management and operations, onshore and offshore oil and gas fields and facilities services and building of motorboats. Yachts management and running.	100%	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Training and rehabilitation of marine cadres, technical training on electrical devices, computer software and security training.	100%	100%
Below are the subsidiaries of Afkar Financial & Property Investments LLC:				
2XL Furniture – UAE Sharjah	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
2XL Home LLC (formerly "2XL Furniture & Home Décor LLC")	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
2XL Furnishing LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
OC Home Furniture LLC (i)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
Below are the subsidiaries of Tamouh Healthcare Group LLC:				
Tamouh Healthcare LLC	United Arab Emirates	Ownership of medical facilities.	100%	100%
Below are the subsidiaries of Tamouh Healthcare LLC:				
Medi Q Healthcare LLC	United Arab Emirates	Investment, incorporation and management of healthcare service projects.	51%	51%
Somerian Health LLC (formerly "Medi Q Healthcare & Clinic LLC")(i)	United Arab Emirates	Health services and commercial enterprises investment, institution and management.	51%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Apex Holding LLC:				
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food stuff catering to private and public sector organisations.	100%	100%
Boudoir Interiors LLC (ii)	United Arab Emirates	Interior design implementation works and sale of furniture.	100%	-
The Central Tents Company LLC (ii)	United Arab Emirates	Retail sale of tents and shades and event management.	100%	-
Apex National Investment LLC – Sole Proprietorship LLC (ii)	United Arab Emirates	Enterprises investments, institutions and management.	100%	-
R R Facility Management SP LLC (ii)	United Arab Emirates	Building maintenance, camps and labour accommodation management, and real estate development, lease and management services.	100%	-
Support Services and Catering LLC (ii)	United Arab Emirates	Building cleaning services	100%	-
Apex Companies Management LLC(i)	United Arab Emirates	Management Services of Companies and Private Institutions.	40%	-
Apex Alwataniah Logistics – Sole Proprietorship LLC (i)	United Arab Emirates	Goods Air, Marine and Land Shipment Services and Customs Clearance Services.	100%	-
Apex Construction and Development - Sole Proprietorship LLC (i)	United Arab Emirates	Real Estate Development Construction, Commercial Enterprises Investment, Institution and Management.	100%	-
Riva Marine General Marine Services - Sole Proprietorship LLC (i)	United Arab Emirates	Onshore and offshore oil and gas field facilities services, marine machines and equipment repairing and maintenance.	100%	-
Apex Padel Sport LLC - Sole Proprietorship PJSC (i)	United Arab Emirates	Tennis Club.	100%	-
Apex UL Investment LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	-
Sky Go Transport of Goods LLC (i)	United Arab Emirates	Air Transport of goods unmanned aerial vehicles (drone).	50%	-
Below are the subsidiaries of Alpha Dhabi Holding PJSC:				
Alpha Dhabi Industries Holding LLC (i)	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management.	100%	-
Trojan Construction Group – Sole Proprietorship LLC	United Arab Emirates	Real Estate and Construction Services	100%	-
National Marine Dredging Company PJSC (ii)	United Arab Emirates	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	69.11%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued				
Sogno Commercial Investment Sole Proprietorship (iv)	United Arab Emirates	Investment holding.	100%	-
Sogno Two Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Sogno Three Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Sublime Two Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Was Two Commercial Investment Sole Proprietorship (ii)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Health Holding LLC (i)	United Arab Emirates	Health services and commercial enterprises Investment, Institution and Management	100%	-
Sublime Commercial Investment - Sole Proprietorship LLC (ii)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Partners Holding LLC (i)	United Arab Emirates	Commercial enterprises Investment, Institution and Management.	100%	-
Alpha Dhabi Construction Holding LLC (i)	United Arab Emirates	Infrastructure and commercial enterprises Investment, Institution and Management	100%	-
Alpha Dhabi Commercial Investment-Sole Proprietorship LLC (formerly "Trojan Commercial Investment")	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management	100%	-
Trojan General Contracting LLC (ii)	United Arab Emirates	Building projects contracting	100%	-
Royal Advance Electro mechanical Works	United Arab Emirates	Electromechanical services	100%	-
Al Maha Modular Industries LLC	United Arab Emirates	Ready-made building manufacturing	100%	-
Hi-Tech Concrete Products LLC (KSA)	United Arab Emirates	Construction	100%	-
Trojan Developments LLC	United Arab Emirates	Real Estate	100%	-
National Projects and Construction LLC	United Arab Emirates	Construction	100%	-
Reem Emirates Aluminum LLC	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes	100%	-
Trojan Property Investments LLC	United Arab Emirates	Real estate enterprises investment, institution and management	100%	-
Ersa General Contracting LLC	United Arab Emirates	Building projects contracting.	100%	-
Hi-Tech Concrete Products LLC	United Arab Emirates	Building and selling of properties and lands and general contracting	100%	-
Hi-Tech Emirats For General Contracting	United Arab Emirates	Building projects contracting	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued				
Hi-Tech Line Building Construction – DXB	United Arab Emirates	Building projects contracting	100%	-
Phoenix Timber Factory LLC	United Arab Emirates	Timber Products	100%	-
Reem Ready Mix LLC	United Arab Emirates	Building projects contracting.	60%	-
Alpha Dhabi Hospitality Holding LLC (i)	United Arab Emirates	Entertainment and commercial enterprises Investment, Institution and Management	100%	-
Mawarid Holding Investment LLC	United Arab Emirates	Forestry, tourism, and agriculture.	70%	-
Murban Energy Limited	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	100%	-
Below are the subsidiaries of Mawarid Holding Investment LLC:				
Pure Health (FZE)	United Arab Emirates	Trading in pharmaceuticals and related products	90%	-
Pure Health Medical Supplies (FZE)	United Arab Emirates	General trading and trading in pharmaceuticals and related products.	90%	-
Pure CS IT Infrastructure LLC	United Arab Emirates	IT Infrastructure.	90%	-
Pure Health Medical Billing Services LLC	United Arab Emirates	Medical billing services.	90%	-
Union Health Facilities Management LLC	United Arab Emirates	Facilities management services.	90%	-
Pure Health Medical Supplies LLC	United Arab Emirates	Health care technology and management services.	63%	-
Pure Health Investment – Sole Proprietorship LLC	United Arab Emirates	Health, Commercial and Industrial Services Enterprises Investment, Institution and Management.	100%	-
Mawarid Centre for Research and Scientific Laboratories LLC	United Arab Emirates	Veterinarian hospital and research activities.	100%	-
Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC	United Arab Emirates	Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.	100%	-
Aqua Power Technology LLC	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Mawarid Holding Investment LLC: continued</i>				
Barari Natural Resources LLC	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	100%	-
Campaign facilities management services LLC	United Arab Emirates	Facilities management services.	100%	-
Dicon Investment LLC	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management.	100%	-
Best Twasol Government Services LLC	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Dicon of Twafouq Services LLC	United Arab Emirates	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratization (MOHRE).	100%	-
Info Nine Smart Solutions LLC	United Arab Emirates	Designing computer systems and communication equipment.	80%	-
Twasol Business Men Service LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Twasol Business Men Service LLC – Ajman	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Twasol Business Men Service LLC – Br Abu Dhabi	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Al Forsan Tadbeer Centre LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction's follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Al Tawasol Al Mutamiz Guidance LLC	United Arab Emirates	Workers and employee's guidance centre	100%	-
Emirates Safety Laboratory LLC	United Arab Emirates	Compliance certification for building construction products.	100%	-
Two Five 55 Healthcare Investment LLC	United Arab Emirates	Investment in commercial enterprise & management and healthcare enterprise and development.	90%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Mawarid Holding Investment LLC: continued</i>				
Al Forsan Tadbeer Centre LLC – Abu Dhabi	United Arab Emirates	Administrative and business services	100%	-
Al Forsan Tadbeer Centre LLC – Ajman	United Arab Emirates	Administrative and business services	100%	-
Mawarid Hotels and hospitality LLC	United Arab Emirates	Management of Hotels, tourist resorts and hotel apartments.	100%	-
Mawarid International Development Company LLC	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	100%	-
Mawarid Nurseries LLC	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	100%	-
Mawarid Security Services LLC	United Arab Emirates	General security services and public security guarding services.	100%	-
Mawarid Services Company LLC	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	100%	-
Telal Resort LLC	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises	100%	-
Magenta Investments LLC	United Arab Emirates	Investment in healthcare enterprises & development and commercial enterprises & management	80%	-
Pure Capital Investment LLC	United Arab Emirates	Investment in Commercial Enterprises & Management	90%	-
<i>Below are the subsidiaries of Murban Energy Limited:</i>				
Murban BVI Holding Inc (BVI)	British Virgin Islands	Holding company	100%	-
Sitax Investment Ltd (BVI)	British Virgin Islands	Holding company	100%	-
Sitax Holding Ltd (BVI)	British Virgin Islands	Holding company	100%	-
I & T Management Private Limited	Maldives	Tourist resort operation	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Murban Energy Limited: continued</i>				
Hill View (Seychelles) Limited	Seychelles	Hotel resort	100%	-
Lindere Villa Limited	Seychelles	Management of presidential villas.	100%	-
M Commodities – Sole Proprietorship LLC	United Arab Emirates	General Trading	100%	-
Murban Investment Limited – Sole Proprietorship LLC	British Virgin Islands	Investment Holding	100%	-
Ethiad International Hospitality LLC	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	100%	-
Int'l Fresh Harvest Fruits and Vegetables Trading – Sole Proprietorship LLC	United Arab Emirates	Trading of foodstuff	100%	-
Abu Dhabi United Hospitality-Sole Proprietorship LLC	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.	100%	-
Le Noir Cafe – Sole Proprietorship LLC	United Arab Emirates	Foodstuff catering, hospitality services and restaurants.	100%	-
St. Regis Saadiyat Island Resort Abudhabi	United Arab Emirates	Hotels.	100%	-
Al Wathba A Luxury Collection Desert Resort & Spa – Sole Proprietorship LLC	United Arab Emirates	Fitness club, relaxation and massage centre.	100%	-
Magenta Medical Investment LLC (i)	United Arab Emirates	Investment in healthcare enterprises & development.	80%	-
Magenta Medical Requisites Trading LLC (i)	United Arab Emirates	Trading of paper products, medical and surgical articles & requisites, laboratories tools & requisites, pharmaceutical products and equipment for people of determination.	80%	-
Magenta International Investment LLC (i)	United Arab Emirates	Holding Company	80%	-
Magenta Pharma Medical Trading LLC (i)	United Arab Emirates	Medical Equipment Trading	80%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Murban Energy Limited: continued</i>				
Emirates Gateway Security Services LLC	United Arab Emirates	Public security guarding services, onshore and offshore oil and gas fields and facilities services.	95%	-
Sandstorm Motor Vehicles Manufacturing LLC	United Arab Emirates	Motor vehicles manufacturing.	65%	-
Branch of Trojan General Contracting	Chechnya, Russia	Hotel.	100%	-
C D Properties – Sole Proprietorship LLC	United Arab Emirates	Investment Holding	100%	-
<i>Below are the subsidiaries of Pure Health Medical Supplies LLC:</i>				
Pure Investment LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Pure Health Capital LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Pure Lab LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Union Health Facilities Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Dawak Healthcare Supplies LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Telldoc Technology LLC (i)	United Arab Emirates	Investment, establishment and management of technology projects company.	100%	-
Medclaim Billing Services LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Pure Health Facilities Management LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
One Health LLC (i)	United Arab Emirates	Health services and commercial enterprises investment, institution and management company. health treatment undertaking services company.	100%	-
The Medical Office Facilities Management LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company. health treatment undertaking services company.	100%	-
Pure Care Facilities Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company. management and operation of public utilities company.	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Pure Health Medical Supplies LLC: continued				
Rafed Healthcare Supplies LLC (ii)	United Arab Emirates	Wholesale trading of medical equipment, medications, medical gas and medical storehouse.	100%	-
Union 71 Medical Facilities Management LLC (ii)	United Arab Emirates	Management of medical facilities.	100%	-
Pure Health Investment – Sole Proprietorship LLC (i)	United Arab Emirates	Health, commercial and industrial services enterprises investment, institution and management.	100%	-
Below are the subsidiaries of National Marine Dredging Company PJSC:				
National Petroleum Construction Company PJSC (“NPCC”)	United Arab Emirates	Engineering construction and procurement.	100%	-
Emarat Europe Fast Building Technology System Factory LLC (Emarat Europe)	United Arab Emirates	Manufacturing and supply of precast concrete.	100%	-
National Marine Dredging Company (Industrial)	United Arab Emirates	Manufacturing of steel pipes and steel pipe fittings.	100%	-
ADEC Engineering Consultancy LLC	United Arab Emirates	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.	100%	-
Abu Dhabi Marine Dredging S.P.C.	Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.	100%	-
National Marine and Infrastructure India Private Limited	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	100%	-
Below are the subsidiaries of National Petroleum Construction Company PJSC (“NPCC”):				
National Petroleum Construction Company (Saudi) Ltd.	Saudi Arabia	Engineering construction and procurement	100%	-
NPCC Engineering Limited	India	Engineering	100%	-
ANEWA Engineering Pvt. Ltd.	India	Engineering	80%	-
Below are the subsidiaries of Al Qudra Holding LLC:				
Al Qudra Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Trading LLC	United Arab Emirates	Commercial project investment.	100%	-
Al Qudra Investment RCS Ltd.	United Arab Emirates	Real Estate Investment.	100%	-
Q Malls LLC	United Arab Emirates	Real estate lease & management services.	100%	-
Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Facilities Management Services LLC	United Arab Emirates	Cleaning and general maintenance for buildings and establishments management services.	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Below are the subsidiaries of Al Qudra Holding LLC: continued				
Envo Scape LLC	United Arab Emirates	Irrigation network contracting, constructing, maintaining parks and landscape design and planning activities.	100%	-
Al Qudra Services LLC	United Arab Emirates	Environmental plants maintenance.	100%	-
Manarah Bay Real Estate	United Arab Emirates	Real estate management.	100%	-
Q International Limited	United Arab Emirates	General Investment.	100%	-
Q Scape LLC	United Arab Emirates	Building maintenance and landscaping.	51%	-
Al Qudra Education LLC	United Arab Emirates	Education services.	100%	-
Al Qudra for Agriculture and Development Company	United Arab Emirates	Agricultural development.	100%	-
Q Link Transport	United Arab Emirates	Transportation.	85%	-
Emirates Simulation Academy LLC	United Arab Emirates	Construction, operation management and development of training centre.	100%	-
Q For Commercial Markets Management	United Arab Emirates	Setup, ownership and development of commercial market, parks and entertainment facilities.	60%	-
Q Car Park LLC	United Arab Emirates	Developing, operating, renting and equipping of car parking.	50%	-
Q Active for Technologies LLC	United Arab Emirates	Telecommunication system installation and maintenance.	51%	-
ABNIA for Industrial Holding LLC	United Arab Emirates	Activities of cement, glass, iron, wood, and electromechanical industries.	50%	-
Al Qudra Holding Industrial LLC	United Arab Emirates	Consultancy in alternative power and industrial projects.	100%	-
Q Construction LLC	United Arab Emirates	General contracting.	100%	-
Q Parks Establishment	United Arab Emirates	Touristic resort management & entertainment investment.	100%	-
Al Qudra Holding LLC	United Arab Emirates	Industrial enterprises and financial management.	100%	-
Barary Ain Al Fayda Development Company LLC	United Arab Emirates	Real estate management	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Al Qudra Holding LLC: continued</i>				
QP International LLC	United Arab Emirates	Project management.	60%	-
Buhyarat Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Healthcare LLC	United Arab Emirates	Health care & hospitality.	100%	-
Q Energy LLC	United Arab Emirates	Oil & Gas equipment installation and maintenance services.	100%	-
Al Qudra and Ravago Investment LLC	United Arab Emirates	General investment.	100%	-
Danat Facility Management LLC	United Arab Emirates	Facilities management service.	100%	-
Al Rayan Investment	United Arab Emirates	Develop, manage and invest in real estate enterprises.	99.97%	-
Construction Workers Residential City LLC	United Arab Emirates	Real Estate Investment.	65%	-
Moon Flower Real Estate Development LLC	United Arab Emirates	Real estate investment.	100%	-
Green Precast Systems Technology LLC	United Arab Emirates	General contracting.	100%	-
Earth Care Agricultural Products LLC	United Arab Emirates	Agriculture business.	100%	-
Al Rayan Global Real Estate LLC	United Arab Emirates	Real estate investment.	100%	-
Radiant & Moonflower Real Estate Development LLC	United Arab Emirates	Real estate investment.	65%	-
Al Qudra Holding – Morocco	Morocco	General investment.	100%	-
Smart Hotel Management	Morocco	Hotel management	100%	-
Smart Hotel Properties	Morocco	Hotel management.	100%	-
Kasr Al Bahar	Morocco	Hospitality.	100%	-
Atlantic Coast Hospitality	Morocco	General investment.	100%	-
Al Qudra Holding Offshore	Morocco	Holding company.	100%	-
Q General Investment Ltd.	British Virgin Islands	General investment.	100%	-
Al Qudra Holding - Syria	Syria	General Investment	100%	-
Al Qudra Real Estate	Syria	Real estate management.	100%	-

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Al Qudra Holding LLC: continued</i>				
Al Qudra Holding - Algeria	Algeria	General investment.	100%	-
Al Qudra Belarus Ltd.	Belarus	General investment.	100%	-
Al Qudra Holding - Yemen	Yemen	General investment.	100%	-
Apex Residential LLC	United Arab Emirates	Real estate investment.	100%	-
Al Qudra New Line Oil & Gas LLC	United Arab Emirates	Oil & Gas maintenance.	100%	-
Winds Laundry-Sole Proprietorship LLC	United Arab Emirates	Laundry services.	100%	-
Al Qudra General Trading Establishment	United Arab Emirates	Commercial project investment.	100%	-
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	100%	100%
<i>Below are the subsidiaries of Al Tamouh Investments Company LLC:</i>				
TSL Properties LLC	United Arab Emirates	Development project ownership, sales & leasing.	100%	100%
Wadi Adventures LLC	United Arab Emirates	Adventure Park.	100%	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Tamouh Hotels and Resorts LLC	United Arab Emirates	Management and operation of hotels and hotel apartments.	100%	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	51%	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	60%	60%
Discontinued operations:				
Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	100%	100%
Aafaq Islamic Finance PSC and its subsidiaries (ii)	United Arab Emirates	Financing and investing activities that are conducted in accordance with Islamic Shari'a Laws	80.20%	-
Dana Hospitality LLC / Holiday Inn Hotel (ii)	United Arab Emirates	Hotel management.	100%	-
Asmak Holding Company Limited (iii)	United Arab Emirates	Holding companies and investment in commercial enterprises and management.	100%	100%
Mega mart Establishment UAE (iii)	United Arab Emirates	Retail trading of fast moving consumer products.	100%	-
Abu Dhabi Mountain Gate LLC (ii) & (iii)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	70%	-

Notes To The Consolidated Financial Statements

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Disposed Subsidiaries:				
Trust International Group LLC (note 6.3)	United Arab Emirates	Sale of spare parts and repairs for military equipment.	-	100%
R Med Medical Supplies LLC (note 6.3)	United Arab Emirates	Drug store, trading of medical and surgical articles.	-	52%
Eltizam Asset Management LLC and its subsidiaries (note 6.3)	United Arab Emirates	Services management holding company.	-	100%
Alliance Food Security Holdings LLC and its subsidiaries (note 6.3)	United Arab Emirates	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	-	80%

- (i) These are subsidiaries of the Group, incorporated during the year.
(ii) Subsidiaries acquired during the year (note 6).
(iii) Subsidiaries under liquidation.
(iv) These acquisitions are accounted for as asset acquisitions and not business combinations in accordance with IFRS 3.

2.5 Changes In Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new interpretation and amendments effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments include the following practical expedients:
 - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
 - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
 - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

These amendments had no material impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Notes To The Consolidated Financial Statements

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

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

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

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

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

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

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

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

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued

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

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

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

Changes in Group's ownership interest in existing subsidiaries

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

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

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

Disposals of interest in a subsidiary to an equity accounted investee

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

Acquisition of entities under common control

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

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment in associates and joint ventures continued

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

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

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue recognition

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

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5* Recognise revenue when (or as) the Group satisfies a performance obligation.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Sale of goods

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

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

Construction contract revenue

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

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

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

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

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

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

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

Rental income

Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

District cooling

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees

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

Brokerage services

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

- (i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.
- (ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+4.

Rendering of services

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

Dividend income

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

Interest income

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

Sale of properties and land

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

Media and marketing services

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Coaching and training services

The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

Government grants

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

Employee benefits

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

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

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

Property, plant and equipment

Recognition and measurement

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

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

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

Subsequent costs

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Property, plant and equipment continued

Depreciation

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

Buildings and leasehold improvements	3 - 47 years
Plant and machinery	2 - 35 years
Furniture, fixtures and equipment	2 - 10 years
Barges support vessels, Dredgers and vehicles	2 - 40 years

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

Capital work in progress

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

Derecognition

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

Intangible assets

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

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

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

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

Concession rights

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets continued

Customer contracts

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

Customer relationships

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 20 years.

Brand names

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 2 to 20 years.

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite useful lives.

Trade license

The license was recognised on acquisition of a subsidiary during the year that allows the use of "Fazaa" name for the retail stores under that subsidiary. The license has a useful life of 8 years.

Other intangible assets are amortised over a period of 2 to 5 years using straight-line method.

Borrowing costs

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

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

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Right-of-use assets

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

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

Land	10 – 50 years
Warehouse, office spaces, shops and cinema halls	2 – 50 years
Others	3 – 10 years

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

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

Lease liabilities

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'other expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

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

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

the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Short-term leases and leases of low-value assets

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

Group as a lessor

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

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

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

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

Investment properties

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

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

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

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

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

Notes To The Consolidated Financial Statements

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment properties continued

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

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.

Islamic financing and investments – products, definitions and income recognition

Wakala investments

Wakala deposit is an agreement whereby the Group (the Muwakkil) provides certain amount of funds (the Wakala Capital) to an agent (the Wakeel) to invest it in a Sharia compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel, who is entitled to a fixed fee (the Wakala Fee) as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. The Muwakkil bears the loss unless caused by the default, negligence or violation of any of the terms and conditions of the Wakala by the Wakeel.

Estimated income from Wakala deposits is amortised on a time-apportioned basis over the period, adjusted by actual income when declared by the Wakeel, whereas the losses are charged to profit or loss on their declaration by the Wakeel.

Istisna'a

Istisna'a is a sale contract between two parties whereby one party (Sani' or seller) undertakes to construct, for the other party (Mustasni' or buyer), a specific asset or property according to certain pre-agreed specifications in consideration of a pre-determined price to be delivered during a pre-agreed period of time.

The work undertaken is not restricted to be accomplished by the Sani' alone and the whole or part of the construction can be undertaken by third parties under the control and responsibility of the Sani'. Under an Istisna'a contract, the Group could be the Sani' or the Mustasni'.

Murabaha

A Murabaha Contract whereby the Group (the Seller) sells an asset to the Client (the Purchaser), on a deferred payment basis, after purchasing the asset, which the Seller has purchased and acquired, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha purchase price, payable by the Purchaser, comprises the cost of the asset and an agreed profit amount. The Purchaser usually pays the Murabaha Sale price on an instalment basis over the period of the Murabaha contract. Where the income is quantifiable, it is recognised on a time-apportioned basis over the period of the Murabaha contract.

Ijarah

Ijarah is an agreement whereby the Group (Lessor) leases an asset to the customer (Lessee) (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and promise to lease), against certain rental payments for specific lease term/periods, payable on a fixed or variable rental basis. Leased assets are usually residential properties or commercial real estate.

The Ijarah agreement specifies the leased asset, duration of the lease term, as well as the basis for rental calculation, the timing of rental payments and responsibilities of both parties during the lease term. The customer provides the Group with an undertaking to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Islamic financing and investments – products, definitions and income recognition continued

Ijarah

The Group retains the ownership of the assets throughout the lease term. At the end of the lease term, upon fulfilment of all the obligations by the customer under the Ijarah agreement, the Group will sell the leased asset to the customer at a nominal value based on a sale undertaking given by the Group.

Income is recognised on an accrual basis over the lease term based on the fixed rental amount outstanding (which predominantly represents the cost of the leased asset).

Musharaka

Musharaka is used to provide venture capital or project finance. The Group and customer contribute towards the capital of the Musharaka. Usually, a special purpose Group or a partnership is established as a vehicle to undertake the Musharaka. Profits are shared according to a pre-agreed profit distribution ratio but losses are borne according to the capital contributions. Capital contributions may be in cash or in kind, as valued at the time of entering into the Musharaka.

Estimated profit is amortised on a time-apportioned basis over the period, adjusted by actual profit when received, whereas the losses are charged to profit or loss on their declaration.

Sukuk

Sukuks are asset backed Sharia compliant trust certificates.

Discontinued operations and non-current assets held for sale

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

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

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

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

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

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Inventories

Fish and fish products

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

Animal feed products

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

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

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

Poultry products

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

Real estate properties

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

Development work in progress

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

Land under development granted to the Group without consideration is carried at nominal value.

Biological assets

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

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

Deferred revenue

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign currencies

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

Transactions and balances

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

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

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

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

Financial assets

Initial recognition and measurement

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

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Initial recognition and measurement continued

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

Subsequent measurement

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

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

The Group has the following financial assets:

Financial assets at amortised cost

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

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

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

Cash and short-term deposits

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

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

Financial assets designated at fair value through OCI (equity instruments)

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

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

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

Impairment of financial assets

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

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

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

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

Derecognition of financial assets

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

Financial liabilities and equity instruments

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

Equity instruments

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

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial liabilities and equity instruments continued

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at amortised cost (loans and borrowings)

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

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued

Initial recognition and subsequent measurement continued

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued

Cash flow hedges continued

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxation continued

Deferred tax continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Fair value measurement continued

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Notes To The Consolidated Financial Statements

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (note 29), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Notes To The Consolidated Financial Statements

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification

The Group presents assets and liabilities in the statement of consolidated financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter;
- IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities;
- IAS 41 Agriculture - Taxation in fair value measurements;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3: Reference to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use;
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract;
- Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment, intangible assets and investment properties

The management determines the estimated useful lives of its property, plant and equipment, intangible assets and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

During the year, management of certain subsidiaries has reviewed the residual values and useful lives of certain items of property, plant and equipment and changed its estimate with respect to the useful lives of certain items of Dredgers from 18 to 30 years and of a building from 30 years to 47 years effective 1 October 2021. These changes have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the effect of these changes have been recognised prospectively in the consolidated statement of profit or loss. The effect of these changes on the actual and expected depreciation expense is as follows:

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5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued

Useful lives of property, plant and equipment, intangible assets and investment properties continued

	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025* AED'000
Decrease in depreciation expense due to change in the useful lives	<u>7,591</u>	<u>29,809</u>	<u>29,809</u>	<u>29,809</u>	<u>29,809</u>

*Until the end of useful life

Impairment assessment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties, as well as investments in joint ventures and associates are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded net impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 64,007 thousand for the year ended 31 December 2021 (2020: AED 49,866 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Notes To The Consolidated Financial Statements

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5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 7,131,404 (2020: AED 2,167,287 thousand) and contract assets were AED 5,964,946 (2020: AED 163,151 thousand), with provision for expected credit losses of AED 433,312 (2020: AED 122,001 thousand) and AED 103,478 (2020: AED 7,378 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of development work in progress

Development properties are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development properties for impairment as at 31 December 2021. Based on the review, management has concluded that there is no impairment loss on its development properties for the year ended 31 December 2021 (2020: nil).

Contract claims

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2021. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

Infrastructure costs

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group's financial statements arising from this review (2020: nil).

Notes To The Consolidated Financial Statements

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

Revenue recognition on real estate contracts

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 39 for further disclosures.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Critical accounting judgments in applying accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of properties

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

Allocation of development costs

The allocation of project development costs between development work in progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

Notes To The Consolidated Financial Statements

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Contract variations and claims

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Assets held for sale

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations (note 19). Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from the date of initial classification.

For more details on the assets held for sale, refer to note 19.

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it has de-facto control over following entities, even though it owns less than 50% of the voting rights. This is because of the following:

Easy Lease Motorcycle Rental PISC ("Easy Lease")

- the Group is the single largest shareholder of Easy Lease with a 49.57% equity interest;
- As per Easy Lease's articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Emirates Driving Company PISC ("DRIVE")

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 461 shareholders, of which one individual shareholder holds 14.10% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Notes To The Consolidated Financial Statements

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control) continued

Although the Group holds 50% or less ownership interest in the following subsidiaries, control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Alpha Dhabi Holding PJSC
- Multiply Group PJSC
- Al Seer Marine Supplies and Equipment Company PJSC
- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Emirates International Gas LLC
- Q Car Park LLC
- ABNIA for Industrial Holding LLC
- Sky Go Transport of Goods LLC
- Apex Companies Management LLC

Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Impact of novel coronavirus (COVID-19)

Since early 2020, the macro-economic environment (both globally and within the UAE) has been materially affected by the novel coronavirus which causes the disease known as COVID-19, which was first identified in December 2019 and declared a pandemic by the World Health Organization on 11 March 2020. New strains of the COVID-19 virus have been discovered in late 2020 and early 2021, which are characterised by higher transmission rates. In response to the highly contagious and sometimes fatal COVID-19 virus, the United States, certain EU countries and countries in the Middle East, including the UAE, began imposing quarantine and travel restrictions, as well as other restrictions, which aim to reduce in-person interactions. These measures, while aimed to slow the spread of the COVID-19 virus, have significantly reduced economic activity in many countries around the world (in particular, for those businesses connected to the travel and hospitality sectors). The lock-downs imposed in response to the COVID-19 pandemic may result in reduced consumer consumption and industrial production.

As the effect of COVID-19 on businesses continues to evolve, there are uncertainties and likely risks that may impact the business in future. The potential impact of COVID-19, if any, to the Group's operations are not reflected or adjusted in the accounts and balances reported in these consolidated financial statements.

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6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the year ended 31 December 2021 and 2020, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1 (a) Acquisitions during the year

AFKAR Financial & Property Investments LLC and its subsidiaries ("AFKAR")

Effective 1 January 2021, the Group acquired 60% of the shares in AFKAR Financial & Property Investment LLC and its subsidiaries for nil consideration. AFKAR is based in Abu Dhabi, United Arab Emirates, and is involved in commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development. From the date of acquisition, AFKAR contributed revenue and profit to the Group amounting to AED 237,295 thousand and AED 12,985 thousand respectively.

Alpha Dhabi Holding PJSC ("ALPHA")

Effective 1 April 2021, the Group acquired 45% of the shares in Alpha Dhabi Holding PJSC (formerly "Trojan Holding LLC") and its subsidiaries for nil consideration. ALPHA is based in Abu Dhabi, United Arab Emirates and is involved in contracting of construction of civil works, engineering and construction contracting relating to commercial and residential buildings, infrastructure development, earth and civil works, production and supply of ready-mix concrete, main sewerage networks contracting, main roads, streets and related works contracting, mechanical contracting, onshore and offshore oil and gas fields and facilities services, submain sewerage networks and houses connection contracting, tunnels contracting, transport of material assembly heavy/light trucks, Ready mix and dry-mix concrete and mortar manufacturing, installation and repair of safety equipment and fire extinguishing systems, and manufacturing, supply installation and fabrication of aluminum and glass panels. From the date of acquisition, ALPHA contributed revenue and profit to the Group amounting to AED 12,364,834 thousand and AED 4,096,540 thousand respectively. If the acquisition had taken place at the beginning of the year ALPHA would have contributed revenue and profit to the Group amounting to AED 13,380,986 thousand and AED 4,252,748 thousand respectively. Effective 1 April 2021, Alpha Dhabi Holding PJSC acquired shares in the following entities:

Name of entities	Acquired shares	Principal activities
Murban Energy Limited	100%	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies
Sublime Commercial Investment – Sole proprietorship	100%	Investment holding
Mawarid Holding Investment LLC	70%	Forestry, tourism and agriculture
Pure Health Medical Supplies LLC	31.5%	Hospital management services, laboratory management services, residency visa testing services and distribution of medical related products

Emirates Driving Company PJSC ("DRIVE")

Effective 30 June 2021, Multiply Group PJSC, a subsidiary, acquired 48.01% of the shares in Emirates Driving Company PJSC and its subsidiary for nil consideration, by acquiring 100% of the shares in Spranza Commercial Investment – Sole Properties LLC, an entity which held the shares in DRIVE. DRIVE is a Public Joint Stock Company incorporated in the United Arab Emirates and is involved in the management and development of motor vehicles driving training and to manage investment properties. From the date of acquisition, DRIVE contributed revenue and profit to the Group amounting to AED 136,859 thousand and AED 77,474 thousand respectively. If the acquisition had taken place at the beginning of the year, DRIVE would have contributed revenue and profit to the Group amounting to AED 260,090 thousand and AED 168,003 thousand respectively.

Notes To The Consolidated Financial Statements

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6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

National Marine Dredging Company PJSC (“NMDC”)

Effective 1 June 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65.1% of the shares in National Marine Dredging Company PJSC and its subsidiaries by acquiring 100% of the shares in Sogno Commercial Investment – Sole Proprietorship and WAS Two Commercial Investment, entities which held the shares of NMDC. NMDC is a public joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. From the date of acquisition, NMDC contributed revenue and profit to the Group amounting to AED 5,653,274 thousand and AED 924,266 thousand respectively. If the acquisition had taken place at the beginning of the year, NMDC would have contributed revenue and profit to the Group amounting to AED 7,888,762 thousand and AED 1,012,204 thousand respectively.

Abu Dhabi Mountain Gate (“ADMG”)

Effective 1 April 2021, the Group acquired control over Abu Dhabi Mountain Gate, previously a 47% owned associate of the Group, through the acquisition of an additional interest of 23% in ADMG as part of its acquisition of Alpha Dhabi Holding PJSC for nil consideration. ADMG is a limited liability company operating in Abu Dhabi, United Arab Emirates and is involved in real estate enterprises investment, development, institution and management. From the date of the Group gaining control, ADMG contributed revenue and profit to the Group amounting to AED 12,041 thousand and AED 836 thousand respectively. If the acquisition had taken place at the beginning of the year, ADMG would have contributed revenue and profit to the Group amounting to AED 17,142 thousand and AED 2,706 thousand respectively.

Support Services and Catering LLC (“SSC”)

Effective 1 July 2021, Apex Holding LLC, a subsidiary, acquired 100% of the shares in Support Services and Catering LLC for nil consideration. SSC is involved in building cleaning services. From the date of acquisition, SSC contributed revenue and loss to the Group amounting to AED 3,844 thousand and AED 8 thousand respectively. If the acquisition had taken place at the beginning of the year SSC would have contributed revenue and profit to the Group amounting to AED 7,309 thousand and AED 269 thousand respectively.

Emirates Gateway Security Services LLC (“EGSS”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 95% of the shares in Emirates Gateway Security Services LLC for nil consideration. EGSS is involved in security services. From the date of acquisition, EGSS contributed revenue and profit to the Group amounting to AED 156,434 thousand and AED 31,518 thousand respectively. If the acquisition had taken place at the beginning of the year EGSS would have contributed revenue and profit to the Group amounting to AED 299,775 thousand and AED 53,350 thousand respectively.

The Local Hotel – Chechnya (“Chechnya”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 100% of the shares in The Local Hotel – Chechnya for nil consideration. Chechnya is based in Russia and is involved in hotel services. From the date of acquisition, Chechnya contributed revenue and loss to the Group amounting to AED 4,423 thousand and AED 2,069 thousand respectively. If the acquisition had taken place at the beginning of the year Chechnya would have contributed revenue and loss to the Group amounting to AED 7,500 thousand and AED 2,600 thousand respectively.

Sandstrom Motor Vehicles Manufacturing LLC (“SMVM”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65% of the shares in Sandstorm Motor Vehicles Manufacturing LLC for nil consideration. SMVM is involved in manufacturing of motor vehicles. From the date of acquisition, SMVM contributed revenue and profit to the Group amounting to AED 42,876 thousand and AED 4,374 thousand respectively. If the acquisition had taken place at the beginning of the year SMVM would have contributed revenue and profit to the Group amounting to AED 77,178 thousand and AED 11,350 thousand respectively.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

Al Qudra Holding PJSC (“Al Qudra”)

Effective 31 December 2021, The Company transferred its 100% ownership in Al Tamouh Investments LLC (“Al Tamouh”) to Al Qudra in return for 2,244,078 shares, representing a 40.74% ownership interest in Al Qudra. Additionally, on 31 December 2021, the Ultimate Parent transferred its 25.24% ownership interest in Al Qudra to Alpha Dhabi Holding PJSC, a subsidiary of the Group, for nil consideration. The above two transactions increased the Group’s ownership in Al Qudra to 67.9% as of 31 December 2021. In substance, the Group acquired control over Al Qudra, and disposed a portion of its ownership in Tamouh without loss of control. The acquisition has been accounted as a common control transaction, as the Ultimate Parent controlled Al Qudra before and after the acquisition.

6 BUSINESS COMBINATIONS CONTINUED

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	AFKAR AED'000	ALPHA AED'000	NMDC AED'000	DRIVE AED'000	ADMG AED'000	EGSS AED'000	SMVM AED'000	CHECHNYA AED'000	SSC AED'000	AI Qudra AED'000	Total AED'000
Assets											
Property, plant and equipment	86,161	1,958,901	4,492,980	200,385	339	183	1,450	-	343	730,521	7,511,263
Intangible assets and goodwill	-	466,194	146,300	3,634	-	-	367	-	-	78,141	694,636
Biological assets	115,130	170,515	317,346	40,193	-	-	1,140	-	217	93,743	19,848
Right-of-use assets	87,418	661,519	50,194	134,250	-	-	-	-	-	5,986,138	738,284
Investment properties	33,596	4,830,935	30,853	76,475	-	63	-	-	-	26,649	6,869,325
Investment in associates and joint ventures	37,363	326,860	320,589	3,170	-	2,497	8,610	4,552	52	2,069	480,382
Investment in financial assets	-	146,760	-	-	-	-	-	-	-	505,057	5,389,628
Receivable from Islamic financing activities	-	1,436,617	-	300	-	-	19,226	-	42	112,689	1,070,975
Inventories	32,264	4,589,447	3,234,923	57,332	10,507	156,681	23,195	6	4,028	246,504	705,762
Development work in progress	-	1,671,513	4,106,004	-	-	-	-	-	-	-	651,817
Due from related parties	-	8,182	5,261	-	-	-	-	-	-	-	1,568,874
Trade and other receivables	86,807	2,176,099	671,119	289,510	3,916	24,802	2,349	3,585	646	170,372	8,354,887
Contract assets	-	-	-	-	-	-	-	-	-	-	5,777,517
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	13,443
Assets held for sale	-	-	-	-	-	-	-	-	-	-	170,372
Cash and bank balances	478,739	19,977,904	13,375,569	805,249	14,762	184,226	56,337	8,143	5,328	1,379,118	44,637,951
											44,654,964
Liabilities											
Employees' end of service benefit	5,416	205,463	438,176	5,222	-	19,940	61	-	185	6,673	681,136
Borrowings	52,000	3,580,988	2,827,993	-	-	-	-	-	-	1,931,321	8,392,302
Derivative financial instruments	-	61,461	-	-	-	-	-	-	-	-	61,461
Loan from a related party	-	96,133	-	-	-	-	-	-	-	-	96,133
Lease liabilities	116,846	158,909	316,072	41,134	-	36,267	1,126	-	215	108,107	742,409
Due to related parties	-	1,589,804	-	-	-	-	-	-	3,096	486,143	2,115,310
Contract liabilities	-	871,813	-	-	-	-	-	-	-	-	871,813
Margins against letter of guarantees	-	1,159,381	-	-	-	-	-	-	-	-	1,159,381
Liabilities directly associate with assets held for sale	-	-	-	-	-	-	-	-	-	-	7,607
Trade and other payables	32,868	3,890,483	4,730,781	35,544	7,090	28,325	2,169	120	1,125	285,611	9,014,116
	207,130	11,614,435	8,313,022	81,900	7,090	84,532	3,356	120	4,621	2,825,462	23,141,668
Net assets	271,609	8,363,469	5,062,547	723,349	7,672	99,694	52,981	8,023	707	6,923,245	21,513,296
Less: non-controlling interest	(108,644)	(4,776,516)	(3,489,337)	(4,106,74)	(3,986)	(56,393)	(37,236)	(4,355)	(283)	(3,779,715)	(12,667,139)
Proportionate share of identifiable net assets acquired	162,965	3,586,953	1,573,210	312,675	3,686	43,301	15,745	3,668	424	3,143,530	8,846,157
Previously held equity interest transferred from investment in associates (note 10)	-	(262,380)	-	-	(5,022)	-	-	-	-	-	(267,402)
Previously held equity interest transferred from investment in financial assets (note 11)	-	-	(127,934)	-	-	-	-	-	-	(479,981)	(607,915)
Carrying value of the shares in AI Tamouh	-	-	-	-	-	-	-	-	-	(711,064)	(711,064)
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	162,965	3,324,573	1,445,276	312,675	(1,336)	43,301	15,745	3,668	424	1,952,485	7,259,776

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

During 2021, the Group acquired the following entities under common control for no consideration, which did not meet the definition of a business. The details of the assets acquired are as follows:

	Sogno Two Sole Proprietorship LLC AED'000	Sogno Three Sole Proprietorship LLC AED'000	Sublime Two Investment Sole Proprietorship LLC AED'000	Total AED'000
Assets				
Investment in associates	-	-	1,668,624	1,668,624
Investment in financial assets (note 10)	2,589,854	2,494,922	247,053	5,331,829
Cash and bank balances	-	-	371,776	371,776
Total net assets transferred	2,589,854	2,494,922	2,287,453	7,372,229
Less: investment in associates*	-	-	1,668,624	1,668,624
Less: non-controlling interests	1,413,715	1,361,895	337,797	3,113,407
Merger reserve	1,176,139	1,133,027	281,032	2,590,198

* This item represents the 25.24% ownership interest in AI Qudra transferred to Alpha Dhabi for nil consideration, which was accounted for as part of the acquisition of AI Qudra above.

6.1(b) Acquisitions in the prior year

AI Tamouh Investments Company LLC ("AI Tamouh")

Effective 1 January 2020, the Group acquired 100% of the shares in AI Tamouh Investments Company LLC and its subsidiaries for nil consideration. AI Tamouh is based in Abu Dhabi, United Arab Emirates and is involved in development of real estate, which includes land and infrastructure development, property development for sale or lease, property and facilities management as well as an adventure park. From the date of acquisition, AI Tamouh contributed revenue and profit to the Group amounting to AED 543,290 thousand and AED 50,615 thousand respectively, for the year ended 31 December 2020.

AI Seer Marine Supplies and Equipment Company LLC ("AI Seer Marine")

Effective 1 January 2020, the Group acquired 100% of the shares in AI Seer Marine Supplies and Equipment Company LLC for nil consideration. AI Seer Marine is based in Abu Dhabi, United Arab Emirates and is involved in importing, maintaining and trading of marine machinery and equipment, boats repairing and trading, trading in marine transportation spare parts, trading in factories preparation equipment, machinery and accessories thereof and repair and maintenance of light and heavy marine equipment, wholesale of spare parts and section trading of ships and boats, retail sale of ships and boats, retail sale of airplanes spare parts and its components, ships management and operations and yachts management and running. From the date of acquisition, AI Seer Marine contributed revenue and profit to the Group amounting to AED 507,088 thousand and AED 33,943 thousand respectively, for the year ended 31 December 2020.

AGRINV SPV RSC ("AGRINV")

Effective 1 April 2020, the Group acquired 100% of the shares in AGRINV SPV RSC for nil consideration. AGRINV is an investment company, having a 99.99% owned subsidiary, Al-Hashemiya for Land Reclamation and Cultivation S.A.E. ("Al-Hashemiya"). Principal activities of Al-Hashemiya is to cultivate, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services. AGRINV is incorporated in Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates. From the date of acquisition, AGRINV contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 3,907 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, AGRINV would have contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 4,412 thousand respectively, for the year ended 31 December 2020.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) Acquisitions in the prior year continued

Royal Technology Solutions ("RTS")

Effective 1 April 2020, the Group acquired 100% of the shares in Royal Technology Solutions for nil consideration. Royal Technology Solutions (the "Company") is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services. From the date of acquisition, RTS contributed revenue and profit to the Group amounting to AED 52,729 thousand and AED 4,305 respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RTS would have contributed revenue and profit to the Group amounting to AED 66,980 thousand and AED 5,277 thousand respectively, for the year ended 31 December 2020.

Multiply Marketing Consultancy ("MMC")

Effective 1 April 2020, the Group acquired 100% of the shares in Multiply Marketing Consultancy LLC for nil consideration. MMC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in advertisement designing and production services. From the date of acquisition, MMC contributed revenue and profit to the Group amounting to AED 13,260 thousand and AED 3,301 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, MMC would have contributed revenue and profit to the Group amounting to AED 15,784 thousand and AED 3,805 thousand respectively, for the year ended 31 December 2020.

Workforce Connexion LLC ("WFC")

Effective 1 April 2020, the Group acquired 100% of the shares in Workforce Connexion LLC for nil consideration. WFC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services. From the date of acquisition, WFC contributed revenue and profit to the Group amounting to AED 330,943 thousand and AED 9,987 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, WFC would have contributed revenue and profit to the Group amounting to AED 396,974 thousand and AED 12,771 thousand respectively, for the year ended 31 December 2020.

Corporate Solutions Consultants LLC ("CSC")

Effective 1 April 2020, the Group acquired 100% of the shares in Corporate Solutions Consultants LLC for nil consideration. CSC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services. From the date of acquisition, CSC contributed revenue and profit to the Group amounting to AED 4,540 thousand and AED 5,252 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, CSC would have contributed revenue and profit to the Group amounting to AED 5,314 thousand and AED 2,751 thousand respectively, for the year ended 31 December 2020.

Multi Serve Typing and Transactions Follow Up LLC ("MST")

Effective 1 April 2020, the Group acquired 100% of the shares in Multi Serve Typing and Transactions Follow Up LLC for nil consideration. MST is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in typing, documents photocopying and transactions follow up services. From the date of acquisition, MST contributed revenue and profit to the Group amounting to AED 901 thousand and AED 568 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, MST would have contributed revenue and profit to the Group amounting to AED 901 thousand and AED 341 thousand respectively, for the year ended 31 December 2020.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) Acquisitions in the prior year continued

Royal Architect Project Management LLC ("RAPM")

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Architect Project Management LLC for nil consideration. RAPM is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the provision of project management and architectural design consultancy services. From the date of acquisition, RAPM contributed revenue and profit to the Group amounting to AED 17,341 thousand and AED 4,560 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RAPM would have contributed revenue and loss to the Group amounting to AED 24,142 thousand and AED 447 thousand respectively, for the year ended 31 December 2020.

Royal Development Company LLC ("RDC")

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Development Company LLC for nil consideration. RDC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the development of real estate and all activities that are a part of complementary, collateral, incidental, connected with or relating to such activity. From the date of acquisition, RDC contributed revenue and profit to the Group amounting to AED 7,466 thousand and AED 1,865 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RDC would have contributed revenue and loss to the Group amounting to AED 9,810 thousand and AED 2,097 thousand respectively, for the year ended 31 December 2020.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) Acquisitions in the prior year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Al Tamouh AED'...	Al Seer Marine AED'...	AGRINV AED'...	RTS AED'...	MMC AED'...	WFC AED'...	CSC AED'...	MST AED'...	RAPM AED'...	RDC AED'...	Total AED'...
Assets											
Property and equipment	17,747	36,475	114,623	1,241	3,131	46	-	-	105	2,646	176,014
Intangible assets	6,849	-	-	-	18	-	-	-	57	3	6,927
Right-of-use assets	-	8,973	-	-	-	-	-	-	-	-	8,973
Investment properties	1,193,716	-	-	-	-	-	-	-	-	-	1,193,716
Investment in associates and joint ventures	-	-	-	-	35,450	-	-	-	-	-	35,450
Investment in financial assets	32,684	-	-	-	-	-	-	-	-	-	32,684
Assets held for sale	812,715	-	-	-	-	-	-	-	-	-	812,715
Inventories	9,951	1,120	47	36,514	-	-	-	-	-	-	47,632
Development work in progress	731,042	-	-	-	-	-	-	-	-	-	731,042
Due from related parties	-	18,264	-	3,596	6,138	11,792	619	838	6,105	25,730	73,082
Trade and other receivables	820,959	266,225	253	10,458	14,311	20,655	2,149	-	9,728	102,778	1,247,516
Cash and bank balances	163,448	145,680	18,682	46,778	9,445	3,825	913	771	17,091	10,368	417,001
	3,789,111	476,737	133,605	98,587	68,493	36,318	3,681	1,609	33,086	141,525	4,782,752
Liabilities											
Employees' end of service benefit	16,514	9,921	3	1,188	2,347	4,212	-	-	1,461	889	36,535
Borrowings	789,775	-	-	-	-	-	-	-	-	-	789,775
Lease liabilities	-	9,182	-	-	-	-	-	-	-	-	9,182
Due to related parties	-	15,475	-	2,468	1,676	9,736	2,679	365	1,326	48,701	82,426
Trade and other payables	1,657,731	195,844	87,213	63,735	7,836	15,827	2,466	62	6,842	85,708	2,123,264
	2,464,020	230,422	87,216	67,391	11,859	29,775	5,145	427	9,629	135,298	3,041,182
Net assets	1,325,091	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,741,570
Less: non-controlling interest	(647)	-	-	-	-	-	-	-	-	-	(647)
Proportionate share of identifiable net assets acquired	1,324,444	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,740,923
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	1,324,444	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,740,923

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2 (a) Acquisitions during the year continued

Royal Horizon Holding LLC ("Royal Horizon")

Effective 1 January 2021, Zee Store PJSC, a subsidiary, acquired 60% interest in Royal Horizon Holding LLC and its subsidiaries for a consideration of AED 40,000 thousand. The subsidiaries of Royal Horizon are as follows:

Name of entities	Place of incorporation and operation	Principal activities
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products

From the date of acquisition, Royal Horizon contributed revenue and profit to the Group amounting to AED 164,350 thousand and AED 5,214 thousand respectively.

Fixis Technical Services LLC ("Fixis")

Effective 1 January 2021, Eltizam Asset Management LLC ("Eltizam"), a previously owned subsidiary, acquired a 100% interest in Fixis Technical Services LLC for a consideration of AED 2,090 thousand. Fixis is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in security system and equipment trading installation and maintenance. Subsequent to the acquisition, the Group deconsolidated Fixis upon losing control over Eltizam (note 6.3C).

From the date of acquisition, until the date of loss of control, Fixis contributed revenue and profit to the Group amounting to AED 6,409 thousand and AED 329 thousand respectively.

Connect Outsourcing Temporary Employment - Sole Proprietorship LLC ("Connect")

Effective 1 January 2021, WFC Holding - Sole Proprietorship LLC, a subsidiary, acquired a 50% interest in Connect Outsourcing Temporary Employment - Sole Proprietorship LLC for nil consideration. Connect is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of employees provision services and facilities services. From the date of acquisition, Connect contributed revenue and profit to the Group amounting to AED 575 thousand and AED 16 thousand respectively.

Boudoir Interiors - Sole Proprietorship LLC ("Boudoir")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Boudoir Interiors - Sole Proprietorship LLC for nil consideration. Boudoir is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in interior design implementation works and sale of furniture. From the date of acquisition, Boudoir contributed revenue and loss to the Group amounting to AED 1,982 thousand and AED 4,574 thousand respectively.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

The Central Tents - Sole Proprietorship LLC ("Central Tents")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Central Tents - Sole Proprietorship LLC for nil consideration. Central Tents is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in retail sale of tents and shades and event management. From the date of acquisition, Central Tents contributed revenue and profit to the Group amounting to AED 548,245 thousand and AED 135,746 thousand respectively.

Apex National Investment - Sole Proprietorship LLC ("Apex National")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Apex National Investment - Sole Proprietorship LLC, for nil consideration. Apex National is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in commercial, real estate and industrial enterprises investments, institutions and management. From the date of acquisition, Apex National contributed revenue and profit to the Group amounting to AED 1,569 thousand and AED 360,657 thousand respectively.

1885 Delivery Services LLC - Sole Establishment ("1885 Delivery")

Effective 4 April 2021, Easy Lease Motor Cycle Rental PSC, a subsidiary, acquired a 70% interest in 1885 Delivery Services LLC for nil consideration. 1885 Delivery is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in the business of delivery services. From the date of acquisition, 1885 Delivery contributed revenue and loss to the Group amounting to AED 13,012 thousand and AED 347 thousand respectively. If the acquisition had taken place at the beginning of the year, 1885 Delivery would have contributed revenue and loss to the Group amounting to AED 13,604 thousand and AED 483 thousand respectively.

Viola Communications LLC ("Viola")

Effective 1 July 2021, Multiply Group PJSC, a subsidiary, acquired the remaining 50% interest in Viola Communications LLC, for a consideration of AED 73,000 thousand. As a result, Multiply Group PJSC increased its ownership in Viola to 100% and obtained control. The investment in Viola was previously accounted as an investment in associate. Viola is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of advertisement, designing and production and other commercial publication printing. From the date of acquisition, Viola contributed revenue and profit to the Group amounting to AED 49,597 thousand and AED 4,027 thousand respectively. If the acquisition had taken place at the beginning of the year, Viola would have contributed revenue and profit to the Group amounting to AED 78,090 thousand and AED 2,189 thousand respectively.

Rafed Healthcare Supplies LLC ("Rafed")

Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Rafed Healthcare Supplies LLC. Rafed is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in wholesale trading of medical related items and medical storehouse. From the date of acquisition, Rafed contributed revenue and profit to the Group amounting to AED 556,044 thousand and AED 20,682 thousand respectively. If the acquisition had taken place at the beginning of the year, Rafed would have contributed revenue and profit to the Group amounting to AED 2,668,021 thousand and AED 24,851 thousand respectively.

Union 71 Medical Facilities Management LLC ("Union71")

Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Union71 Medical Facilities Management LLC. Union71 is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engagement in management of medical facilities. From the date of acquisition, Union71 contributed revenue and profit to the Group amounting to AED 170,094 thousand and AED 46,808 thousand respectively. If the acquisition had taken place at the beginning of the year, Union71 would have contributed revenue and profit to the Group amounting to AED 652,471 thousand and AED 245,353 thousand respectively.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Dazzling Beauty Salon – Sole Proprietorship ("Dazzling")

Effective 31 October 2021, Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Dazzling Beauty Salon – Sole Proprietorship for a consideration of AED 3,500 thousand. Dazzling is a sole proprietorship, registered in the Emirate of Ras Al Khaimah and is engaged in women personal care and beauty and women hairdressing, trimming and styling. From the date of acquisition, Dazzling contributed revenue and profit to the Group amounting to AED 750 thousand and AED 313 thousand respectively. If the acquisition had taken place at the beginning of the year, Dazzling would have contributed revenue and profit to the Group amounting to AED 3,656 thousand and AED 754 thousand respectively.

Groovy Ladies Beauty Center ("Groovy")

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Groovy Ladies Beauty Center for a consideration of AED 16,000 thousand. Groovy is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre. From the date of acquisition, Groovy contributed revenue and profit to the Group amounting to AED 1,984 thousand and AED 355 thousand respectively. If the acquisition had taken place at the beginning of the year, Groovy would have contributed revenue and profit to the Group amounting to AED 10,940 thousand and AED 2,101 thousand respectively.

Glam & Glow Beauty Lounge - Sole Proprietorship ("Glam & Glow")

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Glam & Glow Beauty Lounge – Sole Proprietorship for a consideration of AED 7,500 thousand. Glam & Glow is a sole proprietorship, registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading. From the date of acquisition, Glam & Glow contributed revenue and profit to the Group amounting to AED 686 thousand and AED 166 thousand respectively. If the acquisition had taken place at the beginning of the year, Glam & Glow would have contributed revenue and profit to the Group amounting to AED 4,251 thousand and AED 1,030 thousand respectively.

Stella Beauty Lounge Center ("Stella")

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Stella Beauty Lounge Center – Sole Proprietorship for a consideration of AED 9,000 thousand. Stella is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty, women haircutting and hair dressing and retail sale of cosmetics. From the date of acquisition, Stella contributed revenue and profit to the Group amounting to AED 955 thousand and AED 247 thousand respectively. If the acquisition had taken place at the beginning of the year, Stella would have contributed revenue and profit to the Group amounting to AED 5,119 thousand and AED 941 thousand respectively.

Tips & Toes Beauty and Spa Centre LLC ("Tips & Toes"), Jazz Lounge Spa LLC ("Jazz"), and Ben Suhail Distribution LLC ("Ben Suhail")

Effective 31 December 2021, Multiply Group PJSC, a subsidiary, entered into an agreement with a third party to establish Omorfia Group LLC ("Omorfia"), a limited liability company. Based on the contractual terms, the Group will contribute Bedashing Holding Company LLC and pay the third party a cash consideration of AED 156,348 thousand, whereas the third party will contribute Tips & Toes, Jazz, and Ben Suhail. As per the agreement, Omorfia will be 51% owned by the Group and 49% owned by the third party. In substance, the Group acquired 51% controlling interest in Tips & Toes, Jazz, and Ben Suhail for consideration represented by cash consideration of AED 156,348 thousand and the fair value of the 49% interest in Bedashing transferred to the third party. If the acquisition had taken place at the beginning of the year, Tips & Toes, Jazz, and Ben Suhail would have contributed revenue and profit to the Group amounting to AED 196,109 thousand and AED 26,668 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Assets acquired and liabilities assumed

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

	Royal Horizon AED'000	Fixis AED'000	1885 Delivery AED'000	Connect AED'000	Rafed* AED'000	Union 71* AED'000	Multisply acquisitions AED'000	(i) Apex acquisitions AED'000	Total AED'000
Assets									
Property, plant and equipment	12,015	249	-	-	1,304	10,986	35,348	2,641	62,543
Intangible assets	42,633	-	-	-	178,600	961,200	147,800	-	1,330,233
Right of use assets	1,048	-	-	-	-	80,980	38,514	-	120,542
Inventories	17,725	52	-	-	-	12,120	12,613	46	42,556
Due from related parties	4,730	-	-	-	1,113,553	364,489	21,763	2,852	1,507,387
Trade and other receivables	18,818	5,769	268	5,749	237,327	31,305	62,866	10,438	372,540
Cash and bank balances	5,543	1,869	178	101	169,953	116,523	104,287	102	398,556
Total assets	102,512	7,939	446	5,850	1,700,737	1,577,603	423,191	16,079	3,834,357
Liabilities									
Employees' end of service benefit	651	395	-	-	1,427	7,256	21,870	480	32,079
Borrowings	9,207	-	-	-	-	-	-	-	9,207
Lease liabilities	973	-	-	-	-	82,359	37,466	-	120,798
Due to related parties	-	-	-	-	-	318,132	16,928	11,196	346,256
Trade and other payables	26,540	5,135	582	5,400	1,422,601	90,468	57,212	3,022	1,610,960
Total liabilities	37,371	5,530	582	5,400	1,424,028	498,215	133,476	14,698	2,119,300
Total identifiable net assets (liabilities) at fair value	65,141	2,409	(136)	450	276,709	1,079,388	289,715	1,381	1,715,057
Proportionate share of identifiable net assets (liabilities) acquired	39,085	2,409	(95)	225	276,709	1,079,388	208,125	1,381	1,607,227
Goodwill arising on acquisition (note 8)	915	-	95	-	-	-	210,929	6,883	218,822
Gain on bargain purchase	-	(319)	-	(225)	-	-	-	(8,264)	(8,808)
Purchase consideration	40,000	2,090	-	-	276,709	1,079,388	419,054	-	1,817,241
Non-controlling interest on acquisition	26,056	-	(41)	225	-	-	81,590	-	107,830
Additional non-controlling interest on Group level	11,528	-	-	-	197,413	770,068	197,321	3,306	1,179,636
Total non-controlling interest	37,584	-	(41)	225	197,413	770,068	278,911	3,306	1,287,466

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercises of these acquisitions within one year from the respective acquisition dates.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(i) Entities acquired by Multiply Group PJSC

Assets acquired and liabilities assumed

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

	Jazz* AED'000	Tips & Toes AED'000	Ben Suhail* AED'000	Groovy* AED'000	Stella* AED'000	Glam & Glow* AED'000	Dazzling* AED'000	Viola AED'000	Total AED'000
Assets									
Property, plant and equipment	4,046	27,802	454	1,319	32	122	588	985	35,348
Intangible assets	7,507	83,044	1,002	1,449	588	996	344	52,870	147,800
Right-of-use assets	3,515	28,477	-	-	-	-	-	6,522	38,514
Inventories	346	7,730	2,865	464	88	-	58	1,062	12,613
Due from related parties	21	19,919	1,452	-	-	-	-	371	21,763
Trade and other receivables	531	8,391	2,981	600	651	422	309	48,981	62,866
Cash and bank balances	405	54,780	710	-	-	-	-	48,392	104,287
Total assets	16,371	230,143	9,464	3,832	1,359	1,540	1,299	159,183	423,191
Liabilities									
Employees' end of service benefit	786	12,091	373	96	89	69	46	8,320	21,870
Lease liabilities	3,590	27,453	-	-	-	-	-	6,423	37,466
Due to related parties	6,841	5,796	1,936	-	-	-	-	2,355	16,928
Trade and other payables	1,867	25,831	2,904	352	451	170	307	25,330	57,212
Total liabilities	13,084	71,171	5,213	448	540	239	353	42,428	133,476
Total identifiable net assets at fair value									
Proportionate share of identifiable net assets acquired									
Goodwill arising on acquisition									
Purchase consideration									
Non-controlling interest on acquisition									
Additional non-controlling interest on Group level									
Total non-controlling interest									

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercises of these acquisitions within one year from the respective acquisition dates.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(ii) Entities acquired by Apex Holding LLC

Assets acquired and liabilities assumed

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

	Boudoir AED'000	Central Tents AED'000	Apex National AED'000	Total AED'000
Assets				
Property, plant and equipment	-	2,641	-	2,641
Inventories	46	-	-	46
Due from related parties	1,887	965	-	2,852
Trade and other receivables	949	9,489	-	10,438
Cash and bank balances	69	33	-	102
Total assets	2,951	13,128	-	16,079
Liabilities				
Employees' end of service benefits	237	243	-	480
Due to related parties	6,646	3,327	1,223	11,196
Trade and other payables	1,728	1,294	-	3,022
Total liabilities	8,611	4,864	1,223	14,698
Total identifiable net (liabilities) assets at fair value	(5,660)	8,264	(1,223)	1,381
Proportionate share of identifiable net (liabilities) assets acquired	(5,660)	8,264	(1,223)	1,381
Goodwill arising on acquisition	5,660	-	1,223	6,883
Gain on bargain purchase	-	(8,264)	-	(8,264)
Purchase consideration	-	-	-	-
Non-controlling interest on Group level	-	3,306	-	3,306

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Intangible assets of AED 1,329,072 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks and license.

Goodwill of AED 218,822 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 10% to 16.2%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 2%, which has been used to determine income for the future years.

Details of purchase consideration are as follows:

	Royal Horizon AED'000	Fixis AED'000	1885 Delivery AED'000	Connect AED'000	Rafed AED'000	Union 71 AED'000	Multiply acquisitions AED'000	Apex acquisitions AED'000	Total AED'000
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	192,348	-	257,128
Consideration settled by the Ultimate Parent*	-	-	-	-	272,171	1,061,236	-	-	1,333,407
Fair value of previously held equity interest	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Multiply Group PJSC	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Bedashing Holding Company LLC	-	-	-	-	-	-	80,706	-	80,706
Total purchase consideration	40,000	2,090	-	-	276,709	1,079,388	419,054	-	1,817,241

* Pure Health obtained control over Rafed and Union 71 as a result of a sale and purchase transaction executed by the Ultimate Parent with a third party. The cash consideration relating to the acquisition of Rafed and Union 71 amounted to AED 22,690 thousand was settled by Pure Health. The remaining purchase consideration of AED 1,333,407 thousand was settled through transfer of shares owned by the Ultimate Parent, and accordingly was recorded under merger reserve and non-controlling interest at AED 382,154 thousand and 951,253 thousand respectively.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(i) Details of purchase consideration of entities acquired by Multiply are as follows:

	Omorfia AED'000	Groovy AED'000	Stella AED'000	Glam & Glow AED'000	Dazzling AED'000	Viola AED'000	Total AED'000
Cash paid for the acquisition	156,348	16,000	9,000	7,500	3,500	-	192,348
Fair value of previously held equity interest*	-	-	-	-	-	73,000	73,000
Fair value of shares in Multiply Group PJSC**	-	-	-	-	-	73,000	73,000
Fair value of shares in Bedashing Holding Company LLC***	80,706	-	-	-	-	-	80,706
	237,054	16,000	9,000	7,500	3,500	146,000	419,054
* Carrying value of previously held equity interest (note 10)							32,012
Fair value gain (note 31)							40,988
Fair value of previously held equity interest							73,000

** Represents the fair value of the 0.74% ownership in Multiply Group PJSC which was granted by the Company ("IHC") on 5 December 2021 (i.e. the date on which Multiply Group PJSC got listed in the primary market of Abu Dhabi Stock Exchange) to the seller in order to settle the acquisition price of the remaining 50% in Viola.

*** Represents the fair value of the 49% ownership interest in Bedashing Holding Company LLC, having an effective sharing of 15.57% at the Group's level, which was granted to the third party as part of the agreement to establish Omorfia.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Analysis of cashflow on acquisition is as follows:

	Royal Horizon AED'000	Fixis AED'000	1885 Delivery AED'000	Connect AED'000	Rafed AED'000	Union 71 AED'000	Multiply acquisitions AED'000	Apex acquisitions AED'000	Total AED'000
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	192,348	-	257,128
Net cash acquired on business combination	(5,543)	(1,869)	(178)	(101)	(169,953)	(116,523)	(104,287)	(102)	(398,556)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	34,457	221	(178)	(101)	(165,415)	(98,371)	88,061	(102)	(14,1428)
Transaction costs of the acquisition (included in cash flows from operating activities)	156	-	-	45	147	147	277	134	906
Net cash used (acquired) on acquisition	34,613	221	(178)	(56)	(165,268)	(98,224)	88,338	32	(140,522)

Acquisition related costs amounted to AED 9.1 thousand were expensed during the year and are included in general and administrative expenses.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year

During 2020, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Dashing International Group of Companies

Effective 1 April 2020, the Group acquired a 100% interest in Dashing International Group of Companies. Dashing International Group of Companies comprises of four limited liability entities ("Dashing"), details of which are as follows:

Name of entities	Place of incorporation and operation	Principal activities
Dashing International Group - Sole proprietorship LLC	United Arab Emirates	Company representation
Bedashing Beauty Lounge - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services
Nippers & Scissors training Centre - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services

From the date of acquisition till 31 December 2020, Dashing contributed revenue and profit to the Group amounting to AED 36,966 thousand and AED 5,828 thousand respectively. If the acquisition had taken place at the beginning of the year, Dashing would have contributed revenue and profit to the Group amounting to AED 50,502 thousand and AED 7,053 thousand respectively, for the year ended 31 December 2020.

Easy Lease Motorcycle Rental PJSC ("Easy Lease")

Effective 1 April 2020, the Group acquired a 55% interest in Easy Lease Motorcycle Rental PJSC and its 67% owned subsidiary, Uplift Delivery Services LLC. Both companies are limited liability companies, registered and incorporated in the Emirate of Dubai, United Arab Emirates. Easy Lease Motorcycle Rental LLC is engaged in motorcycles trading, motorcycles repairing and motorcycles rental services. From the date of acquisition till 31 December 2020, Easy Lease contributed revenue and profit to the Group amounting to AED 72,492 thousand and AED 21,783 thousand respectively. If the acquisition had taken place at the beginning of the year, Easy Lease would have contributed revenue and profit to the Group amounting to AED 87,711 thousand and AED 25,108 thousand respectively, for the year ended 31 December 2020.

R-Med Medical Supplies LLC ("R-Med")

Effective 1 July 2020, the Group acquired a 52% interest in R-Med Medical Supplies LLC ("R-Med"). R-Med is a limited liability company, incorporated in the Emirate of Dubai with its principle activities being procuring, packaging and distributing medical hygiene products and automated sanitizing passthrough gates. From the date of acquisition till 31 December 2020, R-Med contributed nil revenue and loss to the Group. If the acquisition had taken place at the beginning of the year R-Med would have contributed revenue and loss to the Group amounting to AED 2,403 thousand and AED 1,769 thousand respectively, for the year ended 31 December 2020.

Apex Alwataniah Catering Service LLC ("Apex")

Effective 1 July 2020, the Group acquired a 60% interest in Apex Alwataniah Catering Service LLC ("Apex"). Apex is a limited liability company registered and incorporated in the Emirate of Abu Dhabi and is engaged in the provision of catering services to private and public organisations. From the date of acquisition till 31 December 2020, Apex contributed revenue and profit to the Group amounting to AED 342,570 thousand and AED 135,335 thousand respectively. If the acquisition had taken place at the beginning of the year, Apex would have contributed revenue and profit to the Group amounting to AED 362,844 thousand and AED 141,743 thousand respectively, for the year ended 31 December 2020.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

	Dashing AED'000	Easy Lease AED'000	R-Med AED'000	Apex AED'000	Total AED'000
Assets					
Property, plant and equipment	7,304	35,360	-	1,850	44,514
Intangible assets	44,200	57,551	-	-	101,751
Right-of-use assets	8,472	2,522	-	-	10,994
Inventories	4,102	1,173	-	544	5,819
Due from related parties	-	351	66	-	417
Trade and other receivables	3,809	17,645	2,642	14,969	39,065
Cash and bank balances	4,994	2,043	29	469	7,535
Total assets	72,881	116,645	2,737	17,832	210,095
Liabilities					
Employees' end of service benefit	873	607	-	36	1,516
Borrowings	22	19,134	-	-	19,156
Lease liabilities	8,192	2,572	-	-	10,764
Trade and other payables	6,694	9,039	4,205	9,888	29,826
Total liabilities	15,781	31,352	4,205	9,924	61,262
Total identifiable net assets (liabilities) at fair value	57,100	85,293	(1,468)	7,908	148,833
Proportionate share of identifiable net assets (liabilities) acquired	57,100	46,900	(763)	4,745	107,982
Goodwill arising on acquisition (note 8)	35,900	71,100	763	-	107,763
Gain on bargain purchase	-	-	-	(4,745)	(4,745)
Purchase consideration	93,000	118,000	-	-	211,000
Non-controlling interest	-	38,393	(705)	3,163	40,851

The fair value assessment of identifiable net assets is complete for all entities.

Intangible assets of AED 101,600 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer contracts, customer relationships, trademarks and brand names.

Goodwill of AED 107,763 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- An assumed discount rate of 14.5 to 16%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 4% to 5%, which has been used to determine income for the future years

Analysis of cashflows on acquisitions is as follows:

	<i>Dashing</i> <i>AED'000</i>	<i>Easy</i> <i>Lease</i> <i>AED'000</i>	<i>R-Med</i> <i>AED'000</i>	<i>Apex</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Purchase consideration:					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Contingent consideration liability	-	18,000	-	-	18,000
Total consideration	93,000	118,000	-	-	211,000
Analysis of cashflow on acquisition:					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Net cash acquired on business combination	(4,994)	(2,043)	(29)	(469)	(7,535)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	88,006	97,957	(29)	(469)	185,465
Transaction costs of the acquisition (included in cash flows from operating activities)	317	463	45	45	870
Net cash used (acquired) on acquisition	88,323	98,420	16	(424)	186,335

Acquisition related costs amounted to AED 870 thousand were expensed during the year and are included in general and administrative expenses.

Contingent consideration

As part of the purchase agreement for the acquisition of Easy Lease, a contingent consideration clause exists, where an additional cash payment of AED 18,700 thousand is to be settled to the previous owner, if Easy Lease achieves a minimum net profit of AED 24,500 thousand during the year ended 31 December 2020. As at the acquisition date, the fair value of the contingent consideration was estimated to be AED 18,000 thousand. The Group had initially recorded the contingent consideration based on the key performance indicators of Easy Lease, where it was highly probable that the targeted profit will be achieved due to significant expansion in the business and the synergies realised. Subsequently, Easy Lease achieved a profit of AED 25,108 thousand for the year ended 31 December 2020, which meets the set minimum target.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

The fair value is determined using a discounted cashflow (DCF) method. The significant unobservable inputs used in the fair value measurements, together with a quantitative sensitivity analysis at the date of acquisition was as follows:

<i>Valuation techniques</i> <i>and key inputs</i>	<i>Significant unobservable input</i>	<i>Sensitivity of the input to fair value</i>
DCF Method	- Assumed probability - adjusted profit before tax of Easy Lease amounting to AED 24,500 thousand	More than 5% decrease in the assumed probability-adjusted profit before tax of Easy lease results in nil additional consideration.
	- Discount rate of 15.2%	5% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by AED 570 thousand.

6.3 DISPOSAL OF SUBSIDIARIES

(A) Disposal of Trust international Group LLC ("Trust")

Effective 1 January 2021, the Group disposed of its entire ownership interest in Trust International Group LLC ("Trust") for consideration of AED 350,000 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	170,775
Non-current assets	207,964
Total assets	378,739
Current liabilities	(29,797)
Non-current liabilities	(5,353)
Total liabilities	(35,150)
Net assets	343,589
Consideration received on disposal	350,000
Gain on disposal	6,411

The net cash flows generated from the sale of Trust are, as follows:

	<i>AED'000</i>
Cash received from sale	350,000
Cash sold as part of the sale	(44,152)
Net cash inflow on date of disposal	305,848

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

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.3 Disposal of subsidiaries continued

(B) Disposal of R-Med Medical Supplies LLC ("R-Med")

Effective 1 April 2021, the Group disposed its entire ownership interest in R-Med Medical Supplies LLC ("R-Med") for nil consideration. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	2,737
Non-current assets	763
Total assets	3,500
Total liabilities	(4,205)
Net assets	(705)
Non-controlling interest	705
Consideration received on disposal	-
Gain on disposal	-

The net cash flows generated from the sale of R-Med are, as follows:

	<i>AED'000</i>
Cash received from sale	-
Cash sold as part of the sale	(29)
Net cash outflow on date of disposal	(29)

The results of the operations of R-Med were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.3 Disposal of subsidiaries continued

(C) Disposal of Eltizam Asset Management LLC ("Eltizam")

Effective 1 July 2021, the Group disposed 50% of its wholly owned subsidiary, Eltizam Asset Management LLC ("Eltizam") to a third party for nil consideration. As a result, the Group lost control over Eltizam and recorded the 50% interest retained in Eltizam as an investment in joint venture at its fair value at the date of disposal (note 10). The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	210,077
Non-current assets	24,918
Total assets	234,995
Current liabilities	(146,135)
Non-current liabilities	(14,948)
Total liabilities	(161,083)
Net assets	73,912
Less: non-controlling interest	(1,197)
Net assets attributable to the owners of Eltizam	72,715
Fair value of investment retained in Eltizam (50%)	101,500
Consideration received on disposal of 50%	-
Gain on disposal	28,785

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

	<i>AED'000</i>
Cash received from sale	-
Cash sold as part of the sale	(12,629)
Net cash outflow on date of disposal	(12,629)

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

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued**6.3 Disposal of subsidiaries continued****(D) Disposal of Alliance Food Security Holdings LLC ("AFSH")**

Effective 1 October 2021, the Group disposed of its entire shareholding in Alliance Food Security Holdings LLC ("AFSH") for a consideration of AED 32,000 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	96,404
Non-current assets	53,829
Total assets	150,233
Current liabilities	(94,672)
Non-current liabilities	(11,430)
Total liabilities	(106,102)
Net assets	44,131
Less: non-controlling interest	(20,789)
Net assets attributable to the owners of AFSH	23,342
Consideration received on disposal	32,000
Gain on disposal	8,658

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

	<i>AED'000</i>
Cash received from sale	32,000
Cash sold as part of the sale	(2,211)
Net cash inflow on date of disposal	29,789

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

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6 BUSINESS COMBINATIONS continued**6.4 Reduction in shareholding without a loss of control****(A) Reduction in shareholding of a subsidiary due to share based payments**

On 31 May 2021, ordinary shares of ESG Emirates Stallions Group PJSC ("ESG"), a subsidiary, (2020: ordinary shares of three subsidiaries of the Company) were granted to certain personnel of the Group (note 37), which resulted in a reduction of the Group's shareholding as follows:

	2021 ESG	2020			Total
		Easy Lease	Palms Sports	Zee Store	
Reduction in shareholding (%)	5%	5%	20%	21%	
Number of shares awarded	12,500,000	1,500,000	30,000,000	21,000,000	52,500,000
Increase in non-controlling interest (AED'000)	52,000	10,727	63,290	33,149	107,166

(B) Partial disposal of shareholding in subsidiaries for no consideration

During the year, the Group transferred a portion of its shareholding in certain subsidiaries, without loss of control, to related parties under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	ESG Emirates Stallions Group PJSC	Al Seer Marine	Multiply Group	Total
Reduction in shareholding (%)	10%	15%	20.23%	
Number of shares disposed-off	15	30,000,000	1,155,522,442	1,185,522,457
Carrying value of the shareholding disposed-off (AED '000)	27,616	43,436	286,490	357,542
Difference recognised directly in merger reserve (AED '000)	27,616	43,436	286,490	357,542

(C) Partial disposal of shareholding in subsidiaries against consideration

During the year, the Group transferred a portion of its shareholding in certain subsidiaries for a consideration of AED 6,617,392 thousand (2020: AED 109,609 thousand). Following is a summary of the reduction in shareholding:

2021	Al Seer Marine	Multiply Group (i)	WFC Group(ii)	Al Tamouh Investment	Bedashing	Total
Reduction in shareholding (%)	40.1%	59.03%	30%	46.64%	15.57%	
Number of shares disposed-off	401,000,000	1,239,662,937	30,000	466,600	778	1,641,160,315
Carrying value of the shareholding disposed-off (AED '000)	124,425	4,051,449	41,604	711,064	16,505	4,945,047
Less: consideration received (AED '000)	(164,000)	(5,592,700)	(68,922)	(711,064)	(80,706)	(6,617,392)
Difference recognised directly in retained earnings (AED '000)	(39,575)	(1,541,251)	(27,318)	-	(64,201)	(1,672,345)

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued**6.4 Reduction in shareholding without a loss of control****(C) Partial disposal of shareholding in subsidiaries against consideration continued**

- (i) Effective 30 September 2021, the Group disposed 58.29% of its ownership interest in Multiply for a consideration of AED 5,519,700 thousand, which includes cash of AED 1,834,100 thousand and 135,999,999 shares of Alpha Dhabi.

Further, the consideration received includes AED 73,000 thousand being the fair value of 15,572,937 shares of Multiply given as a consideration to acquire 50% of Viola (note 6.2(a)).

- (ii) During the year, the Group disposed-off 30% ownership in WFC Group in exchange for acquiring 50% ownership in Connect. The consideration represents the fair value of the 50% ownership in Connect being acquired (note 6.5B).

2020	Easy Lease	Palms Sports	Zee Store	Total
Reduction in shareholding (%)	4.93%	8.02%	7.82%	
Number of shares disposed-off	1,478,000	12,028,713	7,818,200	21,324,913
Carrying value of the shareholding disposed-off (AED '000)	4,754	18,868	12,618	36,240
Less: cash consideration received (AED '000)	(14,026)	(72,053)	(23,530)	(109,609)
Difference recognised directly in retained earnings (AED '000)	(9,272)	(53,185)	(10,912)	(73,369)

(D) Partial disposal of shareholding in subsidiaries due to reorganization

During the year, the Group's shareholding in certain subsidiaries decreased as a result of reorganization of subsidiaries within the Group. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	WFC Group	Alpha Dhabi	Al Seer Marine	Pal Cooling	Pure Health	Tamween Group	Total
Reduction in shareholding (%)	10.50%	0.95%	0.02%	10%	17.10%	25.59%	
Number of shares disposed-off	10,500	95,341,967	198,755	27,130,000	85,498,128	76,784	208,256,134
Carrying value of the shareholding disposed-off (AED '...)	14,561	131,240	66	62,172	138,684	199,976	546,699
Difference recognised directly in merger reserve (AED '...)	14,561	131,240	66	62,172	138,684	199,976	546,699

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 5,849,288 thousand for the year ended 31 December 2021 (2020: AED 36,240 thousand).

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued**6.5 Increase in shareholding of subsidiaries****(A) Increase of shareholding in subsidiaries due to business combination**

During the year, the Group's shareholding in certain subsidiaries increased as a result of business combinations and due to changes in shareholding in certain subsidiaries. Following is a summary of the increase in shareholding:

	Easy Lease	Palms Sports	Zee Stores	Century	ADMG	NMDC	Multiply	Total
Increase in shareholding (%)	2.01%	3.34%	3.11%	5.90%	0.05%	1.53%	0.16%	
Number of shares acquired	602,027	5,013,110	3,114,502	18	9	12,646,937	33,903,800	55,280,403
Carrying value of the shareholding acquired (AED '000)	1,085	7,703	7,624	390	5	89,291	9,563	115,661
Difference recognised directly in merger reserve (AED '000)	1,085	7,703	7,624	390	5	89,291	9,563	115,661

(B) Increase of shareholding in subsidiaries against consideration

During the year, the Group increased its shareholding in certain subsidiaries for a consideration of AED 4,511,861 thousand. Following is a summary of the increase in shareholding:

	NMDC	Alpha Dhabi(i)	Zee Stores	Al Seer Marine	Connect (ii)	Multiply	Others*	Total
Increase in shareholding (%)	0.63%	1.37%	0.08%	0.06%	50%	0.87%	8.30%	
Number of shares acquired	5,210,000	136,883,479	83,020	635,449	50,000	130,256,492	1,120,538	274,238,978
Carrying value of the shareholding acquired (AED '000)	29,932	174,168	246	264	4,943	23,635	609	233,797
Less: consideration paid	(43,474)	(4,211,634)	(9,537)	(30,000)	(68,922)	(146,172)	(2,122)	(4,511,861)
Difference recognised directly in retained earnings (AED '000)	(13,542)	(4,037,466)	(9,291)	(29,736)	(63,979)	(122,537)	(1,513)	(4,278,064)

* Others include increase in shareholding of Aafaq, Easy Lease, Palms Sports and Yellow.

- (i) Included in the consideration are 135,999,999 shares, having a fair value of AED 3,685,600 thousand acquired as a consideration for disposing 58.29% of the Group's ownership interest in Multiply Group LLC (note 6.4C).
- (ii) During the year, the Group acquired 50% ownership in Connect in exchange for 30% ownership in WFC Group. The consideration represents the fair value of the 30% ownership in WFC Group (note 6.4C).

Notes To The Consolidated Financial Statements

31 December 2021

6 BUSINESS COMBINATIONS continued

6.5 Increase in shareholding of subsidiaries continued

(C) Increase in shareholding without consideration

During the year, the Group received a 10% shareholding of Multiply Group LLC from a related party under common control for no consideration. Following is a summary of the increase in shareholding:

	Multiply Group LLC
Increase in shareholding (%)	10%
Number of shares acquired	10,000,000
Carrying value of the shareholding acquired (AED '000)	128,877
Difference recognised directly in merger reserve (AED '000)	128,877

The increase in shareholding of certain subsidiaries, both from business combination and through purchase of additional shares, resulted in a decrease of non-controlling interest by AED 478,335 thousand for the year ended 31 December 2021.

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31 December 2021

7 PROPERTY, PLANT AND EQUIPMENT

Cost:	Land AED'000	Building and leasehold improvements AED'000	Plant and machinery AED'000	Furniture, fixtures and equipments AED'000	Barges support vessels, dredgers and vehicles AED'000	Capital work in progress AED'000	Total AED'000
At 1 January 2020	-	347,510	984,825	32,984	29,717	202,476	1,597,512
Acquired in business combination (note 6)	107,056	187,550	7,056	65,659	75,892	3,157	446,370
Additions during the year	-	6,853	43,484	18,534	19,746	126,045	214,662
Disposals during the year	-	(3,095)	(643)	(3,320)	(10,601)	(572)	(18,231)
Reclassifications	-	(2,500)	1,781	644	-	75	-
Transfer from capital work in progress	-	3,376	33,520	1,242	-	(38,138)	-
Transferred to intangible assets (note 8)	-	-	-	-	-	(104)	(104)
Exchange differences	3,564	1,255	3,034	41	10	585	8,489
At 31 December 2020	110,620	540,949	1,073,057	115,784	114,764	293,524	2,248,698
At 1 January 2021	110,620	540,949	1,073,057	115,784	114,764	293,524	2,248,698
Acquired in business combination (note 6)	269,834	2,348,486	2,591,232	911,907	6,932,588	1,086,816	14,140,863
Additions during the year	4,467	46,960	124,699	45,697	225,387	484,851	932,061
Disposals during the year	-	(46,665)	(26,100)	(21,649)	(71,544)	(355)	(166,313)
Transfer from capital work in progress	-	156,992	108,153	9,533	-	(274,678)	-
Transferred to biological assets (note 15)	-	-	-	-	-	(6,156)	(6,156)
Derecognition on disposal of subsidiaries (note 6.3)	-	(23,850)	(31,578)	(14,278)	(5,220)	(801)	(75,727)
Transferred to assets held for sale (note 19)	-	(27,417)	-	(25,979)	(831)	-	(54,227)
Exchange differences	123	418	(2,638)	(698)	1,501	(459)	(1,753)
At 31 December 2021	385,044	2,995,873	3,836,825	1,020,317	7,196,645	1,582,742	17,017,446

Notes To The Consolidated Financial Statements

31 December 2021

7 PROPERTY, PLANT AND EQUIPMENT continued

	Land AED'000	Building and leasehold improvements AED'000	Plant and machinery AED'000	Furnitures, fixtures and equipments AED'000	Barges support vessels, dredgers and vehicles AED'000	Capital work in progress AED'000	Total AED'000
Accumulated depreciation and impairment:							
At 1 January 2020	-	114,870	211,497	26,443	24,040	-	376,850
Acquired in business combination (note 6)	-	123,531	9,926	54,598	37,787	-	225,842
Charge for the year	-	23,864	43,258	7,647	14,490	-	89,259
Reclassifications	-	(756)	252	504	-	-	-
Impairment loss for the year (note 28)	-	-	12,425	9,130	-	-	21,555
Reversal of impairment (note 28)	-	(16,242)	(378)	-	-	-	(16,620)
Relating to disposals	-	(3,094)	(473)	(3,208)	(9,783)	-	(16,558)
Exchange differences	-	665	546	90	84	-	1,385
At 31 December 2020	-	242,838	277,053	95,204	66,618	-	681,713
At 1 January 2021	-	242,838	277,053	95,204	66,618	-	681,713
Acquired in business combination (note 6)	-	1,005,354	953,360	721,499	3,886,844	-	6,567,057
Charge for the year	-	90,452	244,560	55,429	248,431	-	638,872
Impairment loss for the year (note 28)	-	35,238	12,471	11,709	441	-	59,859
Derecognition on disposal of subsidiaries (note 6.3)	-	(8,967)	(10,240)	(11,665)	(3,401)	-	(34,273)
Transferred to assets held for sale (note 19)	-	(27,417)	-	(25,979)	(831)	-	(54,227)
Relating to disposals	-	(40,904)	(25,730)	(14,593)	(66,895)	-	(148,122)
Exchange differences	-	26	(89)	(243)	(16)	-	(322)
At 31 December 2021	-	1,296,620	1,451,385	831,361	4,131,191	-	7,710,557
Carrying amount:							
At 31 December 2021	385,044	1,699,253	2,385,440	188,956	3,065,454	1,582,742	9,306,889
At 31 December 2020	110,620	298,111	796,004	20,580	48,146	293,524	1,566,985

Notes To The Consolidated Financial Statements

31 December 2021

7 PROPERTY, PLANT AND EQUIPMENT continued

During 2020, a subsidiary of the Group reversed impairment amounting to AED 16,620 thousand relating to Group of assets, which were previously impaired in full. The reversal of impairment is resultant from an agreement entered into during the prior year with a third party to operate and manage the assets. During the year, the agreement was terminated due to the fact that the third party breached its obligations set out in the agreement. As a result, the Group impaired the assets amounting to AED 15,367 thousand in full.

Medical equipment, furniture and fixtures of AED 12,047 thousand (2020: AED 18,639 thousand) related to healthcare assets used in a temporary testing center were impaired in full when acquired, as their useful lives could not be reasonably estimated.

During the year, a subsidiary wrote down its property and equipment to their fair values less cost to sell as a result of classifying the subsidiary as a discontinued operation. Impairment losses recorded amounted to AED 32,021 thousand.

At 31 December 2021, capital work in progress mainly comprises costs incurred towards construction of district cooling plant in Dubai Investment Park, expansion of capacity of plants, construction of hotels in Traditional Souq area and "Kasr Al Bahar" in Morocco, construction of labour camp in United Arab Emirates, and construction of mixed use residential/commercial buildings (2020: construction of district cooling plant and construction of a new food factory in Dubai Investment Park).

During the year ended 31 December 2021, the Group capitalised finance costs related to its borrowings of AED 3,267 thousand (2020: AED 2,459 thousand). The capitalisation rate used to determine these finance costs was EIBOR + 3%.

Property, plant and equipment with a carrying value of AED 2,241,691 thousand (2020: AED 810,967 thousand) are mortgaged as security against borrowings (note 23).

Depreciation charge for the year has been allocated and disclosed in the consolidated financial statements as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	557,676	74,061
General and administrative expenses (note 29)	68,718	13,423
Selling and distribution expenses (note 30)	8,537	1,037
Biological assets (note 15)	3,826	594
Development work-in-progress (note 16)	115	144
	638,872	89,259
Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows;		
	2021 AED'000	2020 AED'000
Impairment of healthcare related assets	12,047	18,639
Impairment of assets related to discontinued operations	32,021	-
Impairment of other assets	15,791	2,916
	59,859	21,555
Total impairment – cost of revenue (note 28)	59,859	21,555
Reversal of impairment loss – cost of revenue (note 28)	-	(16,620)
Net impairment during the year	59,859	4,935

Notes To The Consolidated Financial Statements

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill AED'000	Brand names AED'000	Concession rights AED'000	Customer relationships AED'000	Customer contracts AED'000	Trademarks AED'000	Trade license AED'000	Software and others AED'000	Total AED'000
At 1 January 2021	138,544	30,804	76,036	169,492	77,317	-	-	15,211	507,404
Relating to business combinations (note 6)	748,635	138,687	-	163,535	1,139,800	15,218	14,108	23,708	2,243,691
Additions during the year	-	-	-	-	-	-	-	28,041	28,041
Derecognition on disposal of subsidiaries (note 6.3)	(1,798)	-	-	(130,647)	(62,767)	-	-	(18,240)	(213,452)
Amortisation during the year	-	(6,205)	(2,162)	(97,176)	(6,467)	(74)	(1,700)	(9,188)	(122,972)
At 31 December 2021	885,381	163,286	73,874	105,204	1,147,883	15,144	12,408	39,532	2,442,712
At 1 January 2020	30,781	-	78,198	161,382	81,267	-	-	360	351,988
Relating to business combinations (note 6)	107,763	34,500	-	40,000	19,400	-	-	14,778	216,441
Additions during the year	-	-	-	-	-	-	-	6,975	6,975
Transfer from property, plant and equipment (note 7)	-	-	-	-	-	-	-	104	104
Amortisation during the year	-	(3,696)	(2,162)	(31,890)	(23,350)	-	-	(7,006)	(68,104)
At 31 December 2020	138,544	30,804	76,036	169,492	77,317	-	-	15,211	507,404

Notes To The Consolidated Financial Statements

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	93,305	2,321
General and administrative expenses (note 29)	29,667	65,783
	122,972	68,104

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Brand names

Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Concession rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The consideration of AED 80 million was partially settled by AED 58.6 million and the remaining balance is payable on demand. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Customer contracts and customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trademarks

Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trade license

The license allows Royal Horizon, a subsidiary, to use the name "Fazaa" for its retail stores, which was recognised by the Group on acquisition of Royal Horizon during the year. The license has a useful life of 8 years.

During the year ended 31 December 2021, management performed its annual impairment review of goodwill and certain intangible assets, using the discounted cashflow models and trading multiples of comparable companies' approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Notes To The Consolidated Financial Statements

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL continued

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2%; and
- Discount rate: 8.1% - 16%

Following key assumption was used in the trading multiples of comparable companies review:

- PE multiple: 13.9x - 22.7x.
- EV multiple: 11.7x

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2021.

Notes To The Consolidated Financial Statements

31 December 2021

9 INVESTMENT PROPERTIES

	<i>Land AED'000</i>	<i>Leased properties AED'000</i>	<i>Properties under development AED'000</i>	<i>Total AED'000</i>
2021				
Cost:				
At 1 January 2021	135,213	1,655,975	212,763	2,003,951
Acquired in business combinations (note 6.1(a))	1,943,168	3,881,469	1,227,479	7,052,116
Addition during the year	78,807	5,289	604	84,700
Transfer from properties under development	-	85,905	(85,905)	-
Transfer to assets held for sale (note 19)	-	(261,835)	-	(261,835)
Transfer to inventories (note 13)	-	(61,696)	-	(61,696)
Write off	-	(104)	-	(104)
At 31 December 2021	2,157,188	5,305,003	1,354,941	8,817,132
Accumulated depreciation and impairment:				
At 1 January 2021	36,891	462,280	211,059	710,230
Acquired in business combinations (note 6.1(a))	154	177,517	5,120	182,791
Charge for the year	-	64,819	-	64,819
Impairment loss for the year (note 29)	-	645	-	645
Transfer from properties under development	-	5,120	(5,120)	-
Transfer to assets held for sale (note 19)	-	(35,881)	-	(35,881)
Transfer to inventories (note 13)	-	(32,374)	-	(32,374)
At 31 December 2021	37,045	642,126	211,059	890,230
Net carrying amount:				
At 31 December 2021	2,120,143	4,662,877	1,143,882	7,926,902
2020				
Cost:				
At 1 January 2020	-	68,415	-	68,415
Acquired in business combinations (note 6.1(a))	135,213	1,394,298	211,185	1,740,696
Addition during the year	-	222,875	1,578	224,453
Transfer to inventories (note 13)	-	(29,613)	-	(29,613)
At 31 December 2020	135,213	1,655,975	212,763	2,003,951
Accumulated depreciation and impairment:				
At 1 January 2020	-	68,087	-	68,087
Acquired in business combinations (note 6.1(a))	29,849	306,072	211,059	546,980
Charge for the year	-	52,290	-	52,290
Impairment loss for the year (note 29)	7,042	37,889	-	44,931
Transferred to inventories (note 13)	-	(2,058)	-	(2,058)
At 31 December 2020	36,891	462,280	211,059	710,230
Net carrying amount:				
At 31 December 2020	98,322	1,193,695	1,704	1,293,721

Notes To The Consolidated Financial Statements

31 December 2021

9 INVESTMENT PROPERTIES continued

Land

During the year, no impairment loss on land was recorded by the Group (2020: impairment loss of AED 7 million).

A market-based valuation suggests that the fair value of the Group's plots of land approximates AED 2,177 million at 31 December 2021 (2020: AED 98 million).

Land fair valued at AED 468 million (2020: AED 98 million) is pledged against borrowings.

Leased properties

Lease properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2021 amounted to AED 5.19 billion (2020: AED 1.19 billion). As a result of the valuation, impairment of AED 645 thousand was recorded during the year (2020: AED 37.9 million).

Leased properties fair valued at AED 3,626 million (2020: nil) is pledged against borrowings (note 23).

Properties under development

Investment properties under development comprise of following projects:

Real estate projects

Real estate projects in the Emirate of Abu Dhabi with a carrying value of AED 1,541 thousand are in the process of construction and development primarily on Al Reem Island.

Complex

The Group, through a subsidiary acquired during the year, is in the process of constructing a traditional souq (the "Souq") and a hotel situated between Al Maqta'a bridge and Khaleej Al Arabi Street located at the gateway to Abu Dhabi. The Souq mainly comprises of commercial units and hubs which are expected to yield rental from its use. The Complex is expected to be completed during 2022 and the estimated additional cost to complete as at 31 December 2021 amounted to AED 36 million. The plot of land used for the project is leased from Abu Dhabi Municipality for a period of fifty years.

Labour camp

A plot of land taken on lease, by a subsidiary acquired during the year, from Zones Crop, for a period of thirty years, to construct a Labour camp facility and a hospital within that facility. The Group has already completed the construction of Labour camp facility and the remaining amount of AED 167,803 thousand, under properties under development, represents the cost incurred on the construction of hospital on this facility. The estimated additional cost to complete the hospital as 31 December 2021 amounted to AED 9 million.

Properties under development amounted to AED 168 million (2020: nil) is pledged against borrowings.

During the year, there were no borrowing costs capitalised under investment properties under development (2020: nil).

The fair value of the Group's investment properties as at 31 December 2021 and 2020 has been arrived by management by reference to valuation carried out on the respective dates by internal management specialists and independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

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9 INVESTMENT PROPERTIES continued

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy for the year ended 31 December:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2021				
Investment properties				
(excluding properties under development)	-	2,177,387	5,187,546	7,364,933
31 December 2020				
Investment properties				
(excluding properties under development)	-	98,322	1,192,398	1,290,720

There were no transfers between Level 1, Level 2 and Level 3 during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

Property	Valuation technique	Significant unobservable inputs
Land	Sales comparison	<ul style="list-style-type: none"> - Sales rate: AED 2 - 931/sq. ft (2020: AED 130 - 135/sq. ft); - Acquisition fee: 2% (2020: 2%); - Discount rate: 14% (2020: 14%); and - Yield rate: 15% (2020: 15%)
Leased properties	Discounted cash flow (DCF)	<ul style="list-style-type: none"> - Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> ▪ Residential properties: AED 19,200 - AED 210,000 per unit (2020: AED 19,200 AED 210,000 per unit); ▪ Commercial properties: AED 80/sq. ft. - AED 108/sq. ft. (2020: AED 80/sq. ft. AED 108/sq. ft.); ▪ Retail: AED 97/sq. ft. - AED 108/sq. ft. (2020: 97/sq. ft. - AED 108/sq. ft.); ▪ Car park: AED 5,400 per unit (2020: AED 5,400 per unit); and ▪ Labour Camp: AED 580 Per person (2020: nil) - Operating expenses: AED 15.72/sq. ft. - AED 45.73/sq. ft.; - Labour Camp operating expense: <ul style="list-style-type: none"> ▪ Rent charge: AED 3,190,131 to 4,309,737 per year (2020: nil) ▪ Variable rent: AED 15 per person (2020: nil) - Discount rate: 8% - 10.5% (2020: 9% - 10.5%); and - Terminal capitalisation rate: 8% - 9.5% (2020: 8% - 9.5%).

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9 INVESTMENT PROPERTIES continued

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties are as follows:

	2021 AED	2020 AED
Rental income	176,634	107,630
Direct operating expenses	(104,789)	(81,979)
	71,845	25,651

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

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

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2021	2020
Associates:				
Abu Dhabi Mountain Gate LLC (i)	Real estate enterprise investment, development, institution and management.	UAE	-	47%
Pure Health Medical Supplies LLC (i)	Operating medical laboratories and distributing medical supplies	UAE	-	31.5%
Tafseer Contracting & General Maintenance Company LLC	Real estate enterprise investment, development, institution and management	UAE	20%	20%
Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	20%	20%
Viola Communications LLC (ii)	Commercial publication printing	UAE	-	50%
Noopl Inc. (iii)	Integrated solution company	USA	-	40%
Canal Sugar S.A.E*	Sugar farming and production	Egypt	33%	-
Principia SAS*	Engineering and consultancy services	France	33%	-
Al Jazira Technical Solutions & Consulting LLC*	Consulting in computer devices and equipment	UAE	35%	-
Response Plus Holding PJSC (formerly Response Plus Medical Services LLC) (iv)	Healthcare services and medical facilities	UAE	36.06%	-
Sawaeed Holding PJSC (v)	Manpower and investment solutions	UAE	36.69%	-
NRTC Food Holding LLC (vi)	Commercial enterprises investment, institution and management	UAE	41%	-
Aldar Properties PJSC (vii)	Real estate enterprise investment, development, institution and management	UAE	31.11%	-
Al Bustan Farms Limited (viii)	Agriculture enterprise investment	Mozambique	30%	-

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2021	2020
Joint ventures:				
Lazio Real Estate Investment LLC	Real estate enterprise investment, development, institution and management	UAE	65%	65%
Progressive Real Estate Dev. LLC	Real estate enterprise investment, development, institution and management	UAE	70%	65%
Bunya LLC	Real estate enterprise	UAE	34%	34%
China Railway Construction*	Construction	UAE	49%	-
The Challenge Egyptian Emirates Marine Dredging Company ("CEEMDC")*	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction	Egypt	49%	-
Trojan General Contracting and Six Construct Limited – Guggenheim Museum**	Construction	UAE	50%	-
Trojan General Contracting and Six Construct Limited – Zayed National Museum**	Construction	UAE	50%	-
Eltizam Asset Management LLC (ix)	Services management holding company	UAE	50%	-
Agriculture Investment Holding Company (Ethmar) Ltd. (x)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	UAE	50%	-
EDE Research Institute LLC (x)	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions	UAE	50%	-
Emirates International Gas LLC (x)	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant.	UAE	50%	-
Al Qudra Sports Management LLC*	Building maintenance, interior design implementation works (décor), facilities management services, sports services and contracting and on-shore and offshore oil and gas fields and facilities services.	UAE	50%	-
Al Qudra ICSM*	Import and export and trading of oil and gas related material	UAE	51%	-
Al Qudra Addoha pour L'Investissement Immobilier*	Import and export and trading of oil and gas related material	UAE	50%	-

* These entities became associates or joint ventures of the Group during the year as a result of business combinations (note 6).

** These are dormant joint ventures incorporated during the year.

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(i) Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC

During the year, Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC became subsidiaries due to the increase in the Group's shareholding by 23% and 31.5% respectively, as a result of the acquisition of Alpha Dhabi Holding PJSC (note 6.1(a)), an entity under common control.

(ii) Viola Communications LLC ("Viola")

During the year, the Group obtained control over Viola through acquiring the remaining 50% equity interest (note 6.2(a)). Accordingly, the investment in associate was derecognised and a gain of AED 40,988 thousand was recognised which was calculated as follows:

	<i>AED'000</i>
Fair value of previously held interest of 50% (note 6.2(a))	73,000
Carrying value of previously held interest of 50%	(32,012)
	40,988

(iii) Noopl Inc. ("Noopl")

Noopl is an associate of Trust International Group ("Trust"), a subsidiary of the Group, which was entirely disposed of during the year (note 6.3A).

(iv) Response Plus Holding PJSC ("RPH")

During the year, the Group acquired a 40% shareholding in RPH for consideration of AED 241,587 thousand. On 14 September 2021, RPH was listed on the Abu Dhabi Securities Exchange ("ADX") secondary market and on the same day, the Group disposed of 4% of their shareholding for consideration of AED 18,800 thousand, which resulted in a loss of AED 6,659 thousand. Subsequently, the Group acquired a further 0.06% shareholding for a consideration of AED 3,732 thousand.

(v) Sawaeed Holding PJSC ("Sawaeed")

Sawaeed, previously classified as an investment in financial assets (note 11.1), became an associate during the year, due to the increase in the Group's shareholding by 10.6% and 10% on the acquisition of Emirates Driving Company PJSC and Al Qudra Holding PJSC respectively (note 6.1(a)).

(vi) NRTC Food Holding LLC ("NRTC")

During the year, the Group acquired a 41% shareholding in NRTC Food Holding LLC ("NRTC") for a consideration of AED 165,962 thousand.

(vii) Aldar Properties PJSC ("ALDAR")

Aldar Properties PJSC ("ALDAR"), previously classified as an investment in financial assets (note 11), became an associate due to the increase in the Group's shareholding by 17%. The additional shareholding of 17% had a fair value of AED 5,331,829 thousand at the transfer date and was acquired from related parties under common control for no consideration (Note 6.1 (a)).

(viii) Al Bustan Farms Limited ("Al Bustan")

During the year, the Group acquired a 30% shareholding in Al Bustan Farms Limited ("Al Bustan") for a consideration of AED 6,624 thousand.

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(ix) Eltizam Asset Management LLC ("Eltizam")

During the year, Eltizam, previously a wholly owned subsidiary, became a joint venture of the Group due to loss of control (note 6.3C).

(x) Agriculture Investment Holding Company Ltd. ("Ethmar"), EDE Research Institute LLC ("EDE") and Emirates International Gas LLC ("EIG")

Ethmar, EDE and EIG have been incorporated during the year. The Group injected their share of capital of AED 110,250 thousand for Ethmar, AED 500 thousand for EDE and AED 150 thousand for EIG. Further, an additional contribution was paid to EDE amounting to AED 885,240 thousand.

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

	<i>2021 AED'000</i>	<i>2020 AED'000</i>
At 1 January	438,733	7,331
Acquired in business combinations (note 6.1(a))	480,382	35,450
Additions during the year*	11,407,654	85,340
Disposals during the year	(42,546)	-
Transferred to investment in subsidiaries (note 6)	(299,413)	-
Share of profit for the year	672,186	948,247
Dividend received during the year	(553,890)	(637,635)
	12,103,106	438,733
At 31 December	12,103,106	438,733

* Included in additions are

- AED 96,169 thousand, being the fair value of the previously held interest in Sawaeed Holding PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.1).
- AED 4,426,477 thousand, being the fair value of the previously held interest in Aldar Properties PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11).
- Investment in Aldar Properties PJSC, acquired during the year from a related party under common control and recorded at fair value of AED 5,331,829 thousand (note 6.1(a)).
- AED 101,500 thousand, being the fair value of the remaining 50% interest in Eltizam Asset Management LLC, which was previously a wholly owned subsidiary of the Group (note 6.3C).

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Canal Sugar AED'000	ALDAR AED'000	RPH AED'000	NRTC AED'000	Eltizam AED'000	CEEMDC AED'000	EDE AED'000	Others AED'000	2021 Total AED'000	2020 AED'000
Non-current assets	2,960,240	22,573,338	14,375	12,157	108,783	-	626,480	563,396	26,858,769	395,959
Current assets	147,477	26,969,399	292,287	166,332	508,385	542,315	721,450	1,969,222	31,316,867	1,471,940
Non-current liabilities	(392,364)	(10,581,683)	(7,003)	(3,576)	(34,447)	-	(29)	(271,744)	(11,290,846)	(186,343)
Current liabilities	(1,728,211)	(11,324,271)	(50,556)	(69,346)	(334,986)	(476,832)	(24,112)	(1,561,177)	(15,569,491)	(397,294)
Equity (100%)	987,142	27,636,783	249,103	105,567	247,735	65,483	1,323,789	699,697	31,315,299	1,284,262
Less: non-controlling interests	-	(715,213)	-	-	(2,508)	-	-	(28,894)	(746,615)	-
Equity attributable to the owners of the entities	987,142	26,921,570	249,103	105,567	245,227	65,483	1,323,789	670,803	30,568,684	1,284,262
Group percentage holding	33%	31.11%	36.06%	41%	50%	49%	50%	20%-70%		
Group's share in net assets	325,757	8,375,300	89,827	43,282	122,614	32,087	661,894	239,649	9,890,410	417,738
Group's carrying amount of the investment	334,870	9,758,306	243,918	169,485	150,881	32,044	1,104,514	309,088	12,103,106	438,733

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

Summarised statements of profit or loss:

	Canal Sugar AED'000	Aldar AED'000	RPH AED'000	NRTC AED'000	Eltizam AED'000	CEEMDC AED'000	EDE AED'000	Others*	2021 Total AED'000	2020 AED'000
Revenue	68,008	-	277,658	98,947	342,462	349,070	712,568	4,045,083	5,893,796	3,819,757
Cost of sales	(108,961)	-	(189,045)	(81,353)	(296,848)	(336,711)	(266,157)	(1,447,052)	(2,726,127)	(498,070)
Operating expenses	(120,895)	-	(25,585)	(8,944)	(22,868)	-	(8,863)	(62,394)	(249,549)	(305,071)
Finance income (cost)	1,770	-	(204)	(58)	-	-	-	(8,215)	(6,707)	(13,011)
(Loss) profit from operations	(160,078)	-	62,824	8,592	22,746	12,359	437,548	2,527,422	2,911,413	3,003,605
Group percentage holding	33%	31.11%	36.06%	41%	50%	49%	50%	20%-70%		
Share of (loss) profit	(52,826)	-	23,909	3,523	11,747	6,056	218,774	461,003	672,186	948,247

*Others include revenue, profit from operations and Group's share of profit of AED 2,133,653 thousand, AED 1,403,127 thousand and AED 441,985 thousand respectively, from Pure Health Medical Supplies LLC before it became a subsidiary of the Group.

Contingencies and commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows:

	2021 AED'000	2020 AED'000
Letters of guarantees and credits	701,502	25,993
Capital commitments	3,470,234	301
Operating lease commitments	1,592,616	-

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11 INVESTMENT IN FINANCIAL ASSETS

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Notes	2021 AED'000	2020 AED'000
Investments carried at fair value through other comprehensive income	11.1	1,143,972	447,057
Investments carried at fair value through profit or loss	11.2	9,096,931	622,525
		10,240,903	1,069,582
Disclosed in the consolidated statement of financial position as follows:			
		2021 AED'000	2020 AED'000
Current		9,096,931	622,525
Non-current		1,143,972	447,057
		10,240,903	1,069,582

11.1 Investments carried at fair value through other comprehensive income

	2021 AED'000	2020 AED'000
Quoted equity investments	622,878	234,929
Unquoted equity investments	547,646	212,128
Quoted sukuk	490,014	-
Other debt instruments	8	-
	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(516,574)	-
	1,143,972	447,057

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, management of the Group has elected to designate these investments in financial instruments as 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.

The geographical distribution of investments is as follows:

	2021 AED'000	2020 AED'000
Inside the UAE	860,186	234,929
Outside the UAE	800,360	212,128
	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(516,574)	-
	1,143,972	447,057

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11 INVESTMENT IN FINANCIAL ASSETS continued

11.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 39. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2021		2020	
	<i>Sukuks and debt instruments AED'000</i>	<i>Equity securities AED'000</i>	<i>Total AED'000</i>	<i>Equity securities AED'000</i>
At 1 January	-	447,057	447,057	43,183
Additions during the year	11,668	96,577	108,245	448,450
Acquired in business combinations (note 6.1(a))	561,482	4,198,634	4,760,116	32,684
Disposals during the year	(78,875)	(230,321)	(309,196)	(118,188)
Transfer to investment in associates (note 10)	-	(4,107,271)	(4,107,271)	-
Transfer to investment in subsidiaries (note 6.1(a))	-	(8,172)	(8,172)	-
Changes in fair value	(4,253)	774,020	769,767	40,928
	490,022	1,170,524	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(490,022)	(26,552)	(516,574)	-
At 31 December	-	1,143,972	1,143,972	447,057

During the year, shares that were previously pledged against a borrowing relating to a subsidiary classified as asset held for sale, were released by the bank upon the Group settling the loan in full (2020: AED 17,607 thousand of shares were pledged).

As of 31 December 2021, investment in shares with a fair value of AED 29,937 thousand (2020: AED 884 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

11.2 Investments carried at fair value through profit or loss

	2021 AED'000	2020 AED'000
Quoted equity investments	1,920,333	68,571
Unquoted equity investments	7,576,453	553,954
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(399,855)	-
	9,096,931	622,525

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

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11 INVESTMENT IN FINANCIAL ASSETS continued

11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	2021 AED'000	2020 AED'000
Inside the UAE	1,912,198	74,719
Outside the UAE	7,584,588	547,806
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(399,855)	-
	9,096,931	622,525

The investments are recorded at fair value using the valuation techniques as disclosed in note 39. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2021 AED'000	2020 AED'000
At 1 January	622,525	-
Additions during the year*	6,995,311	645,320
Acquired in business combinations (note 6.1(a))	629,512	-
Derecognition on disposal of a subsidiary (note 6.3(A))	(3,039)	-
Disposals during the year	(4,034)	(31,487)
Transferred to investment in subsidiaries (note 6.1(a))	(599,743)	-
Transferred to investment in associates (note 10)	(415,375)	-
Changes in fair value (note 31)	2,271,629	8,692
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	(399,855)	-
At 31 December	9,096,931	622,525

* Included in additions, are investments acquired during the year from a related party under common control for a consideration of AED 1. Given that the related party and the Group are ultimately controlled by the same party, the acquisitions are accounted for as additional contribution made by the Ultimate Parent Company. Accordingly, at acquisition, these investments were recorded at their fair value of AED 4,976,271 thousand (2020: AED 543,664 thousand), and the excess of the fair value over the consideration paid was recognised within equity under merger reserve.

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12 INTEREST IN JOINT OPERATIONS

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

	2021	2020
Joint operations		
Technip – NPCC – Satah Full Field	50%	-
NPCC – TECHNIP – UZ-750 (EPC-1)	40%	-
NPCC – TECHNIP UL-2	50%	-
NPCC – TECHNIP AGFA	50%	-
NPCC - Technip JV - US GAS CAP Feed	50%	-

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

	2021 AED '000	2020 AED '000
Total assets	140,801	-
Total liabilities	27,804	-
Net assets	112,997	-
Total revenue	2,225	-
Loss for the year	(15,981)	-

13 INVENTORIES

	2021 AED'000	2020 AED'000
Medical supplies	315,584	265,280
Animal feed	-	56,553
Food and non-food items	26,241	27,418
Fish and fish products	30,646	21,991
Real estate properties	5,427	5,110
Poultry products	5,893	4,727
Household furniture	71,566	-
Other finished goods	36,016	5,731
Packing and raw material	76,976	28,285
Spares and consumables	600,802	11,445
	1,169,151	426,540
Goods in transit	11,858	7,966
Less: allowance for slow moving inventories	(281,658)	(27,547)
	899,351	406,959

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13 INVENTORIES continued

Movement in allowance for slow moving inventories is as follows:

	2021 AED'000	2020 AED'000
At 1 January	27,547	2,430
Acquired in business combinations	65,401	3,393
Charge for the year	188,710	21,724
At 31 December	281,658	27,547

As at 31 December 2021, there were no inventories mortgaged as security against a borrowing (2020: AED 25,207 thousand).

As of 31 December 2021, AED 5.1 million of completed properties were committed under a settlement agreement (2020: AED 5.1 million) and are recorded at the realisable value. All properties are located in the United Arab Emirates.

During the year, completed properties amounting to AED 29,322 thousand were transferred to inventories from investment properties (note 9) (2020: AED 27,555 thousand and AED 65,930 thousand transferred to inventories from investment properties (note 9) and development work-in-progress (note 16), respectively). The same were sold during the year and recognised as direct cost.

Allowance for slow moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	185,900	20,803
General and administrative expenses (note 29)	2,810	921
	188,710	21,724

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14 TRADE AND OTHER RECEIVABLES

	2021 AED'000	2020 AED'000
Trade receivables	7,131,404	2,167,287
Unbilled revenue	113,813	44,725
Less: allowance for expected credit losses	(433,312)	(122,001)
	6,811,905	2,090,011
Retention receivables, net	510,558	147,223
Prepayments	369,642	42,180
Due from security markets	6,901	4,595
Margin receivables, net*	1,259,891	219,916
Accrued interest receivable	343	28,251
Advances to suppliers and sub-contractors	1,498,057	241,843
Deposits and other receivables	956,223	91,736
	11,413,520	2,865,755
Less: non-current portion	(200,411)	(267,011)
	11,213,109	2,598,744

*Margin receivables relate to net receivable from customers from margin trading services. As at 31 December 2021, the securities available in the margin trading account amounted to AED 4,657,646 thousand (2020: AED 492,644 thousand) which are held as collateral against the margin receivables. Provision for impairment on margin trade receivables as of 31 December 2021 amounts to AED 43 thousand (2020: 43 thousand).

Non-current portion consists of the following:

	2021 AED'000	2020 AED'000
Trade receivables, net of allowance for expected credit losses	130,424	174,947
Retention receivable, net of allowance for expected credit losses	69,987	92,064
	200,411	267,011

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding tradereceivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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14 TRADE AND OTHER RECEIVABLES continued

Below is the information about the credit risk exposure on the Group's trade receivables:

	Total AED'000	Not past due AED'000	<30 days AED'000	31-60 days AED'000	61-120 days AED'000	121-360 days AED'000	>360 days AED'000
31 December 2021							
Expected credit loss rate		0.53%	2.38%	2.43%	4.93%	15.17%	32.14%
Estimated total gross							
carrying amount at default	7,131,404	3,417,025	307,864	1,033,150	515,705	1,413,315	444,345
Life time ECL	433,312	18,113	7,342	25,125	25,445	214,455	142,832
31 December 2020							
Expected credit loss rate		0.58%	0.32%	0.59%	1.18%	7.25%	29.43%
Estimated total gross							
carrying amount at default	2,167,287	282,503	629,617	471,976	242,848	209,026	331,317
Life time ECL	122,001	1,643	1,997	2,806	2,875	15,157	97,523

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	2021 AED'000	2020 AED'000
Balance at 1 January	122,001	29,915
Acquired in business combinations	250,728	62,088
Charge for the year (note 29)	111,686	29,998
Derecognition on disposal of subsidiaries (note 6.3)	(8,187)	
Written off during the year	(39,359)	-
	436,869	122,001
Less: provision for expected credit losses related to a subsidiary transferred to assets held for sale (note 19.2)	(3,557)	-
Balance at 31 December	433,312	122,001

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31 December 2021

15 BIOLOGICAL ASSETS

	2021 AED'000	2020 AED'000
Plants	30,941	1,164
Livestock	30,247	4,316
	61,188	5,480

Movement in biological assets is as follows:

	2021 AED'000	2020 AED'000
At 1 January	5,480	5,283
Acquired in business combinations (note 6.1(a))	19,848	-
Additions	28,210	5,600
Depreciation capitalised (note 7)	3,826	594
Transfer from property, plant and equipment (note 7)	6,156	-
Disposals	(1,092)	(371)
Amortisation expense of livestock	(6,870)	(5,954)
Change in fair value (note 31)	5,630	328
At 31 December	61,188	5,480

Biological assets are classified in the consolidated statement of financial position as follows:

	2021 AED'000	2020 AED'000
Current	5,363	5,480
Non-current	55,825	-
	61,188	5,480

Biological assets include plants and livestock. Plants mainly comprises of growing crops which are carried at cost. Livestock comprises of herd of sheep which are carried at fair value and chicken livestock which are carried at cost.

Growing crops are classified as consumable and immature biological assets and considered as work in progress until the crops becomes productive. These biological assets are initially recognised at cost. Cost comprises of cost of preparation of agriculture land, planting and replanting and upkeep of crops and will be transferred to mature plantation when the trees have matured and meet the criteria for commercial production.

Once the fair value of such biological assets becomes reliably measurable, the Group measures it at its fair value less estimated point of sale costs. Gains or losses arising from changes in the fair values of biological assets are included in the consolidated statement of comprehensive income.

There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

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31 December 2021

16 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

	2021 AED'000	2020 AED'000
At 1 January	1,025,466	-
Acquired in business combinations (note 6.1(a))	694,022	1,076,196
Additions during the year	24,326	15,056
Depreciation capitalised (note 7)	115	144
Derecognition on disposal of a subsidiary (note 6.3)	(6,746)	-
Transferred to inventories (note 13)	-	(65,930)
	1,737,183	1,025,466
Less: provision for impairment	(387,359)	(345,154)
At 31 December	1,349,824	680,312

There are no borrowing costs included in the additions during the year (2020: nil).

Movement in provision for impairment is as follows:

	2021 AED'000	2020 AED'000
At 1 January	345,154	-
Acquired in business combination (note 6.1(a))	42,205	345,154
	387,359	345,154

Land fair valued at AED 630 million (2020: AED 653 million) are mortgaged as security against borrowings (note 23).

A market based valuation suggests that the fair value of the Group's plots of land approximates AED 2.61 billion at 31 December 2021 (2020: AED 2.7 billion).

17 CONTRACT ASSETS

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

	2021 AED'000	2020 AED'000
Contract assets	5,274,112	121,898
Contract costs*	690,834	41,253
	5,964,946	163,151
Less: allowance for expected credit loss	(103,478)	(7,378)
	5,861,468	155,773

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17 CONTRACT ASSETS continued

*Contract costs have been incurred on elements of one of the Group's major projects, on which the Group is not contractually entitled to recognise revenue until the various work packages are completed and handed over. While the work packages have yet to be handed over up to 31 December 2021, commencing from the year 2022, a number of packages are scheduled to be completed and handed over, which will result in a winding down of the balance throughout the remaining contractual period.

Disclosed in the consolidated statement of financial position as follows:	2021 AED'000	2020 AED'000
Current	5,201,530	155,773
Non-current	659,938	-
	5,861,468	155,773

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

	2021 AED'000	2020 AED'000
At 1 January	7,378	7,378
Acquired in business combinations	40,040	-
Charge for the year (note 29)	348,288	-
Allowance written off during the year	(292,228)	-
At 31 December	103,478	7,378

18 CASH AND CASH EQUIVALENTS

	2021 AED'000	2020 AED'000
Cash on hand	23,461	8,484
Bank balances:		
Current and call accounts	13,423,304	2,170,511
Group's bank accounts for clients' deposits*	2,981,269	1,159,668
Term deposits	3,668,020	325,704
Margin accounts	8,940	1,017
Wakala deposits with Islamic financial institutions	173,272	-
Less: allowance for expected credit loss	(31,684)	(50)
Cash and bank balances	20,246,582	3,665,334
Less: term deposits and margin accounts with an original maturity of more than three months	(884,890)	(214,762)
Less: Wakala deposits with Islamic financial institutions	(173,272)	-
Less: restricted cash	(38,274)	-
Less: bank overdrafts (note 23)	(382,795)	(47)
	18,767,351	3,450,525
Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)	247,975	9,828
Cash and cash equivalents	19,015,326	3,460,353

Notes To The Consolidated Financial Statements

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18 CASH AND CASH EQUIVALENTS continued

* Represents separate bank accounts maintained by a subsidiary of the Group for advances received from its customers ("clients' deposits"), in accordance with the regulations issued by "Emirates Securities and Commodities Authority". The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2021 AED'000	2020 AED'000
Assets held for sale – buildings (note 19.1)	394,250	376,730
Discontinued operations (note 19.2)	3,822,389	540,399
	4,216,639	917,129
Liabilities directly associated with discontinued operations (note 19.2)	2,196,432	242,983

19.1 Assets held for sale – buildings

In 2019 and prior to its acquisition by the Group, Al Tamouh Investments Company LLC committed to sell two of its assets based on a sale and purchase agreements. On 31 October 2020, the buyer and Al Tamouh Investments Company LLC revised the sale and purchase agreement of one of the assets, where the entire subsidiary, Paragon Malls LLC, will be disposed and not only the asset. Accordingly, the subsidiary has been classified as discontinued operations (note 19.2)

The movement during the year is as follows:

	2021 AED'000	2020 AED'000
At 1 January	376,730	-
Acquired in business combination (note 6.1(b))	-	812,715
Additions during the year	-	67,561
Transfer to assets related to a subsidiary held for sale (note 19.2)	-	(503,096)
Transfer from investment properties*	8,762	-
Reversal of (impairment) during the year (note 28)	8,758	(450)
At 31 December	394,250	376,730

* During the year, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. As at reporting date, the sale was not completed.

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31 December 2021

19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

19.2 Discontinued operations

Paragon Malls LLC ("Paragon")

On 31 October 2020, the Group signed a sale and purchase agreement to sell the subsidiary, Paragon Mall LLC (note 19.1). During the year, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2021, the sale was not completed.

Holiday Inn Abu Dhabi ("Holiday Inn")

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

Aafaq Islamic Finance PSC ("Aafaq")

On 24 November 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance, a subsidiary. As at 31 December 2021, the sale was not completed.

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2021 and 2020 are as follows:

	Paragon 2021 AED'000	Holiday Inn 2021 AED'000	Aafaq 2021 AED'000	Total 2021 AED'000	Paragon 2020 AED'000
ASSETS					
Property, plant and equipments - building	503,096	162,080	-	665,176	503,096
Investment properties	-	-	217,192	217,192	-
Investment in financial assets	-	-	916,429	916,429	-
Receivables from Islamic financing activities	-	-	1,657,097	1,657,097	-
Trade and other receivables	9,752	5,930	32,201	47,883	27,475
Wakala deposits with Islamic financial institutions	-	-	43,736	43,736	-
Inventories	-	223	-	223	-
Due from related parties	-	91	26,587	26,678	-
Cash and cash equivalents	561	2,048	245,366	247,975	9,828
TOTAL ASSETS	513,409	170,372	3,138,608	3,822,389	540,399
LIABILITIES					
Employees' end of service benefits	-	867	5,908	6,775	-
Borrowings	-	-	200,000	200,000	241,750
Margin against letter of guarantee	-	-	901,440	901,440	-
Lease liabilities	-	-	1,991	1,991	-
Contract liabilities	498	-	-	498	868
Trade and other payables	-	6,740	1,078,988	1,085,728	365
TOTAL LIABILITIES	498	7,607	2,188,327	2,196,432	242,983
NET ASSETS	512,911	162,765	950,281	1,625,957	297,416

Building held for sale with a carrying value of AED 162,080 thousand (2020: nil) are mortgaged as security against borrowings (note 23) (2020: shares with a fair value of AED 17,607 thousand were pledged).

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

Notes To The Consolidated Financial Statements

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20 SHARE CAPITAL

	2021 AED'000	2020 AED'000
Authorised issued and fully paid		
1,821 million shares of AED 1 each		
(31 December 2020: 1,821 million shares of AED 1 each)		
	1,821,429	1,821,429

21 STATUTORY RESERVE

In accordance with United Arab Emirates Federal Law No. (2) of 2015 (as amended) and the Company's articles of association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

22 EMPLOYEES' END OF SERVICE BENEFITS

	2021 AED'000	2020 AED'000
At 1 January	114,889	49,544
Acquired in business combinations (note 6)	713,215	38,051
Charge for the year	162,101	39,625
Derecognition on disposal of subsidiaries (note 6.3)	(14,500)	-
Paid during the year	(159,993)	(11,463)
Transfer to related parties	-	(868)
	815,712	114,889
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	(5,908)	-
	809,804	114,889

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS

Movement in bank borrowings during the year is as follows:

	2021 AED'000	2020 AED'000
Balance at 1 January	1,175,605	444,872
Acquired in business combinations (note 6)	8,408,909	822,707
Drawdowns during the year	1,126,482	211,351
Derecognition on disposal of a subsidiary (note 6.4(D))	(50,276)	-
Exchange differences	(16,181)	-
Repayments during the year	(1,974,492)	(303,325)
	8,670,047	1,175,605
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	(200,000)	(241,750)
Less: unamortised transaction cost	(13,486)	(7,696)
	8,456,561	926,159

Disclosed in the consolidated statement of financial position as follows:

	2021 AED'000	2020 AED'000
Non-current portion	6,793,019	743,053
Current portion	1,663,542	183,106
	8,456,561	926,159

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS continued

Borrowings from financial institutions	Interest rates	Maturity	2021 AED'000	2020 AED'000	Installments	Purpose	Security
Term loan 1	EIBOR + 3%	March 2025	56,437	60,937	Quarterly	To finance the construction of a factory	Corporate guarantee and mortgage over the asset
Term loan 2	EIBOR + 1.85%	December 2027	25,431	40,026	Annual	To finance the construction of a plant	Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party
Term loan 3	EIBOR + 1.85%	December 2024	137,481	173,372	Annual	To finance the construction of a plant	Personal guarantee of a related party and mortgage of the asset
Term loan 4	EIBOR + 1.85%	June 2029	41,607	14,975	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 5	EIBOR + 1.85%	December 2027	154,788	53,960	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 6	6.90%	May 2022	6	19	Monthly	To finance the purchase of motor vehicles	Mortgage over the asset
Term loan 7	3.04% - 3.25%	December 2022	19,423	16,689	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 8	3.25%	December 2023	4,906	4,797	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 9	EIBOR + 2.4%	September 2024	158,353	201,553	Quarterly	Project financing	Assignment of project proceeds and first degree mortgage over certain properties (note 9)
Term loan 10	EIBOR + 3%	March 2029	240,398	271,598	Quarterly	To finance the construction of residential apartments	Assignment of property proceeds and a first degree mortgage over the asset
Term loan 11	EIBOR + 4%	December 2027	-	241,750	Quarterly	Project financing	Assignment of property proceeds and a first degree mortgage over the asset
Term loan 12	3.50%	October 2021	-	11	Annual	To finance purchase of vehicle	Unsecured
Term loan 13	5% - 12%	August 2024	-	6,436	Monthly	To finance purchase of equipment	Mortgage over the equipment of the subsidiary

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 14	8%	August 2024	-	172	Quarterly	To finance purchase of equipment	Mortgage over the equipment of the subsidiary
Term loan 15	1.8% - 2.6%	November 2025	-	3,288	Monthly	General corporate purpose	Secured by the state-owned financial institution of Spain
Term Loan 16	EIBOR + 2%	September 2025	42,135	-	Semi-annual	Project financing	Corporate guarantees of related parties; mortgage over certain properties (note 9), including assignment of insurance policy of and rental proceeds from the mortgaged properties
Term Loan 17	EIBOR + 3%	December 2031	1,308,822	-	Quarterly	Project finance	Mortgage over the assets, corporate guarantees and assignment of rental proceeds
Term Loan 18	EIBOR + 3%	December 2031	250,000	-	Quarterly	Project finance	Mortgage over the assets, corporate guarantees and assignment of rental proceeds
Term Loan 19	EIBOR + 2.5% - 3%	December 2028	248,322	-	Quarterly	General corporate purpose	First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Banyas Project (as and when the project is awarded)
Term Loan 20	EIBOR + 2.5%	June 2030	121,077	-	Quarterly	General corporate purpose	Unsecured
Term Loan 21	EIBOR + 2.5%	September 2023	102,613	-	Quarterly	General corporate purpose	Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties
Term Loan 22	EIBOR + 2% - 3%	December 2023	66,812	-	Quarterly	Project financing	Irrevocable corporate guarantees and assignment of rental proceeds
Term Loan 23	EIBOR + 2.65%	December 2028	580,017	-	Quarterly	General corporate purpose	Corporate guarantee
Term Loan 24	LIBOR + 0.90%	March 2027	1,373,589	-	Quarterly	To finance the purchase of vessels	Mortgage over the assets
Term Loan 25	EIBOR + 1.13%	December 2026	249,414	-	Quarterly	To finance the purchase of a machinery	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 26	2.75%	December 2025	234,018	-	Annual	General corporate purpose	Mortgage over the assets

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term Loan 27	2.5%	August 2028	367,500	-	Semi-annual	General corporate purpose	Unsecured
Term Loan 28	EIBOR + 1.85%	February 2028	274,459	-	Semi-annual	To finance the purchase of a property	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 29	2%	April 2024	1,500,000	-	Lumpsum payment at maturity	To finance the investment in financial asset	Custody of shares of an associate and assignment of dividend proceeds
Term Loan 30	EIBOR + 2%	September 2026	30,727	-	Quarterly	To finance the purchase of machinery and equipment	Assignment of receivables
Term loan 31	3.6% - EIBOR + 1.9%	December 2029	97,365	-	Quarterly	To finance the purchase of equipment and vehicles	Corporate guarantees, mortgage over the assets and assignment of insurance policy of the mortgaged assets
Short term loan I	EIBOR + 3.5%	March 2021	-	28,472	-	To meet working capital requirement	Subsidiary's trade receivables and inventories
Short term loan II	2.95%	June 2021	-	5,686	-	To finance the procurement of inventories	Corporate guarantee of the shareholder of a subsidiary
Short term loan III	EIBOR + 1.3%	January 2022	16,667	-	-	To meet working capital requirement	Unsecured
Short term loan IV	LIBOR + 1.9%	270 days	317,496	-	-	Project financing	Corporate guarantee and assignment of receivables
Short term loan V	EIBOR + 1.5%	March 2022	200,000	-	Quarterly	To meet working capital requirements	Custody of the financial asset and assignment of dividend proceeds
Trust receipts	EIBOR + 3%	180 days	18,765	1,689	-	-	-
Bank overdraft	EIBOR + margin	90 to 180 days	382,795	47	-	-	Partially secured against approved payment certificates
Total borrowings from financial institutions			8,621,423	1,125,472			

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS continued

<i>Borrowings from non-financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Loan from a related party I	5%	December 2026	41,002	41,002	Annual	Project finance	Refer note below
Loan from a related party II	Interest free	April 2023	7,622	9,126	Annual	Project finance	Unsecured
Total borrowings from non-financial institutions			48,624	50,128			
Total borrowings			8,670,047	1,175,605			

Notes To The Consolidated Financial Statements

31 December 2021

23 BORROWINGS continued

Term loan 10

The loan was obtained under an Ijara agreement to finance a mixed use development which primarily consists of residential apartments, with a total limit of AED 600 million. During February 2020, the loan was restructured and will be repayable in 36 instalments beginning 2020 with a bullet repayment in 2029.

Loan from a related party I

This loan was obtained from a related party, under common control, to finance 20% of the total cost of the Abu Dhabi National Exhibitions Company ("ADNEC") District Cooling Plant project in Abu Dhabi. Principal portion of the loan is repayable in 4 equal annual installments starting from 31 December 2023 and the interest portion is repayable in 10 annual installments starting 31 December 2017. The loan is secured by the notarised mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment (note 7) that has been installed at capital center - Phase 4 District Cooling Project (refer term loan 2).

Loan from a related party II

This loan was obtained from an associate, Aldar Properties PJSC, in July 2013 and was novated to another subsidiary upon incorporation, without any changes to the terms and conditions of the original loan agreement. The loan does not carry any interest and was initially recognised at fair value, which is equal to the present value of the expected future cash flows discounted using the average rate of interest applicable to internal borrowings and is repayable in 8 yearly instalments commencing on 1 April 2016 and ending on 1 April 2023.

Unavailed short term facility

The Group has a short term loan facility of AED 15 million, obtained by a subsidiary of the Company to finance to purchase the inventories (6 months EIBOR + 4%). The facility has a tenure of 150 days and is renewal upon maturity. The facility is secured by the Corporate guarantee of the Group and is mortgaged over the receivables and inventories. As at 31 December 2021, the Group had availed nil (2020: nil) out of the total facility.

Borrowing cost included in the cost of qualifying assets for the year was AED 3,267 thousand (31 December 2020: AED 2,459 thousand).

Movement of unamortised transaction cost during the year is as follows:

	<i>2021 AED'000</i>	<i>2020 AED'000</i>
Balance at 1 January	7,696	-
Acquired in business combinations (note 6)	7,400	13,776
Paid during the year	-	1,657
Amortised during the year (note 35)	(1,610)	(7,737)
	13,486	7,696

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	<i>2021 AED'000</i>	<i>2020 AED'000</i>
On demand	363,124	-
Less than 3 months	444,045	4,561
After 3 months but no more than 12 months	915,457	195,682
After one but no more than five years	5,578,441	453,903
More than 5 years	1,778,211	424,198
	9,079,278	1,078,344

Notes To The Consolidated Financial Statements

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24 TRADE AND OTHER PAYABLES

	2021 AED'000	2020 AED'000
Trade payables	5,080,480	950,015
Payable to customers relating to brokerage business	2,190,642	905,942
Provisions, accruals and other payables	6,646,887	925,723
Retention payable	497,754	40,332
	14,415,763	2,822,012
Less: non-current portion	(65,201)	(140,881)
	14,350,562	2,681,131
Non-current portion consists of the following:		
	2021 AED'000	2020 AED'000
Trade payables	-	47,655
Retention payables	2,693	3,298
Other payables	62,508	89,928
	65,201	140,881

25 CONTRACT LIABILITIES

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

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

	2021 AED'000	2020 AED'000
Non-current portion	83,663	79,001
Current portion	2,762,752	1,134,244
	2,846,415	1,213,245

Notes To The Consolidated Financial Statements

31 December 2021

26 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

	Land AED'000	Warehouses, office spaces, shops and cinema halls AED'000	Others AED'000	Total AED'000
Right-of-use assets:				
2021				
At 1 January 2021	27,095	60,231	1,105	88,431
Acquired in business combinations (note 6)	580,620	262,261	15,945	858,826
Additions	12,451	125,318	-	137,769
Depreciation expense	(19,933)	(53,637)	(1,162)	(74,732)
Derecognition on disposal of subsidiaries	-	(13,009)	-	(13,009)
Termination of a lease (i)	-	-	(15,127)	(15,127)
Lease modifications (ii)	(19)	(7,823)	-	(7,842)
Impairment (note 28)	-	(3,503)	-	(3,503)
At 31 December 2021	600,214	369,838	761	970,813
2020				
At 1 January 2020	21,614	64,052	-	85,666
Acquired in business combinations (note 6)	7,360	11,751	856	19,967
Additions	-	4,785	565	5,350
Depreciation expense	(1,143)	(16,701)	(181)	(18,025)
Adjustment (iii)	(736)	-	-	(736)
Lease modifications (ii)	-	(3,656)	(135)	(3,791)
At 31 December 2020	27,095	60,231	1,105	88,431

Right of use assets with a carrying value of AED 57,001 thousand (2020: nil) are mortgaged as security against borrowings (note 23).

Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 AED'000	2020 AED'000
As at 1 January	88,509	84,961
Acquired in business combinations (note 6)	863,207	19,946
Additions during the year	136,057	3,428
Interest expense	28,508	5,252
Repayments made during the year	(80,883)	(17,957)
Derecognition on disposal of subsidiaries	(13,241)	-
Termination of a lease (i)	(12,681)	-
Lease modifications (ii)	(9,102)	(3,885)
Covid-19 related rent concessions (note 31)	(3,848)	(2,584)
Adjustment (iii)	-	(652)
Transfer to assets held for sale (note 19)	(1,991)	-
As at 31 December	994,535	88,509

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26 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

- (i) During the year, the Group purchased the medical equipment that were previously leased for a period of 7 years. Accordingly, the lease agreement was terminated, and the acquired equipment were classified under property and equipment. The Group incurred a loss of AED 2,447 thousand from the derecognition.
- (ii) This represents net change in right-of-use assets and related lease liabilities as a result of modification in the Group's lease arrangements. During 2020, the terms of one of the subsidiary's lease agreement changed from fixed lease payments to variable lease payments which does not depend on an index or rate.
- (iii) This represents elimination of a lease of Palms Sports PJSC ("Lessee"), which become an intercompany lease, after the acquisition of Al Tamouh Investment Company LLC ("Lessor").

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

	2021 AED '000	2020 AED '000
Non-current portion	876,906	72,559
Current portion	117,629	15,950
	<u>994,535</u>	<u>88,509</u>

Maturity analysis of lease liabilities is disclosed in note 41.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2021 AED '000	2020 AED '000
Depreciation expense (included in cost of revenue) (note 28)	22,271	13,086
Depreciation expense (included in general and administrative expenses) (note 29)	27,214	4,430
Depreciation expense (included in selling and distribution expenses) (note 30)	25,204	-
Expense relating to short-term leases	53,363	3,905
Interest expense on lease liabilities (included in finance cost)	28,508	4,463
Loss on termination of a lease and lease modifications	3,706	-
Impairment loss on right of use assets (note 28)	3,503	-
Covid-19 related rent concessions adjustment (note 31)	(3,848)	(2,584)
	<u>159,921</u>	<u>23,300</u>

During the year, depreciation of right-of-use assets amounting to AED 43 thousand (2020: AED 509 thousand) and interest expense on lease liabilities amounting to AED 67 thousand (2020: AED 789 thousand) were capitalised to capital work in progress within property, plant and equipment.

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27 REVENUE

	2021 AED '000	2020 AED '000
Type of goods or services		
Healthcare and other medical supplies	10,818,675	2,919,702
Construction, maintenance and Infrastructure revenue	6,299,197	894,973
Services relating to marine and dredging activities	5,652,967	-
Sale of consumer products	1,700,099	833,908
Rental income	1,100,765	300,096
Manpower and consultancy services	586,716	334,056
Coaching and training services	407,176	291,162
District cooling services	352,264	218,707
Asset management	287,113	234,385
Revenue from hotel operations	251,817	-
Sale of furniture	237,295	-
Revenue from Islamic financing activities	186,536	-
Revenue from brokerage services	164,703	48,127
Animal feed	144,045	188,664
Sale of industrial equipment	86,841	576,850
Sale of cosmetics and rendering of related personal care services	74,703	36,966
Media and marketing services	57,064	11,230
Delivery services	57,044	18,771
Sale of properties and land	23,380	96,452
Others	74,090	42,520
	<u>28,562,490</u>	<u>7,046,569</u>

Timing of revenue recognition

Revenue at a point in time	16,654,361	5,654,923
Revenue over time	11,908,129	1,391,646
	<u>28,562,490</u>	<u>7,046,569</u>

Geographical markets

UAE	25,228,219	6,743,988
Outside the UAE	3,334,271	302,581
	<u>28,562,490</u>	<u>7,046,569</u>

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

	2021 AED '000	2020 AED '000
Within one year	14,708,515	86,040
After one but no more than five years	23,657,910	71,211
More than five years	15,133,573	37,551
	<u>53,499,998</u>	<u>194,802</u>

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28 COST OF REVENUE

	2021 AED '000	2020 AED '000
Staff costs	2,727,921	367,640
Cost of healthcare and other medical supplies	1,971,414	1,553,291
Cost related to consumer products	1,069,144	521,810
Other direct materials and charges	7,625,592	1,017,834
Subcontracting and maintenance costs	3,507,896	444,566
Depreciation (note 7,9 & 26)	644,766	139,437
Allowance for slow moving inventories (note 13)	185,900	20,803
Cost related to sale of furniture	113,707	-
Amortisation (note 8 & 15)	100,175	2,321
Supply of installation of water desalination	83,977	-
Impairment of non-financial assets*	55,249	50,316
Asset management costs	46,876	289,594
Cost incurred on leased properties	35,196	29,689
Cost of properties and land sold	33,102	40,123
Royalty fees	14,427	12,704
Others	180,087	125,033
	18,395,429	4,615,161

*The breakup of impairment of non-financial assets is as follows:

	2021 AED '000	2020 AED '000
Reversal of impairment loss on property, plant and equipment (note 7)	-	(16,620)
Impairment loss on property, plant and equipment (note 7)	59,859	21,555
Impairment loss on investment properties (note 9)	645	44,931
Impairment loss on right of use assets (note 26)	3,503	-
(Reversal of) impairment loss on assets held for sale - buildings (note 19.1)	(8,758)	450
	55,249	50,316

29 GENERAL AND ADMINISTRATIVE EXPENSES

	2021 AED '000	2020 AED '000
Staff costs*	1,132,379	261,210
Rent, utilities and communication	129,175	21,624
Government fees, professional and legal expenses	120,458	48,720
Allowance for expected credit loss (note 14, 17 & 32)	462,159	30,678
Depreciation (note 7 & 26)	95,932	17,853
Amortisation (note 8)	29,667	65,783
Allowance for slow moving inventories (note 13)	2,810	921
Other expenses	261,132	30,898
	2,233,712	477,687

* Included in staff costs is share-based payments of AED 46,000 thousand (2020: AED 79,706 thousand) (note 37).

Notes To The Consolidated Financial Statements

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30 SELLING AND DISTRIBUTION EXPENSES

	2021 AED '000	2020 AED '000
Staff cost	42,502	14,750
Sales promotion and marketing	32,260	16,648
Rent, utilities and communication	9,909	8,781
Freight and other direct selling expenses	4,930	4,919
Depreciation (note 7 & 26)	33,741	1,037
Other expenses	16,123	368
	139,465	46,503

31 INVESTMENT AND OTHER INCOME

	2021 AED '000	2020 AED '000
Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)	2,271,629	8,692
Recovery of bad debts written off	518,685	-
Interest and dividends income	203,759	30,462
Fair value gain on revaluation of previously held equity interest (note 10)	40,988	-
Unwinding of discounting of long-term receivables	27,986	24,439
Royalty income	8,566	9,307
Gain on disposal of property, plant and equipment	8,477	3,302
Change in fair value of biological assets (note 15)	5,630	328
COVID-19 related rent concessions (note 26)	3,848	2,584
Commission income	-	1,046
Write back of other payables	-	106,030
Others	177,386	30,221
	3,266,954	216,411

32 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Notes To The Consolidated Financial Statements

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32 RELATED PARTY TRANSACTIONS AND BALANCES continued

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

	<i>Nature of relationship</i>	2021 <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Current:			
Aldar Properties PJSC	Associate	627,403	-
Al Sharqia United General Trading	Other related parties	205,140	-
The Challenge Egyptian Emirates Marine Dredging Company	Joint venture	183,183	-
Murban Holding Limited	Entity under common control	158,618	-
Hydra Properties LLC	Entity under common control	130,742	128,534
Meena Holdings LLC	Entity under common control	113,947	113,947
Chimera Investments LLC	Entity under common control	57,307	81,635
Protect 7 Healthcare Sole Proprietorship LLC	Entity under common control	50,117	-
Pal Technology Services LLC	Entity under common control	43,050	49,422
Eltizam Asset Management LLC	Associate	33,509	-
Meena Palace	Other related party	29,959	22,815
EDE Research Institute Limited	Joint venture	19,092	-
Tafseer Contracting & General Maintenance Company LLC	Associate	18,686	28,106
Emirates Refreshment PSC	Associate	17,077	-
Mauqah Technology LLC	Entity under common control	8,101	6,018
RG Procurement RSC Limited	Entity under common control	7,742	13,150
Royal Group Companies Management LLC	Entity under common control	5,359	22,244
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	3,117	1,356
Bunya Enterprises LLC	Joint venture	2,572	4,124
Trojan General Contracting LLC**	Subsidiary	-	25,029
Pure Health Medical Supplies LLC**	Subsidiary	-	10,624
Reem Emirates Aluminum LLC**	Subsidiary	-	6,223
AFKAR Financial & Property Investment LLC**	Subsidiary	-	3,702
Others	Entities under common control	482,772	114,242
		2,197,493	631,171
Less: allowance for expected credit losses		(301,331)	(286,433)
		1,896,162	344,738
Non-current			
Royal Group Companies Management LLC*	Entity under common control	951	4,706
		1,897,113	349,444

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

** These entities became subsidiaries during the year, which resulted in these balances being eliminated as of 31 December 2021.

Movement in allowance for expected credit losses of due from related parties is as follows;

	2021 <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Balance at 1 January	286,433	1,305
Acquired in business combinations	12,713	284,448
Charge for the year (note 29)	2,185	680
	301,331	286,433

Notes To The Consolidated Financial Statements

31 December 2021

32 RELATED PARTY TRANSACTIONS AND BALANCES continued**Loan to related parties**

Loan to related parties are disclosed in the consolidated statement of financial position as follows:

	2021 <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Current	6,200	-
Non-current	20,000	1,200
	26,200	1,200

- The Group has granted a loan to a key management personnel amounting to AED 1.2 million (2020: AED 1.2 million) which is unsecured and non-interest bearing and due on 3 November 2022.
- The Group granted a loan to Mirak Royal Nature Fruits & Vegetables LLC amounting to AED 25 million (31 December 2020: nil) which is unsecured and non-interest bearing, the loan is repayable on yearly installments of AED 5 million each, commencing on 31 January 2022 with the last installment being on 31 January 2026.

Due to related parties

	<i>Nature of relationship</i>	2021 <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Current			
EDE Research Institute Limited	Joint venture	713,068	-
Trojan General Contracting LLC*	Subsidiary	-	187,765
Centro Holding LLC	Other related parties	180,000	-
Dentro Investment LLC	Other related parties	180,000	-
ATGC Transport & GC LLC	Other related parties	170,506	-
EBG Private investment LLC	Other related parties	126,000	-
Chimera Investment LLC	Entity under common control	71,286	152,021
Infinity TV FZ LLC	Entity under common control	59,446	68,703
Abu Dhabi United Group Investment and Development	Entity under common control	50,645	-
Infinity Wave Holding	Entity under common control	31,220	-
Bunya Enterprises LLC	Joint venture	20,827	31,558
International Golden Group PJSC	Other related parties	1,834	51,453
Power House Group for Company Management LLC	Entity under common control	128,639	38,852
National Projects and Construction LLC*	Subsidiary	-	1,311
Royal Group Management LLC	Entity under common control	23,026	12,556
Pal Technology Services LLC	Entity under common control	5,151	6,848
Royal Group Holding LLC	Entity under common control	2,348	4,295
Al Maha Modular Industries LLC*	Subsidiary	-	6,512
Royal Group Procurements RSC LTD	Entity under common control	22,442	2,290
Al Jaraf Travel & Tourism	Entity under common control	1,343	4,582
Hi-Tech Concrete Projects LLC	Entity under common control	-	635
Others	Entities under common control	353,347	87,292
		2,141,128	656,673
Non-current			
Trojan General Contracting LLC*	Subsidiary	-	69,021
Bunya Enterprises LLC	Joint Venture	16,530	30,484
National Projects and Construction LLC*	Subsidiary	-	22,444
Royal Group Holding LLC	Entity under common control	2,520	2,520
RG Treasury Holding LLC	Entity under common control	13,300	-
H2O Interior Design LLC	Entity under common control	613	613
		32,963	125,082
		2,174,091	781,755

* These entities became subsidiaries during the year, which resulted in these balances being eliminated as of 31 December 2021.

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32 RELATED PARTY TRANSACTIONS AND BALANCES continued**Loan from related parties**

	Nature of relationship	2021 AED '000	2020 AED '000
Current			
Chimera Investment LLC (i)	Entity under common control	885,240	-
RG Procurement RSC Ltd (ii)	Entity under common control	121,832	-
		<u>1,007,072</u>	<u>-</u>

(i) During the year, a subsidiary of the Group obtained a loan from Chimera Investment LLC amounting to AED 885,240 thousand, to finance the purchase of specialised medical equipment that is used in the operation of a joint venture of the Group. The loan is unsecured, interest free and repayable on demand.

(ii) This represents unsecured loan obtained from RG Procurement RSC Ltd by a subsidiary of the Group. The loan is interest free and repayable in 2022.

Further, subsidiaries of the Group, obtained loans from related parties, with a balance of AED 48,624 thousand as at 31 December 2021 (2020: AED 50,128 thousand) (note 23).

During the year, the Group entered into the following transactions with related parties

	2021 AED '000	2020 AED '000
Revenue		
Entities under common control	749,178	844,265
Associate	756,404	-
Joint venture	16,772	-
Other related parties	391,206	5,087
	<u>1,913,560</u>	<u>849,352</u>
Cost of revenue		
Entities under common control	466,550	1,027,210
Associate	10,597	-
Other related parties	3,801	93,312
	<u>480,948</u>	<u>1,120,522</u>
General and administrative expenses		
Entities under common control	23,575	31,899
Associate	10,597	-
Joint venture	29	-
	<u>34,201</u>	<u>31,899</u>

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

Notes To The Consolidated Financial Statements

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32 RELATED PARTY TRANSACTIONS AND BALANCES continued**Transactions and balances with a financial institution (other related party)**

	2021 AED '000	2020 AED '000
Balances with a financial institution	16,786,034	2,337,558
Borrowings	3,366,800	296,523
Interest expense for the year	49,729	21,513
Interest income	14,545	1,741
Drawdown	400,532	86,995
Repayment of borrowings	843,679	130,022

Transactions with related parties were entered into on terms agreed with management.

Key management remuneration

	2021 AED '000	2020 AED '000
Salaries and other benefits – short term	37,886	30,237
End of service benefits – long term	5,282	739
Share based payments	-	27,632

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33 BASIC EARNINGS PER SHARE

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

	2021	2020
Profit attributable to owners of the Company (AED '000)	<u>7,338,660</u>	<u>2,868,936</u>
Weighted average number of shares (shares in '000)	<u>1,821,429</u>	<u>1,821,429</u>
Basic earnings per share for the year (AED)	<u>4.03</u>	<u>1.58</u>

34 CONTINGENT LIABILITIES AND COMMITMENTS

	2021 AED '000	2020 AED '000
Letters of guarantee	<u>14,914,601</u>	<u>711,695</u>
Letters of credit	<u>728,478</u>	<u>123,225</u>
Commitments for capital expenditure	<u>4,502,584</u>	<u>351,148</u>
Commitments for investments in associate and joint venture	<u>257,457</u>	<u>-</u>

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

35 FINANCE COSTS

	2021 AED '000	2020 AED '000
Interest on borrowings	<u>133,186</u>	<u>30,580</u>
Interest on lease liabilities	<u>28,472</u>	<u>4,463</u>
Unwinding of discounting of long-term payables	<u>14,379</u>	<u>17,269</u>
Amortisation of transaction costs (note 23)	<u>1,610</u>	<u>7,737</u>
Remeasurement of contingent consideration (note 6.2(b))	<u>-</u>	<u>700</u>
Others	<u>11,404</u>	<u>878</u>
	<u>189,051</u>	<u>61,627</u>

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31 December 2021

36 TAXATION

The Group's subsidiaries in United States of America, Spain, India, Kingdom of Saudi Arabia, Russia, Maldives and Arab Republic of Egypt are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The Group is not subject to income tax in the UAE. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

	2021 AED '000	2020 AED '000
Accounting profit before tax	<u>11,589,976</u>	<u>3,014,994</u>
Income not subject to tax	<u>(11,339,336)</u>	<u>(3,021,924)</u>
Accounting profit (loss) subject to tax	<u>250,640</u>	<u>(6,930)</u>
At effective tax rate of 9.1% (2020: 8.5%)	<u>22,749</u>	<u>(587)</u>
Temporary differences	<u>708</u>	<u>966</u>
Adjustment related to previous year	<u>(10,837)</u>	<u>-</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>12,620</u>	<u>379</u>

The major components of income tax expenses are as follows:

	2021 AED '000	2020 AED '000
<i>Current income tax:</i>		
Tax charge (benefit) related to current year	<u>22,749</u>	<u>(587)</u>
Adjustment related to previous year	<u>(10,837)</u>	<u>-</u>
	<u>11,912</u>	<u>(587)</u>
<i>Deferred income tax:</i>		
Timing differences - current year	<u>708</u>	<u>966</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>12,620</u>	<u>379</u>

As at 31 December 2021 and 2020, the Group had no uncertain tax positions.

Amounts reported in the consolidated statement of financial position are as follows:

	2021 AED '000	2020 AED '000
Deferred tax assets	<u>16,938</u>	<u>38</u>
Deferred tax liabilities	<u>(1,885)</u>	<u>(795)</u>
	<u>15,053</u>	<u>(757)</u>
Provision for income tax (recorded under trade and other payables)	<u>68,076</u>	<u>929</u>

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31 December 2021

37 SHARE BASED PAYMENTS

On 31 May 2021, ordinary shares of a subsidiary of the Group were granted to certain personal of the Group for a consideration of AED 6,000 thousand. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date.

On 5 November 2020, ordinary shares of three subsidiaries of the Group were granted to certain personnel of the Group, as well as certain personnel of the Ultimate Parent Company and its related entities. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date.

The breakup of the shares awarded is as follows;

	<i>Number of shares of the subsidiaries</i>	
	<i>2021</i>	<i>2020</i>
Share awards to certain personnel of the Group	<u>12,500,000</u>	<u>41,338,030</u>
Share awards to certain personnel of the Ultimate Parent Company and its related entities	<u>-</u>	<u>11,161,970</u>
	<u>12,500,000</u>	<u>52,500,000</u>

The fair value at the grant date (being the measurement date) was estimated at AED 4.16 per share (2020: AED 1.58 per share, 2.11 per share and AED 7.15 per share) considering the terms and conditions on which the shares were granted. The total fair value of the share awards, less consideration received, amounted to AED 46,000 thousand (2020: AED 107,166 thousand) and was recorded as follows, with a corresponding increase in non-controlling interests:

	<i>Number of shares 2021 No.</i>	<i>2021 AED '000</i>	<i>Number of shares 2020 No.</i>	<i>2020 AED '000</i>
	Charged to general and administrative expenses (staff cost)	<u>12,500,000</u>	<u>46,000</u>	41,338,030
Charged to retained earnings	<u>-</u>	<u>-</u>	11,161,970	27,460
	<u>12,500,000</u>	<u>46,000</u>	<u>52,500,000</u>	<u>107,166</u>

38 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

<i>Name</i>	<i>Country of incorporation and operation</i>	<i>2021</i>	<i>2020</i>
Alpha Dhabi Holding PJSC	United Arab Emirates	54.59%	-
Multiply Group PJSC	United Arab Emirates	68.23%	-
Apex Holding LLC	United Arab Emirates	40%	-
Al Qudra Holding PJSC	United Arab Emirates	46.63%	-
Quant Lase Lab LLC	United Arab Emirates	20%	20%
Zee Store PJSC	United Arab Emirates	25.59%	28.8%

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38 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

The Group's subsidiaries in United States of America, Spain, India, Kingdom of Saudi Arabia, Russia, Maldives and Arab Republic of Egypt are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The Group is not subject to income tax in the UAE. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

	<i>2021 AED '000</i>	<i>2020 AED '000</i>
Accumulated balances of material non-controlling interests:		
Alpha Dhabi Holding PJSC	14,502,427	-
Multiply Group PJSC	8,173,025	-
Apex Holding LLC	453,860	-
Al Qudra Holding PJSC	3,779,715	-
Quant Lase Lab LLC	209,819	38,163
Zee Store PJSC	283,916	44,919
	<u>27,402,762</u>	<u>83,082</u>
Profit allocated to material non-controlling interests:		
Alpha Dhabi Holding PJSC	3,250,518	-
Multiply Group PJSC	94,156	-
Apex Holding LLC	392,974	-
Al Qudra Holding PJSC	-	-
Quant Lase Lab LLC	215,596	38,103
Zee Store PJSC	9,307	(848)
	<u>3,962,551</u>	<u>37,255</u>

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	<i>Alpha Dhabi AED'000</i>	<i>Multiply AED'000</i>	<i>Apex AED'000</i>	<i>Al Qudra AED'000</i>	<i>Quant Lase AED'000</i>	<i>Zee Store AED'000</i>
31 December 2021						
Revenue	18,019,025	371,912	1,520,110	-	924,827	545,620
Cost of revenue	(12,338,560)	(161,294)	(881,022)	-	(63,762)	(482,488)
General and administrative expenses	(1,544,143)	(82,374)	(42,043)	-	(2,223)	(34,949)
Gain on bargain purchase	-	-	8,263	-	-	-
Finance cost	(116,334)	(5,702)	-	-	(4)	(2,653)
Finance and other income	1,059,966	102,654	402,738	-	219,137	34,181
Income tax expense	(12,392)	-	-	-	-	-
Profit for the year	<u>5,067,562</u>	<u>225,196</u>	<u>1,008,046</u>	<u>-</u>	<u>1,077,975</u>	<u>59,711</u>
Attributable to non-controlling interests	<u>3,250,518</u>	<u>94,156</u>	<u>392,974</u>	<u>-</u>	<u>215,596</u>	<u>9,307</u>
	Alpha Dhabi AED'000	Multiply AED'000	Apex AED'000	Al Qudra AED'000	Quant Lase AED'000	Zee Store AED'000
31 December 2020						
Revenue	-	15,784	-	-	238,681	289,029
Cost of revenue	-	(9,614)	-	-	(43,976)	(257,008)
General and administrative expenses	-	(5,489)	-	-	(4,189)	(19,825)
Finance cost	-	-	-	-	-	(478)
Finance and other income	-	3,118	-	-	-	577
Profit for the year	<u>-</u>	<u>3,799</u>	<u>-</u>	<u>-</u>	<u>190,516</u>	<u>12,295</u>
Attributable to non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,103</u>	<u>(848)</u>

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38 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	Alpha Dhabi AED'000	Multiply AED'000	Apex AED'000	Al Qudra AED'000	Quant Lase AED'000	Zee Store AED'000
31 December 2021						
Non-current assets	21,507,692	2,057,344	17,533	8,062,634	1,104,514	861,409
Current assets	25,839,659	9,546,418	1,321,056	4,517,911	835,967	627,406
Non-current liabilities	(5,540,080)	(535,956)	(2,308)	(2,255,945)	(14)	(79,401)
Current liabilities	(15,835,690)	(341,776)	(185,484)	(2,679,614)	(891,676)	(446,084)
Total equity	25,971,581	10,726,030	1,150,797	7,644,986	1,048,791	963,330
Less: non-controlling interest	2,954,575	575,529	-	1,033,098	-	28,142
Equity attributable to the owners of the subsidiaries	23,017,006	10,150,501	1,150,797	6,611,888	1,048,791	935,188
Attributable to:						
Equity holders of parent	8,514,579	1,977,476	696,937	2,832,173	839,032	679,414
Non-controlling interest	14,502,427	8,173,025	453,860	3,779,715	209,759	255,774
	Alpha Dhabi AED'000	Multiply AED'000	Apex AED'000	Al Qudra AED'000	Quant Lase AED'000	Zee Store AED'000
31 December 2020						
Non-current assets	-	65,396	-	-	-	26,790
Current assets	-	32,937	-	-	241,611	283,663
Non-current liabilities	-	(2,626)	-	-	-	(11,192)
Current liabilities	-	(5,782)	-	-	(50,795)	(137,860)
Equity (100%)	-	89,925	-	-	190,816	161,401
Attributable to:						
Equity holders of parent	-	89,925	-	-	152,653	116,482
Non-controlling interest	-	-	-	-	38,163	44,919

Summarised cash flow information of material partly-owned subsidiaries:

	Alpha Dhabi AED'000	Multiply AED'000	Apex AED'000	Al Qudra AED'000	Quant Lase AED'000	Zee Store AED'000
31 December 2021						
Operating	7,547,262	(35,174)	235,125	-	9,705	50,413
Investing	655,121	(1,558,437)	(129,946)	-	64,493	(29,050)
Financing	(1,528,704)	5,025,607	(86)	-	(34,100)	(9,830)
Net increase in cash and cash equivalents	6,673,679	3,431,996	105,093	-	40,098	11,533
	Alpha Dhabi AED'000	Multiply AED'000	Apex AED'000	Al Qudra AED'000	Quant Lase AED'000	Zee Store AED'000
31 December 2020						
Operating	-	738	-	-	18,639	25,158
Investing	-	(24,566)	-	-	(18,639)	(6,345)
Financing	-	30,000	-	-	-	79,716
Net increase in cash and cash equivalents	-	6,172	-	-	-	98,529

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39 FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

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

The following table gives information about how the fair value of the Group's financial assets are determined.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2021 AED'000	31 December 2020 AED'000				
Quoted equity investments – investment in financial assets	2,543,211	303,500	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted debt investments – investment in financial assets	490,022	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	8,124,099	766,082	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Derivative financial liabilities	45,564	-	Level 2	Significant observable inputs	None	Not applicable

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

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40 SEGMENTAL ANALYSIS

For operating purposes, the Group is organised into business segments as follows:

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

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

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

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

Food belongs to IHC food vertical, which includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

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

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

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

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40 SEGMENTAL ANALYSIS continued

	Utilities		Real estate		Digital		Industrial		Food		Healthcare		Capital		Others		Total		
	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000	
Revenue	352,262	218,707	4,199,619	659,356	1,314,017	747,104	6,522,476	1,077,635	2,312,502	1,178,632	11,627,414	3,044,529	2,234,200	120,606	11,627,414	3,044,529	28,562,490	7,046,569	
Cost of sales	(195,797)	(85,361)	(3,823,687)	(526,926)	(1,085,420)	(603,109)	(5,740,291)	(783,248)	(1,739,416)	(948,592)	(4,421,388)	(1,624,557)	(1,389,430)	(43,368)	(4,421,388)	(1,624,557)	(18,395,429)	(4,615,161)	
Gross profit	156,465	133,346	375,932	132,430	228,597	143,995	782,185	294,387	573,086	230,040	844,770	7,206,026	844,770	77,238	7,206,026	1,419,972	10,167,061	2,431,408	
Selling and distribution expenses	-	-	(912)	(1,948)	-	-	(79,149)	-	(49,066)	(44,555)	(10,338)	-	(10,338)	-	(139,465)	(46,503)	(139,465)	(46,503)	
General and administrative expenses	(19,443)	(21,287)	(244,806)	(91,929)	(144,139)	(61,662)	(266,611)	(89,314)	(105,676)	(88,724)	(533,237)	(824,877)	(533,237)	(72,597)	(824,877)	(15,886)	(2,233,712)	(477,687)	
Operating profit (loss)	137,022	112,059	130,214	38,503	84,458	82,333	436,425	205,073	418,344	96,761	301,195	6,381,149	301,195	4,641	6,381,149	1,404,086	7,793,884	1,907,218	
Investment and other income	3,103	1,238	50,049	59,195	89,394	10,403	632,004	9,257	403,248	13,269	2,086,704	841	2,086,704	26,395	1,611	96,654	3,266,954	216,411	
Share of profit from investment in associates and joint ventures	-	-	39,473	4,354	(910)	(278)	7,121	(1,287)	(5,713)	8,264	389,533	242,682	389,533	945,458	-	-	671,186	948,247	
Gain on acquisition of subsidiaries	-	-	319	-	225	-	6,411	-	8,658	4,745	-	-	-	-	-	-	8,808	4,745	
Gain on disposal of subsidiaries	-	-	28,795	-	-	-	-	-	8,658	-	-	-	-	-	-	-	43,854	-	
Loss on partial disposal of an associate	-	-	(37,659)	(42,637)	(8,616)	(4,087)	(42,478)	(665)	(14,937)	(2,610)	(72,769)	(5,188)	(72,769)	-	(98)	(100)	(189,051)	(61,627)	
Finance costs	(7,306)	(11,528)	(37,659)	(42,637)	(8,616)	(4,087)	(42,478)	(665)	(14,937)	(2,610)	(72,769)	(5,188)	(72,769)	-	(98)	(100)	(189,051)	(61,627)	
Income tax	-	-	-	-	-	-	(8,529)	-	(228)	(379)	(3,863)	-	(3,863)	-	-	-	(12,620)	(379)	
Profit (loss) for the year	132,819	101,769	211,181	59,465	164,551	88,371	1,030,954	212,378	817,636	111,786	2,700,800	6,612,825	2,700,800	976,494	93,410	60,266	11,577,356	3,014,615	
Add: depreciation and amortisation	30,096	29,236	148,038	64,721	54,437	27,692	321,957	61,774	43,854	30,005	260,187	45,468	260,187	18,942	244	15	904,281	232,385	
Add: finance costs	7,306	11,528	37,659	42,637	8,616	4,087	42,478	665	14,937	2,610	72,769	5,188	72,769	-	98	100	189,051	61,627	
Gain on acquisition of subsidiaries	-	-	(319)	-	(225)	-	-	-	(8,264)	(4,745)	-	-	-	-	-	-	(8,808)	(4,745)	
Gain on disposal of subsidiaries	-	-	28,795	-	-	-	(6,411)	-	8,658	-	-	-	-	-	-	-	43,854	-	
Loss on partial disposal of an associate	-	-	(37,659)	(42,637)	(8,616)	(4,087)	(42,478)	(665)	(14,937)	(2,610)	(72,769)	(5,188)	(72,769)	-	(98)	(100)	(189,051)	(61,627)	
Add: income tax	-	-	-	-	-	-	(8,529)	-	(228)	(379)	(3,863)	-	(3,863)	-	-	-	(12,620)	(379)	
EBITDA	170,221	142,533	367,774	166,823	227,379	120,150	1,397,507	274,817	859,733	140,035	3,037,619	6,663,481	3,037,619	995,436	(93,068)	60,381	12,630,646	3,304,261	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
1,282,089	1,093,440	28,908,039	4,218,050	4,780,254	822,715	14,170,423	1,609,706	1,874,202	1,409,100	24,830,337	3,193,932	10,421,721	2,713,083	113,721	88,980,148	14,012,280	595,302	471,565	
Segment assets	Segment liabilities	595,302	471,565	8,998,009	2,578,946	7,916,263	579,305	493,292	573,707	8,759,287	1,153,266	5,648,614	564,521	28,047	32,948,122	6,190,347	595,302	471,565	

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41 FINANCIAL RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total debt and capital. Net debt is calculated as borrowings, lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and short term deposits. Total capital is calculated as 'equity attributable to owners of the Company' as shown in the statement of financial position plus net debt.

	2021 AED '000	2020 AED '000
Borrowings	8,456,561	926,159
Lease liabilities	994,535	88,509
Loan from related parties	1,007,072	-
Trade and other payables	14,415,763	2,822,012
Contract liabilities	2,846,415	1,213,245
Due to related parties	2,174,091	781,755
Cash and bank balances	(20,246,582)	(3,665,334)
Net debt	9,647,855	2,166,346
Equity attributable to owners of the Company	27,093,661	7,468,847
Net debt and equity (capital)	36,741,516	9,635,193
Debt/equity ratio	0.26	0.22

Financial instruments risk management objectives and policies

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and cash flow risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Company establishes and oversees the Company's risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities' levels.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

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41 FINANCIAL RISK MANAGEMENT continued

Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

Foreign exchange risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group's net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group's monetary assets and liabilities in major foreign currencies at the reporting date are as follows:

	Assets 2021 AED '000	Liabilities 2021 AED '000	Net Exposure 2021 AED '000	Assets 2020 AED '000	Liabilities 2020 AED '000	Net Exposure 2020 AED '000
Egyptian Pound ('EGP')	1,560,260	645,778	914,482	-	-	-
Euro ('Eur')	15,898	73,374	(57,476)	-	-	-
Great Britain Pound ('GBP')	511,320	3,939	507,381	-	-	-
Moroccan Dirham ('MD')	432,665	32,371	400,294	-	-	-
Others	945,790	465,805	479,985	-	-	-

Foreign currency sensitivity analysis

The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP and MD. The following table demonstrates the sensitivity of AED on the Group's profit and equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on Equity 2021 AED '000	Effect on Equity 2020 AED '000
Egyptian Pound ('EGP')	45,724	-
Euro ('Eur')	(2,874)	-
Great Britain Pound ('GBP')	25,369	-
Moroccan Dirham ('MD')	20,015	-
Others	23,999	-

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41 FINANCIAL RISK MANAGEMENT CONTINUED

Market risk management continued

Price risk

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 3,033,225 (2020: AED 303,500 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2021 AED '000	2020 AED '000
Impact on the Group's profit for the year (increase/decrease)	96,017	3,429
Impact on the Group's other comprehensive income for the year (increase/decrease)	55,645	11,746

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2021, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 64,958 thousand (2020: AED 10,884 thousand).

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

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41 FINANCIAL RISK MANAGEMENT continued

Market risk management

Interest rate swap contracts continued

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months USD LIBOR rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The following table details the notional and fair value amounts of the interest rate swap contracts as at the end of the reporting year (2020: nil):

	Notional Amount AED '000	Liabilities	
		Fair value USD '000	Fair value AED '000
2021			
Instrument I: outstanding receive floating (USD LIBOR 3M), pay fixed (0.8%)	686,758	1,535	5,639
Instrument II: outstanding receive floating (AED EIBOR 3M), pay fixed (4.27%)	553,605	-	39,925

Credit risk management

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets.

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41 FINANCIAL RISK MANAGEMENT continued

Liquidity risk management continued

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<i>On demand AED'000</i>	<i>Less than 3 months AED'000</i>	<i>3 to 12 months AED'000</i>	<i>1 to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>Total AED'000</i>
At 31 December 2021						
Borrowings	363,124	444,045	915,457	5,578,441	1,778,211	9,079,278
Lease liabilities	323	33,925	76,140	359,479	988,701	1,458,568
Due to related parties	723,356	1,036,683	381,089	34,302	-	2,175,430
Loan from related parties	-	-	1,007,072	-	-	1,007,072
Derivative financial instruments	-	26,005	-	19,559	-	45,564
Trade and other payables	-	9,430,152	208,282	40,560	-	9,678,994
Total	1,086,803	10,970,810	2,588,040	6,032,341	2,766,912	23,444,906
At 31 December 2020						
Borrowings	-	4,561	195,682	453,903	424,198	1,078,344
Lease liabilities	-	-	15,950	58,900	45,459	120,309
Due to related parties	162,620	213,635	280,418	130,889	-	787,562
Trade and other payables	19,681	1,257,617	480,180	155,670	-	1,913,148
Total	182,301	1,475,813	972,230	799,362	469,657	3,899,363

42 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 1,451,522 was declared in 2021 (2020: nil).

43 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

44 SUBSEQUENT EVENTS

Subsequent to year end, the Group acquired following entities:

- (i) Ras Al Khaimah Cement Investment Company PJSC (RAKCIC) - 51.5%. RAKCIC is involved in clinkers and hydraulic cement manufacturing and wholesale of cement products.
- (ii) Arena Events Group PLC (ARENA) - 70% equity interest. ARENA is a leader in events structuring and management, with a global presence extends to the Middle East, Asia, Europe, Unites States and United Kingdom.
- (iii) Abu Dhabi Vegetable Oil Co. LLC (ADVOC) - 75% equity interest. ADVOC main activities are into production of edible oil products.
- (iv) WIO Holding Restricted Limited (WIO) - 51% equity interest. WIO will launch WIO Digital Bank which will be establish digital banking platform within the region.
- (v) W Solar Investment LLC (W Solar) - 75% equity interest. W Solar is involved in installation, management and maintenance of solar projects.

Notes To The Consolidated Financial Statements

31 December 2021

44 SUBSEQUENT EVENTS continued

Furthermore, subsequent to the year end, the Group entered into the following transactions:

- (i) Investment of AED 1 billion in Abu Dhabi Chemicals Derivatives Company RSC Ltd. (TA'ZIZ)
- (ii) Investment of AED 1 billion in OCI Clean Fuels Limited

Moreover, Alpha Dhabi Holding PJSC (a subsidiary) announced that certain entities including their subsidiaries (if any) will be merged into the Group to expand the Group's medical business. These subsidiaries includes:

- (i) Abu Dhabi Health Services Company PJSC (SEHA)
- (ii) National Health Insurance Company PJSC (Daman)
- (iii) Yas Clinic Group
- (iv) Abu Dhabi Stem Cells Center
- (v) The Life Corner LLC

5.0 ESG Report



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5.1 ESG Report at IHC

a. About

This section documents IHC’s sustainability performance, commitments, and strategic objectives in Environmental, Social and Governance practices from 1 January 2021 to 31 December 2021 with the objective of integrating ESG best practices across our verticals and subsidiaries.

Here, IHC addresses ESG performance across its verticals of; Food, Utilities, Health, Real Estate and Capital, as encompassed by the activities of the following subsidiary companies:



There follows details of efforts to support international and national standards, visions and objectives, including Global Reporting Initiative (GRI) Standards, United Nations Sustainable Development Goals (SDGs), Abu Dhabi Stock Exchange (ADX) ESG Guidance and the United Arab Emirates (UAE) Vision 2021.

IHC welcomes any feedback or inquiries related to this report on any of the following channels:



b. Embedding Sustainability in our Strategy

IHC continues to safeguard the interests of its shareholders, intensifying efforts and executing strategies to enhance corporate value. Despite significant global headwinds resulting from the COVID-19 outbreak, the company continued to deliver high shareholder value in 2020 and 2021.

During 2021, we embedded our purpose, values and ambition into our strategies and continued our pursuit of sustained long-term corporate growth. We focused intently on achieving our sustainable development goals and contributing to the growth of the UAE’s economy.

The Abu Dhabi Economic Vision 2030 presents a long-term plan for the diversification of the Emirate’s economy, reducing dependence on oil and gas exports in preference of a knowledge-based economy. The Abu Dhabi Vision 2030 aims to achieve some of the following goals:

- The further development of premium education, healthcare and infrastructure assets;
- The growth of a larger, more diversified private sector
- The optimisation of Abu Dhabi’s resources;
- The development of a sustainable knowledge-based economy.

IHC aligns with these objectives by pursuing growth in eight different vertical markets, namely, real estate, digital, utilities, industries, food, capital, health, and education.

Our underlying objective is to improve the health and well-being of every community we touch by means of our

expansion in these fields. We actively aspire to contribute to forging a community and a world where equality and inclusion are afforded to all, by fostering an inclusive and welcoming corporate culture, and leveraging our influence to promote equality.

In February, IHC entered a new vertical market, focusing on investments in the education sector, thereby supporting the UAE government’s development of a high-quality education system. Similarly, our investments in various entities in the food and beverage industry are aimed at supporting the UAE government’s food security programme.

Our healthcare subsidiaries have demonstrated stellar performance in recent years, especially demonstrated by their support of the UAE government’s response to the COVID-19 pandemic; innovating to safeguard the citizens, supporting local and federal government bodies, delivering field hospitals and mobilising teams to overcome a variety of challenges.

ESG factors have become essential to our competitiveness and ability to generate long-term value for stakeholders. Our investment strategy is to further embed ESG-related factors into our investment, acquisition analysis and decision-making processes. We will achieve this by adding an ESG lens to the acquisition process in the screening and due diligence phase. Additionally, we will ensure that our subsidiaries monitor, measure and report their ESG metrics to reduce the impact of their operations and help meet global environmental sustainability goals.



c. Our Stakeholders

As a leading strategic investment holding company in a variety of sectors in the Middle East, we are accountable to a diverse group of stakeholders, including our subsidiaries, employees, partners, shareholders, investors, government regulators, customers and communities. Each of these stakeholders has a specific set of interests and expectations with regards to our business. For this reason, we have several channels of engagements through which to obtain feedback from our stakeholders. Their

involvement directs our approach to sustainability and the issues on which we focus.

At IHC, we actively engage with our stakeholders to identify and understand their priorities and requirement and address potential sustainability risks and opportunities. The diagram below illustrates our key stakeholder groups.

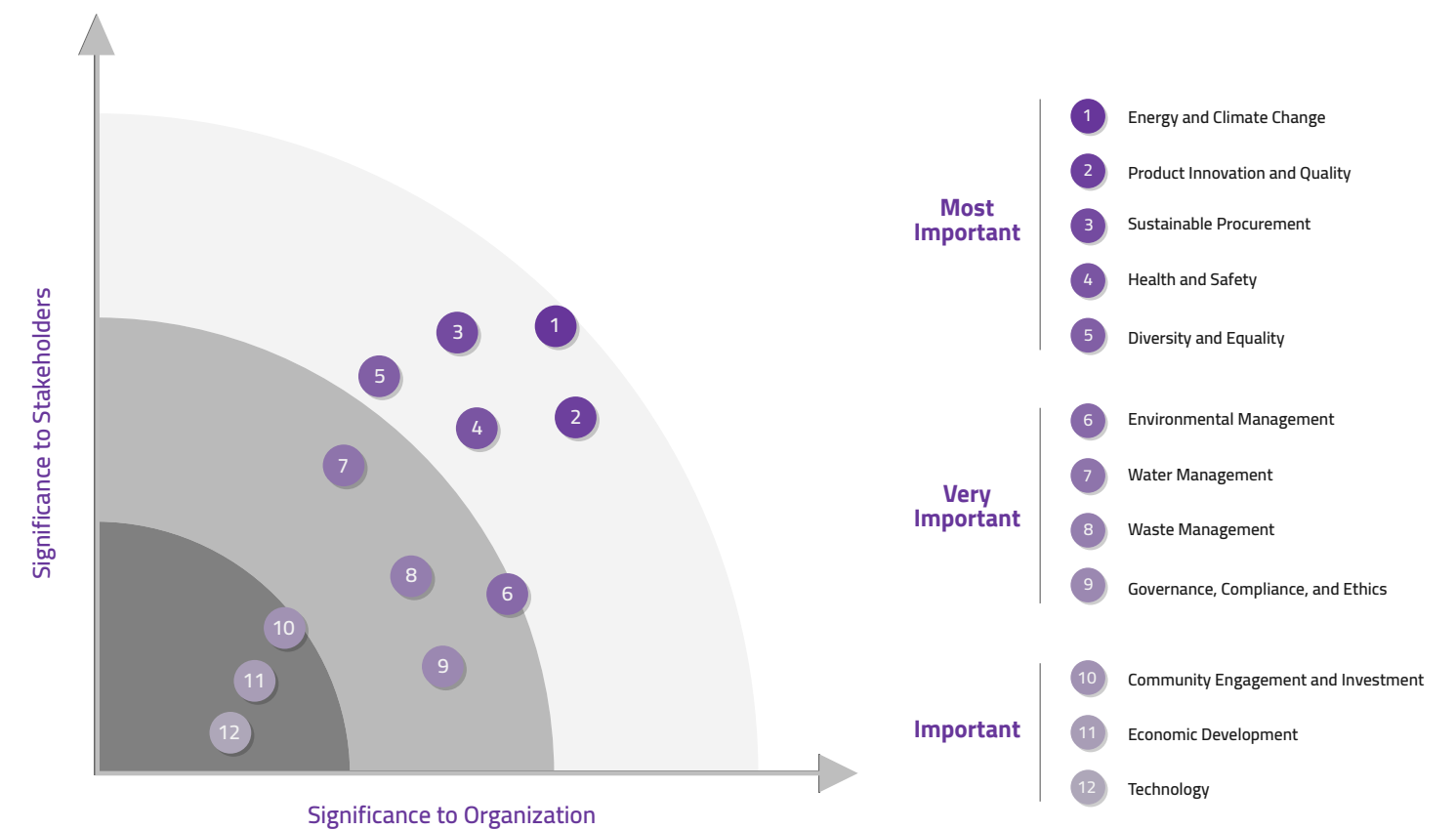


d. Our Materiality Assessment

We continually seek to identify and manage existing and emerging global and regional matters that pose risks or present opportunities to our businesses and key stakeholders. Following last year’s comprehensive materiality analysis (see Annual Report 2020), we assessed topics in terms of business relevance as well as their impact on the economy, society and the environment. We also identified 12 material issues which, if improperly managed, could have a material impact on us and our

subsidiaries. In developing this year’s ESG report, the material topics were revised and clarified based on the year’s business climate.

The materiality analysis was performed by the sustainability team and approved by executive management. It assessed six of our largest vertical markets and its results helped us make further contributions to the achievement of UAE Vision 2021.



e. Our Sustainability Framework

Our sustainability framework covers 12 material topics and is intended to close gaps and build on existing strengths. The framework is built on four pillars that align with IHC’s corporate mission and values. Each pillar encompasses activities relating to current and future projects that embody our commitment to reducing our environmental footprint and delivering value to all stakeholders.



5.2 Environment

a. Environmental Management

IHC recognises the importance of environmental management and the need to minimise emissions while enhancing economic growth across all our operations and activities. As a key player in the UAE economy, IHC plays an important role in supporting the country's efforts to address climate change while meeting shareholder expectations.

There have been no incidents of non-compliance with environmental laws and regulations in any of the vertical markets included in this report.

Verticals certified with ISO 14001: 2015 Environmental Management Systems

Al Ajban

Al Ajban proactively follows and implements its own Occupational Health, Safety and Environmental Policy throughout its operations. It is committed to minimizing the environmental impact of its operations and focuses on environmental protection, resource conservation and pollution prevention. Its policy is fully aligned with the Abu Dhabi Environment, Health and Safety Policy, and is applicable to all its employees.

Asmak

ASMAK is committed to implementing and upholding its Health, Safety and Environment (HSE) Policy, developed in accordance with ISO 45001. The company minimises its environmental footprint by implementing pollution prevention practices. To guarantee the continual improvement of its occupational health and safety management system, ASMAK periodically reviews it to ensure that it stays 'fit for purpose' and is strictly followed across the organisation.

Central Tents

Although it has no environmental policy of its own, Central Tents is devoted to consuming as little water as possible and to minimising its generation of waste.

Pal Cooling Holding (PCH)

PCH continuously strives for professional excellence in the district cooling (DC) sector by seizing every opportunity to improve its business practices and sustainability record as it aims to become the market leader in the region. Through its subsidiaries, the company works to improve efficiency in the district cooling business by means of an HSE policy and management system that are both thoroughly ingrained in the company's operations.

PCH maintains high health and safety standards, protects the environment and conserves valuable materials and natural resources. PCH defines and implements policies and procedures related to water and waste recycling, to reduce resource demand and waste generation.

Alpha Dhabi Holding (ADH)

ADH's priority is to operate all business verticals in a responsible manner and reduce its environmental impact by creating sustainable workplaces, managing waste, reducing water and energy consumption, protecting biodiversity, and more. Each of ADH's subsidiaries have established robust environmental policies, procedures and management systems dependent on their activities. Regular audits and continuous monitoring, measuring and reporting of environmental impacts, are essential tools to ensure compliance and achieve improvements.

All entities in the ADH group have introduced initiatives to shift to paperless working.

Tamouh Healthcare and RR Facility Management

Tamouh works in cooperation with RR Facility Management (RRFM) on shared environmental management systems and policies. The systems are based on the management of natural resources, pollution and waste. All of Tamouh and RRFM's operations follow local and national regulations set out by the Abu Dhabi Waste Management Centre (Tadweer) and the Abu Dhabi Occupational Safety and Health Centre (OSHAD), as well as other international standards, to reduce environmental impact, use natural resources efficiently, minimise waste generation and recycle. RRFM's environmental management system is split into three categories: management of natural resources, management of pollution, and waste management. The management system applies to all facilities, employees and subcontractors operating onsite.



b. Energy and Climate Change

IHC has finely tuned its commitment to the planet’s welfare by embracing a sense of responsibility to the environment that runs deeper than simply meeting laws and regulations.

Given the energy-intensive nature of several of our vertical markets, efficient energy management is crucial to maintaining a sustainable business that delivers profitable returns by reducing production costs and overheads while minimising the impact of its operations

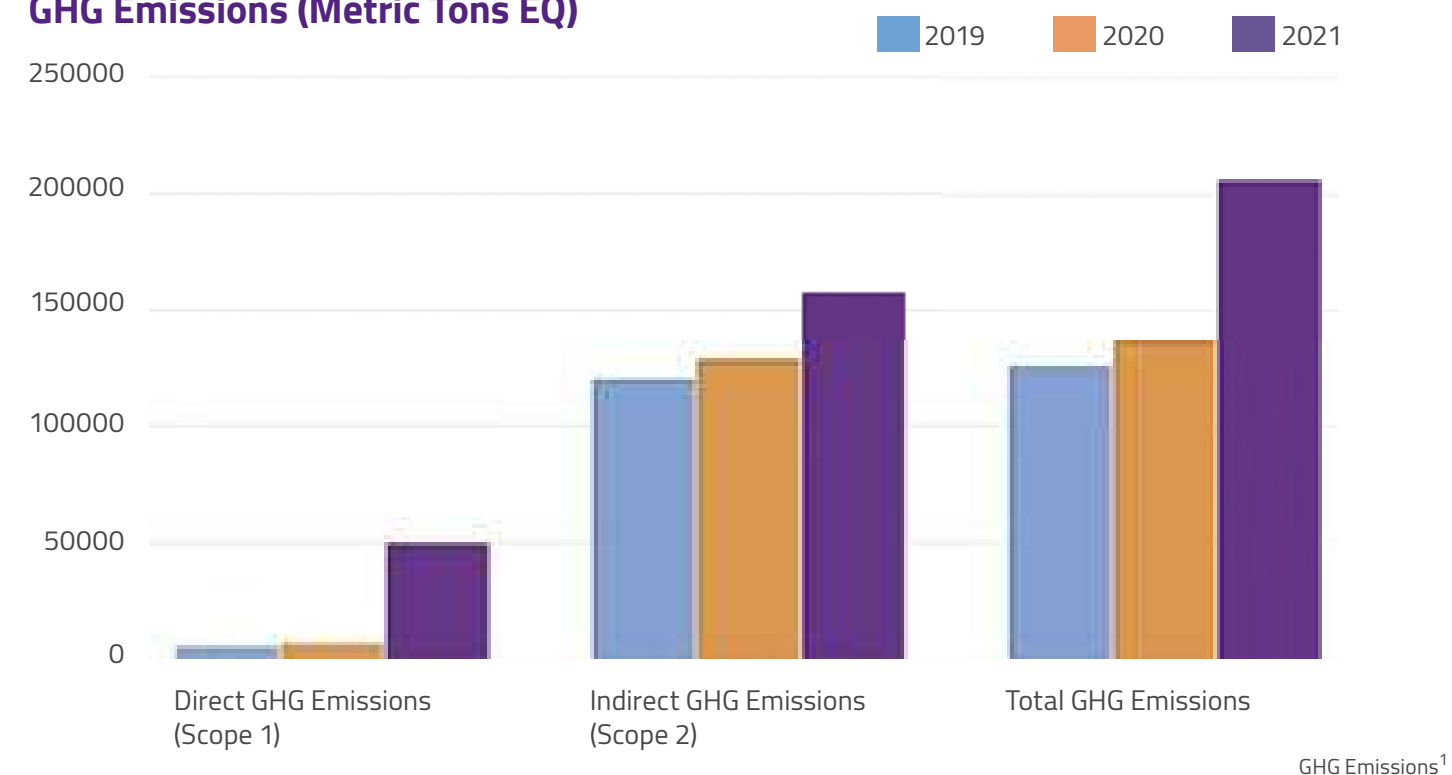
on the environment. Together with our subsidiaries, we strive to consume energy responsibly and help reduce greenhouse gas (GHG) emissions.

PAL Cooling and ASMAK have installed solar photovoltaic (PV) systems on their premises to reduce reliance on grid-supplied electricity, which is mostly generated by the burning of fossil fuels. The solar PV solutions enable ASMAK and PAL Cooling to generate and use zero carbon electricity for their operations.

Energy Consumption	2019	2020	2021
Direct energy consumption			
Petrol consumption from operations and vehicles (Litres) (ADX #E3)	215,406 ASMAK, Al Ajban, Central Tents	672,868 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH	2,955,685 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM, ADH
Diesel consumption from operations and vehicles (Litres) (ADX #E3)	2,093,623 ASMAK, Al Ajban	2,258,604 ASMAK, Al Ajban	16,443,483 ASMAK, Al Ajban, ADH
Total direct energy consumption (Gigajoules)	86,925 ASMAK, Al Ajban, Central Tents	108,839 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH	725,937 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM, ADH
Indirect energy consumption			
Electricity consumption – office, storage, facilities, etc. (kWh) (ADX #E3)	192,334,601 ASMAK, Al Ajban, PCH	206,570,822 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM	32,443,701 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM, ADH
Renewable energy consumption – office, storage, facilities, etc. (kWh) (ADX #E3)	0	43,800 ASMAK	323,000 ASMAK, PCH
Emissions			
GHG intensity (metric tons CO2 equivalent per employee)	158 ASMAK, Al Ajban, Central Tents, PCH	113 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM	9 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM, ADH

Over the years, energy consumption within our vertical markets has naturally increased in tandem with the expansion of our business activities, resulting in greater GHG emissions. The GHG intensity indicator demonstrates our emissions per employee and shows our direct and indirect energy consumption. In mitigation of this, 2021 saw emission intensity calculated to be nine metric tonnes of CO2 equivalent, a 92% reduction on the previous year’s value.

GHG Emissions (Metric Tons EQ)



Tamouh Healthcare and RRFM

Tamouh and RRFM operate at government facilities and do not have access to energy consumption data. Despite this, the companies are developing recording systems to measure and monitor energy consumption, data which will be used to create energy conservation plans. As of now, these plans include the installation of energy-efficient equipment and fixtures, inspecting and maintaining all electrical equipment, educating all stakeholders about the responsible use of electricity, and retrofitting air conditioning (AC) units with non-ozone depleting refrigerants.

Asmak

In line with its commitment to minimise its environmental footprint, ASMAK invested AED 2.45 million to install a 1,205 kWp solar plant on site. The plant became operational on 20th October 2021, and its annual generation capacity is 1,950,000 kWh, which is expected to offset 1,563,765 tonnes of carbon dioxide (CO2) emissions.

Al Ajban

Al Ajban is pursuing a series of strategic initiatives to reduce the energy consumption of its operations. These include use of low energy LED bulbs at its farms and offices and encouraging staff to reduce their energy consumption.

¹Data includes ASMAK, Al Ajban, and PCH for 2019; ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM for 2020; and ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, RRFM, ADH for 2021. Refer to Energy Consumption table for details on data included in the GHG Emissions graph.

Central Tents

While Central Tents does not have a policy defining its commitments to energy conservation, a target has been set for the installation and deployment of a renewable energy plant expected to generate 15,000 kWh a year.

PCH

PCH's yearly average electrical efficiencies at all its DC plants have bettered the key performance indicator (KPI) set by Abu Dhabi's Department of Energy (DoE). In addition, its DC plants have a reliability of 99.9%, again surpassing the 99.5% KPI set by the DoE.

The company has taken steps to optimise service reliability and operational efficiency that ultimately leads to lower energy consumption and emissions. These include liaising with chiller manufacturers to ensure that all chillers are used in the most efficient way possible, operating additional cooling towers with lower fan speeds and working with customers to identify optimal water temperatures.

In order to further enhance operational sustainability, PCH has deployed a 50 kWp roof-mounted solar PV plant at one of its DC facilities, reducing demand for grid-supplied electricity. Further to this, PCH has invested in the development of a 100 kWh, state-of-the-art, super capacitor-based Battery Energy Storage System (BESS), as a pilot project to support the potentially intermittent supply from the PV plant. The aim of this project is to study how the BESS can efficiently store energy generated by the PV plant during the daytime and use it during the night. The study will provide insight into the reliability of this type of renewable energy system.

The district cooling system has more than halved CO2 emissions compared with conventional cooling, as greater energy efficiency translates to lower emissions. In efforts to reduce emissions further, new PCH DC plants in both the design and construction stages will deploy HFO (HydroFluoroOlefin) refrigerants (R-1233zd and R-514A). These have zero ozone depletion potential (ODP) and ultra-low global warming potential (GWP), meaning that they have the least possible impact on global warming.

ADH

ADH has a duty to support the UAE's net-zero ambitions and accelerate the transition to an affordable, reliable, and sustainable energy system. Investment in renewable and clean energy technologies and infrastructure is a key part of the company's mission and vision. One example of such investment is the company's partnership with Abu Dhabi Development Holding Company (ADQ) to invest USD 375 million in Netherlands-based OCI N.V. to develop methanol as a clean hydrogen-based fuel. The UAE companies have taken a 15% stake in OCI Methanol Group, which will be incorporated in Abu Dhabi. In addition to other applications, the methanol produced by the new venture will be used to de-carbonise the shipping industry.

ADH has made it a strategic priority to manage and reduce the group's GHG emissions, as well as those of its value chain. Some of its subsidiaries, namely Trojan Holding and National Marine Dredging Company (NMDC), compute their own emissions, so ADH has consolidated their data to ensure the same methodology is consistently applied across the group. This will help track future progress. ADH's emissions in 2021, the year the group was established, have been set as the baseline amount with which future emissions are to be compared.

c. Water Management

IHC aims to reduce consumption of water, increase the efficiency of its use, and ensure that waterways remain clean by treating operational wastewater.

We are devoted to developing and deploying sustainable water consumption solutions that minimise our impact on the environment while continuing to deliver high levels of quality in the products and services we provide. In our district cooling (DC) business, water is the primary asset. PCH has pursued research and development initiatives to boost productivity and improve the water

and energy efficiency of its district cooling plant designs to mitigate how our yearly water consumption has increased over the years due to the growth of our businesses. As a testament to their commitment to safeguarding natural resources, our subsidiaries ASMAK and Al Ajban, two water-intensive businesses, have continued to reuse wastewater to reduce water consumption. The amount of wastewater re-used has increased steadily year by year, in proportion with the growth of ASMAK, Al Ajban, and PCH.

Water Management	2019	2020	2021
Total water consumption (m3)	176,238 ASMAK, Al Ajban, PCH	262,297 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH	278,997 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, ADH
Water consumption intensity (m3/employee) (ADX #E6)	2,166 ASMAK, Al Ajban, PCH	1,482 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH	193 ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, ADH
Total volume of wastewater generated (m3)	176,238 Al Ajban, PCH	262,297 ASMAK, Al Ajban, RRFM, PCH	278,997 ASMAK, Al Ajban, RRFM, PCH
Total volume of wastewater reused (m3)	39,600 Al Ajban	56,011 ASMAK, Al Ajban	59,200 ASMAK, Al Ajban

Tamouh Healthcare and RRFM

Tamouh and RRFM work to minimise water consumption and are mindful of preserving water for future generations. As mentioned previously, Tamouh operates a government facility which means water consumption data is not directly available to them, nevertheless, they remain committed to water conservation. RRFM operates in compliance with environmental policies and its operation management system manual for facilities management.

The company has implemented a series of processes and monitoring systems to improve water conservation. These include establishing water conservation analysis (to evaluate conservation ideas, methods and equipment), educating employees, subcontractors and visitors on the importance of water conservation, and designing their watering systems for maximum efficiency.

Al Ajban

Al Ajban's commitment to using natural resources efficiently includes initiatives to reduce water usage and recycle used water. It operates a water treatment plant with a capacity of 1,200 m3/day, or 10 m3/hour. The wastewater from the company's abattoir is treated at the processing plant so it can then be used for agricultural irrigation. In 2021, Al Ajban recycled 100% of the wastewater generated from its operations.

ASMAK

In line with its Environment, Health and Safety Policy, ASMAK works to reduce water consumption by recycling wastewater. ASMAK installed a wastewater treatment plant which provides treated water for refrigeration, lavatories and irrigation. The company is committed to further minimising water consumption in all future endeavours.

Central Tents

Although Central Tents has no water management policy of its own, the company fosters a culture of mindfulness when it comes to day to day water usage.

PCH

As a supplier of chilled water in Abu Dhabi to residential, commercial and industrial customers for use in air conditioning systems, water is a vital component of PCH's operations and the company is committed to its conservation. PCH measures water consumption and water quality to meet compliance obligations, support process optimisation and enhance environmental performance.

PCH operates with an environmental permit obtained yearly from the local authority, the Environment Agency - Abu Dhabi (EAD), which ensures that its cooling tower blowdown water meets authority standards and regulations. There have been zero incidents of non-compliance with environmental laws and regulations.

To optimise water and energy consumption, PCH has increased the cycles of concentration (CoC) of its open-loop condenser water systems by monitoring the conductivity of water sourced from Abu Dhabi Distribution Company (ADDC) and adjusting the blowdown conductivity set point accordingly. This results in a lower makeup water requirement. Overall water efficiency has increased in all five district cooling plants since 2019.

PCH also collects condensate water from the heating, ventilation and air conditioning (HVAC) systems of Marina Square buildings, in Abu Dhabi. The recovered water is transferred to one of the district cooling plants in Tamouh Development where it is used as cooling tower makeup water. In 2021, the total condensate water recovered amounted to 27,284 m3. The condensate water reduces the need to use potable water as cooling tower makeup water.

PCH has also installed a skid-mounted reverse osmosis (RO) plant at one of its district cooling sites for experimental purposes. The objective of the RO plant is to recover water from the cooling tower to increase efficiency and achieve cost savings. The RO plant has been designed to achieve 50% water recovery, and its maximum permeate production is 57,600 gallons per day.

The yearly average water-energy efficiency of all PCH's district cooling plants was 1.817 USG/TRH (6.87 Lit/TRH) in 2021, which exceeded the KPI of 2.16 USG/TRH (8.19 Lit/TRH) set by the DoE.

In the future, PCH plans to treat cooling tower blowdown water for reuse, and introduce renewable energy plants at its sites.

ADH

Trojan Holding, National Projects & Construction (NPC) and Trojan General Contracting (TGC) all aim to reduce water consumption to 2.6 m3 per person per month. They aim to achieve this by raising awareness about water consumption reduction among workers at labour camps, deploying water recycling plants at labour camps to produce 30 litres of grey water per day/per labourer, and having separate water tanks for construction purposes and labourer usage to manage water consumption more efficiently.

Furthermore, Barari Natural Resources harnesses state-of-the-art technology to conserve and manage forests and wildlife in Abu Dhabi. Barari's research department focuses on making advances in areas such as irrigation technology, water management, aquaculture, alternative energy and water recycling, while also collaborating with internationally recognised tertiary and R&D institutions. Ensuring the responsible use of irrigation water is a key part of the company's environmental conservation efforts in their management of 40 forests and reserves, home to 12 million trees. Barari also grows native shrubs and trees at its nurseries to support the Abu Dhabi government's efforts to improve water efficiency in parks, gardens and recreational areas.

d. Waste Management

IHC is conscious of the importance of minimising waste generation and avoiding the sending of waste to landfill sites. As such, all subsidiaries share the company's commitment to implementing and abiding by processes and systems that reduce waste generation and contribute to a circular economy.

Waste is inevitably generated by our subsidiaries due to the nature of their work, however the majority of them work with third-party waste-management companies to treat waste and recycle materials when and where possible.

Given the nature of its work in treating COVID-19 patients, Tamouh generates hazardous waste that is disposed of appropriately. The group's overall waste figures have increased over the years due to the expansion of their business.

ASMAK's plastic recycling produced a total of 221 tonnes of recycled material in 2021. As a result, ASMAK was able to sell AED 75,871 worth of recycled paper in 2021, an increase of almost 50% on the amount it sold in 2020.

Waste Generation and Recycling	2019	2020	2021
Total non-hazardous waste generated (m3)	45 PCH	4,938 APEX National Catering, PCH, Tamouh	9,220 Tamouh
Total hazardous waste generated (m3)	2 Tamouh	15,682 Tamouh	29,792 Tamouh
Waste recycled (metric tons)	0	193 APEX National Catering	1,380 ASMAK, APEX National Catering

IHC's commitment to investing in sustainable business is affirmed by the company's latest endeavour, **Rebound Ltd**, established to create an innovative solution to reduce the world's plastic pollution, one of the most complex environmental challenges. This new subsidiary is set to launch the Rebound Plastic Exchange in mid-2022, a global quality assured trading platform for plastic feedstock that enables buyers and sellers to efficiently trade recycled plastic. The platform aims to increase the efficiency of recycling plastics at scale, provide new economic opportunities and reduce the impact of plastic pollution on our planet, creating a global business opportunity valued at AED 56 billion.

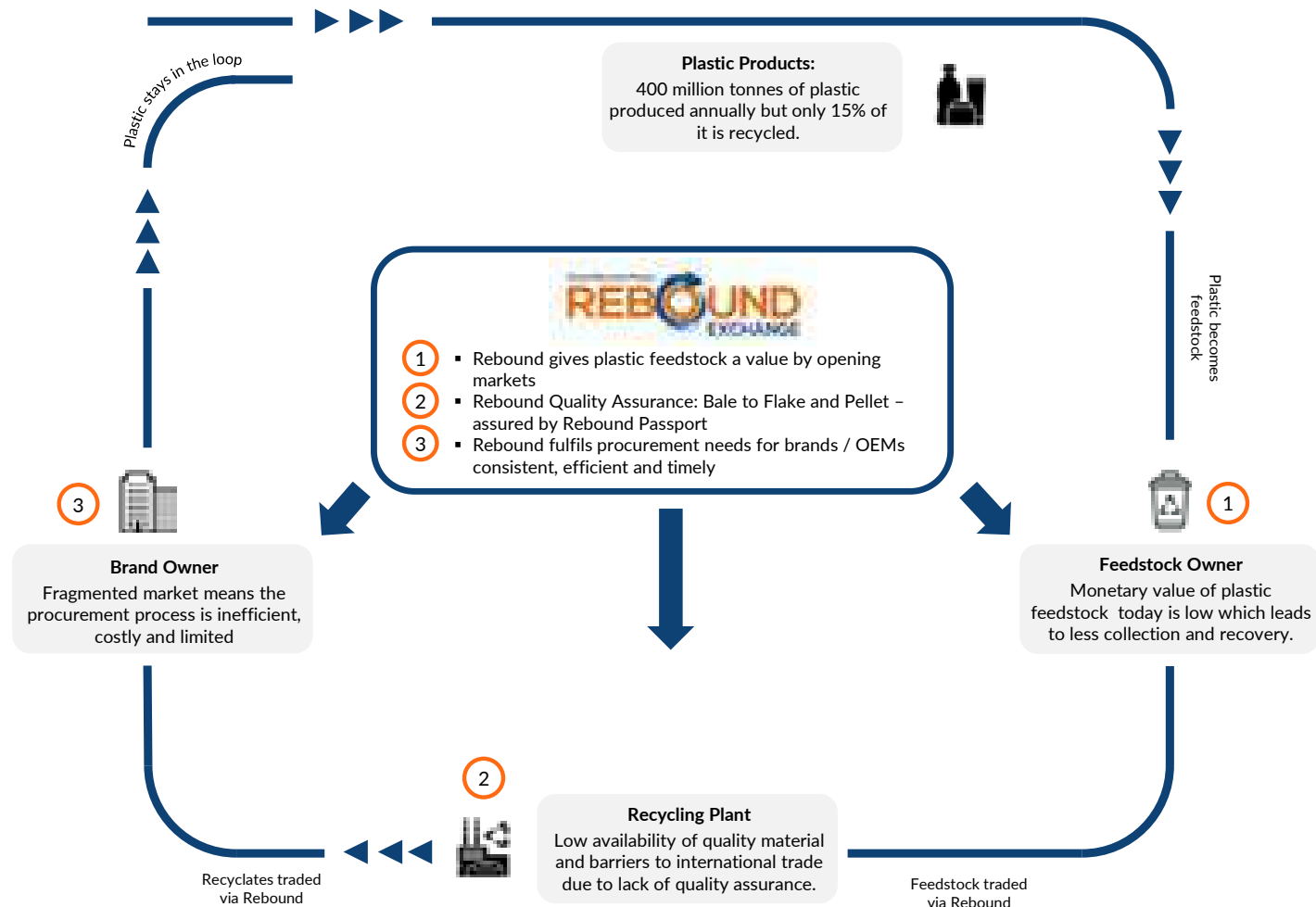
IHC has invested in the Rebound Exchange platform to support the creation of a globally accessible centralised exchange platform for recycled plastics to professionalise, secure, facilitate and scale-up the trade of recycled plastic, uniting buyers with suppliers across borders.

Because of the world's growing plastic waste production, and the high demand for recycled plastic, the Rebound Exchange platform is an immediate opportunity to:

- Address the lack of approved quality standards for recycled plastic;
- Provide a simple and transparent route for sourcing recycled plastic;
- Increase liquidity in the recycling market and encourage growth in supply;
- Increase price transparency in the market which in turn helps to reduce investment risk in recycling infrastructure.

Rebound Plastics Exchange will engage various stakeholders to ensure trust and security and create value for the economy and society.





Tamouh Healthcare and RRFM

In cooperation with RRFM, Tamouh focuses on reducing waste, preventing pollution and applying practicable methods to eliminate and substitute waste-generating elements in its operations. Where these options are not applicable, Medi Q, in cooperation with RRFM, applies the '4Rs' rule set by Tadweer: Reduce, Reuse, Recycle, and Recovery. RRFM conducts campaigns to increase employee awareness around the importance of minimising waste by reusing and recycling non-infected products.

In 2021, the waste generated by RRFM facilities was double that of the previous year due to an increase in the number of facilities they operate.

Waste from Tamouh's operations is sorted and sent on to its destination based on the waste stream and its characteristics. To make it easier for waste to be segregated, Tamouh, in cooperation with RRFM, appoints

competent subcontractors and sets up colour-coded bins based on waste type. All waste generated is segregated by the subcontractors and placed in the appropriate bins to be collected or sent off for incineration.

Most of the waste produced by Tamouh and RRFM is solid non-hazardous waste. All such waste is recycled, and any hazardous and medical waste is disposed of in compliance with local environmental and waste regulations. Tamouh engages with the Abu Dhabi Sewerage Services Company (ADSSC) or other approved wastewater collection companies, to remove liquid waste such as sewage water.

Al Ajban

In line with its environmental policy, Al Ajban uses biodegradable bags and paper cartons to package its products, as well environmentally friendly food grade chemicals and oils for cleaning, sanitising and lubricating machines at farms and factories. In addition, Al Ajban has developed a new module for selling bagless chicken in plastic crates to minimise the use of plastic poly bags and disposable plastic trays.

The company encourages open lines of communication with its suppliers to optimise resource efficiency and minimise waste generation. In particular, Al Ajban engages with its packaging suppliers to ensure that packaging materials can be recycled and repurposed at their facilities.

ASMAK

ASMAK has implemented industry best practices to optimise its production process. In doing so, it has increased product yield and minimised waste generation. ASMAK uses eco-friendly Styrofoam boxes for product packaging and has also installed a polystyrene compactor on its premises that allows it to recycle up to nine tonnes of polystyrene per month.

ASMAK has an agreement with a company that recycles cardboard, cartons and polystyrene for reuse in its operations and product packaging. ASMAK diverted 240.9 tonnes of cardboard, cartons and polystyrene material from landfills in 2021. This resulted in pollution reductions equivalent to 714.69 million tonnes of CO2 and energy savings of 44,114.41 million BTUs (British Thermal Units). Furthermore, ASMAK generated a total of 221 tonnes of recycled plastic material in 2021. As a result of its recycling operations, the company sold AED 75,871 worth of recycled paper, an increase of almost 50% on 2020's sales.

ASMAK's waste by-products mainly consist of organic material in the form of fish carcasses. A portion of this waste is sent to vendors that use it as feed, while the rest is sent to the local municipality for further recycling. Through these processes, ASMAK makes contributions to a circular economy by minimising the losses in the value chain. No hazardous materials are generated on site by ASMAK's operations.

APEX National Catering

APEX National Catering is committed to reducing, managing, storing, transporting, and disposing of waste materials generated from its operations in an environmentally friendly manner. APEX National Catering has an extensive policy (ref ANC/IMS/PR49) that aims to minimise food and general waste generated by its kitchens. The company uses a third-party waste management company to collect all cooking oil and cardboard waste for processing and recycling.

PCH

PAL Cooling has a dedicated waste management plan for the disposal of its waste materials in accordance with local regulations. The waste management plan covers all types of waste that could be harmful to people, the environment and biodiversity. Procedures have been developed for the collection and disposal of waste generated at PCH sites and waste management is always considered at the conceptual stage of any new business activity. The waste management plan is a comprehensive one, covering everything from identification and categorisation to the collection, transport and disposal of waste material. PCH ensures that staff are aware of its policy for reducing the production of waste by providing regular training.

ADH

ADH's NPC and TGC have made it a priority to produce as little waste as possible at building sites. Any waste that is produced is assessed for its recycling potential. Tadweer offers an advanced system that allows companies to efficiently monitor and track the type and quantity of waste being produced at any given time. Waste segregation is carried out manually by trained employees at source. Concrete is the main type of waste generated, in addition to wood and paper. The concrete is sent to a recycling facility where it is crushed and reused in the production of asphalt or new concrete. NPC and TGC aim to recycle at least 82% of the waste that their companies produce.

5.3 Social

Our people provide the knowledge, skills and dedication that form the foundation of our success. Our ambition is to provide the best working environments and the resources to enhance their skills and attract and retain talent from all over the world who share our values. By promoting equality of opportunity within IHC, we offer our

employees a safe, healthy and inclusive work environment and encourage a culture of transparent communication. We are committed to continuing our efforts to support the communities in which we operate by reducing inequality, supporting initiatives in Emiratisation and contributing to the social development of local communities.

Material Issues Covered	Health and Safety Diversity and Equality Community Engagement and Investment			
UAE Vision Pillars	Competitive Knowledge Economy 	Cohesive Society and Preserved Identity 		
Sustainable Development Goals	Good Health & Wellbeing 	Gender Equality 	Decent Work & Economic Growth 	Reduced Inequalities 



a. Health and Safety

At IHC, the health and safety of employees, contractors and visitors is the utmost priority.

We create a safe working environment in compliance with safe labour practices, laws and standards.

PCR tests are conducted three times a week for our employees, and we offer them the opportunity to be vaccinated against COVID-19 at work.

Given that the nature of Tamouh and RRFM's business means that some employees work closely with COVID-19 patients, the companies recorded higher employee down time in 2021.

Certifications

Verticals certified with OHSAS 18001 Occupational Health and Safety	Verticals certified with ISO 45001:2018 Occupational Health and Safety
Tamouh	ASMAK
RRFM	PCH
	Central Tents
	Alpha Dhabi

Health and Safety	2019	2020	2021
Total employee worked hours (ADX #S7)	259,594 Al Ajban, Central Tents, PCH	3,109,982 Al Ajban, Central Tents, Tamouh, APEX National Catering, PCH	80,474,355 Al Ajban, Central Tents, Tamouh, APEX National Catering, PCH, ADH
Total contractor worked hours	27,160 PCH	1,910,611 PCH, APEX National Catering, Tamouh	7,212,258 PCH, APEX National Catering, Tamouh
Employee fatalities (#) (ADX #S7)	0	0	0
Employee total recordable injuries (#) (ADX #S7)	4 ASMAK, PCH	10 ASMAK, Tamouh	10 ASMAK, APEX National Catering, Tamouh, PCH
Employee time lost to injuries (#) (ADX #S7)	6 ASMAK	424 ASMAK, RRFM, Tamouh	877 ASMAK, RRFM, APEX National Catering, Tamouh

Tamouh Healthcare and RRFM

Tamouh, in cooperation with RRFM, is committed to providing a safe environment for employees, visitors, commercial tenants and contractors. As a healthcare provider primarily treating COVID-19 patients, Tamouh focuses on training associates and volunteers to respect safety practices and take appropriate precautionary measures during and after working hours. Together, Tamouh and RRFM, have initiated extensive guidelines relating to health and safety.

Tamouh in cooperation with its facility management is committed to providing safe environments for employees, visitors, commercial tenants and contractors at their own sites or at those of its by the following means:

- Establishing a programme to provide safe and healthy work environments.
 - Establishing a management team to oversee each department and ensure competency in the handling of hazardous materials, the use of personal protective equipment (PPE), emergency response, the fulfilment of the duties and responsibilities of employees and contractors, and the training of employees in safe practices and procedures.
- A. Holding monthly safety meetings to discuss and review performance and identify areas for improvement.
 - B. Reporting accidents and incidents to the appropriate sector's regulatory authorities.
 - C. Providing proper facilities and ensuring PPE is available for all employees.
 - D. Conducting document inspections.
 - E. Ensuring all employees identify and report hazards.
 - F. Halting work when dangerous circumstances are identified or when PPE is not used by employees and contractors.
 - G. Investigating any incidents, accidents and near misses that the HSE officer requests.

Tamouh and RRFM have appointed several department heads to their Safety Committee. Selected by the CEO, the Committee is responsible for identifying hazards, conducting risk assessments, reviewing risk assessments, determining appropriate controls, and implementing document and review controls.

ASMAK

ASMAK undertakes several occupational health and safety (OHS) measures to guarantee the development of a positive health and safety culture and improve its OHS management system. The system is ISO 45001 certified and ASMAK has developed its Health, Safety and

Environment Policy in accordance with ISO 14001 and 45001 requirements. The company's policies regarding health and safety are available in the Quality, Safety, Health and Environment (QSHE) manual accessible by all its employees.

ASMAK's Health and Safety Policy aims to:

- Provide adequate resources to establish, implement, maintain and continuously improve HSE management systems.
- Provide a safe working environment that exercises controls over occupational health and safety hazards.
- Develop and sustain a culture of routinely 'doing things right', 'doing things better', and of adopting safety and environmental best practices.
- Identify and assess risks and hazards associated with occupational health, safety and the environment in the workplace, and take actions to prevent, reduce and/or control them to an acceptable level.
- Reduce consumption of resources and improve the efficiency of resource utilisation.
- Incorporate the 'three Rs' culture, Reduce, Reuse, and Recycle, within the workplace and supply chain.
- Monitor, review, and continuously improve ASMAK's health, safety, and environment objectives and programmes.
- Comply with the applicable local laws and regulations relating to health, safety and the environment.
- Enhance the competency of employees through knowledge sharing, training and motivation.
- Communicate this policy to personnel at all levels within the organisation and other interested parties upon request.

In 2021, there were two incidents of employee injury in the workplace that resulted in the loss of productive work time. ASMAK conducted 16 health and safety audits on contractors as well as 134 health screenings.

Al Ajban

As defined in the company's HSE Policy, Al Ajban is committed to safeguarding the health and safety of its employees. Al Ajban believes that HSE excellence is everyone's responsibility and therefore is intent on providing all the necessary resources to ensure corporate and ethical undertakings that lead to safe working environments. As a testament to the emphasis Al Ajban places on its employees' and contractors' health, safety and wellbeing, there were no incidents of injury or fatality in 2021.

Central Tents

Central Tents does not have a health and safety policy of their own. Despite this, the company has had no incidents of injury or fatality since 2019.

APEX National Catering

APEX National Catering has obtained certification for the Occupational Health and Safety Standard, ISO 45001.

In 2021, the company carried out 115 HSE audits on its contractors, compared to 30 in the previous year, reflecting a higher level of diligence concerning health and safety procedures. APEX National Catering also significantly increased the amount of HSE training provided to employees, more than doubling training hours compared with 2020.

In 2021, the total number of recordable employee injuries was five and there were 15 incidents of employee lost-time injuries.

PCH

PCH is committed to safeguarding the health and safety of its employees, visitors and subcontractors. To do so, the HSE management system manual was developed and implemented in line with international standards (including ISO 14001 and ISO 45001) and local regulations. The purpose of the manual is to establish, implement, maintain, and continuously improve the HSE management system to achieve higher performance levels. The manual defines PCH's policy and requires business activities to have the utmost regard for the health and safety of employees and other individuals, as well as the health of the environment and its conservation. In 2021, they registered only one recordable injury.

ADH

ADH is committed to safeguarding the health, safety and wellbeing of its 40,000 employees. While individual subsidiaries have their own policies and procedures, ADH maintains close contact with the safety departments of each, particularly those of subsidiaries whose industries are more prone to health and safety risks, such as those in the construction sector and the marine dredging industry. ADH's subsidiaries are all ISO 45001 certified for occupational health and safety management systems. By monitoring compliance and conducting regular audits and management reviews, ADH, through its subsidiaries, continuously strives to instil a strong OHS culture and leads by example in the industries within which it operates.

An important part of ADH's due diligence when it comes to matters of health and safety matters is to ensure that employees are regularly trained and that awareness remains high amongst all staff. Thanks to its rigorous enforcement of health and safety procedures, the company did not report a single work-related injury in 2021.

ADH subsidiary, Pure Health, has taken all the necessary precautions to prevent the spread of COVID-19 at its screening sites, protecting staff and visitors alike. Measures include providing sanitisation tunnels, enforcing mask wearing and providing hand sanitiser, and placing masks and gloves at entrances. All sites enforce social distancing protocols with stickers on the ground separated by a distance of 1.5-2 metres. Markings on the ground also direct a one way flow of patient traffic. Separate entry and exit points have been designated for people visiting the sites, all equipped with indoor air-conditioned waiting areas. Pure Health has also provided a COVID-19 mobile screening unit, a dedicated service for individuals who cannot access screening centres, or who simply prefer to get tested in the comfort of their own home or office.

b. Diversity and Equality

IHC strives to respect the personal dignity, privacy, and the rights of every employee. We are committed to maintaining a workplace free from any form of discrimination and harassment. IHC believes that a diverse and inclusive workforce boosts productivity, and while some of our subsidiaries have predominantly male workforces due to the nature of their business, others, like Tamouh, encourage inclusion with particular emphasis on career development for female employees. Based on our Code of Conduct, employees are expected to never

discriminate on the basis of ethnic origin, nationality, religion, race, gender or age, and we do not tolerate any form of verbal or physical harassment.

Our acquisition of Alpha Dhabi Holding in 2021 resulted in a notably large increase in the total number of employees within the group. On the other hand, it is worth noting that almost half of new hires in Alpha Dhabi's healthcare business were female.

Workforce Profile	2019	2020	2021
Workforce size			
Total number of employees (#) (ADX #S5)	847 ASMAK, Al Ajban, Central Tents, PCH, IHC	2,608 ASMAK, Al Ajban, Central Tents, PCH, IHC, APEX National Catering, Tamouh	25,562 ASMAK, Al Ajban, Central Tents, PCH, RRFM, IHC, APEX National Catering, Tamouh
▪ Full-time employees (#) (ADX #S5)	856 ASMAK, Al Ajban, Central Tents, PCH, IHC	2,142 ASMAK, Al Ajban, Central Tents, PCH, IHC, APEX National Catering, Tamouh	3,818 ASMAK, Al Ajban, Central Tents, PCH, RRFM, IHC, APEX National Catering, Tamouh
▪ Part-time employees (#) (ADX #S5)	-	1 ASMAK	1 ASMAK
Workforce by gender profile			
Female full-time employees (#) (ADX #S4)	292 Al Ajban, Central Tents, PCH, IHC	772 ASMAK, Al Ajban, Central Tents, PCH, IHC, APEX National Catering, Tamouh	1,884 ASMAK, Al Ajban, Central Tents, PCH, RRFM, IHC, APEX National Catering, Tamouh
Male full-time employees (#) (ADX #S4)	263 Al Ajban, Central Tents, PCH, IHC	1,815 ASMAK, Al Ajban, Central Tents, PCH, IHC, APEX National Catering, Tamouh	23,674 ASMAK, Al Ajban, Central Tents, PCH, RRFM, IHC, APEX National Catering, Tamouh

Note: As a result of travel restrictions imposed across the world, there were incidents of employees not being able to return to the UAE for work after travelling to their home countries on vacation.

Hiring and Turnover	2019	2020	2021
Total number of employees who left the company (#) (ADX #S3)	51 Al Ajban	613 ASMAK, Al Ajban, APEX National Catering, Tamouh, IHC	5,869 ASMAK, Al Ajban, Central Tents, IHC, APEX National Catering, Tamouh, ADH
Turnover rate	13% Al Ajban	25% ASMAK, Al Ajban, APEX National Catering, Tamouh, IHC	24% ASMAK, Al Ajban, Central Tents, IHC, APEX National Catering, Tamouh, ADH
▪ Full-time (ADX #S3)	51	613	5,869
▪ Part-time (ADX #S3)	-	-	-
Total new employee hires (#)	229 ASMAK, Al Ajban, Central Tents, PCH	1,915 ASMAK, Al Ajban, Central Tents, PCH, APEX National Catering, Tamouh, IHC	6,816 ASMAK, Al Ajban, Central Tents, RRFM APEX National Catering, Tamouh, IHC
▪ Female (#)	12	483	918
▪ Male (#)	217	1,432	5,898

Tamouh Healthcare

Tamouh develops an inclusive, diverse, and welcoming work environment for all employees, regardless of nationality, gender, age, beliefs, marital status or disability. The company has a Non-Discrimination and Harassment Policy which it implements strictly. Employees receive training especially designed to educate them on discrimination and harassment. The company encourages employees to respect each other's differences and explains the repercussions if an incident of discrimination or harassment occurs. No reports of such incidents were made in 2021.

Tamouh is also a big supporter of women's rights and provides female employees with the credit and recognition they deserve. Tamouh has developed the following strategies with regards to its female employees:

- **Tamouh encourages women to grow** – female employees are provided mentorship opportunities helping them become more experienced professionals and building their self-confidence.
- **Tamouh lets women's voices be heard** – meeting protocols and employee training aims to ensure that

everyone is treated fairly during meetings and that individuals feel able to speak up, regardless of their gender.

- **Allowing room for negotiation** – negotiation is one of the most significant contributing factors to the gender pay gap. Normalising negotiations is crucial to combat this, and helps ensure that pay increases are evaluated with fairness and integrity.
- **Respectful of parental roles** – more than 40% of Tamouh's workforce is female. A significant portion of these employees are also mothers. Helping leaders establish a proper work-life balance and boundaries, as well as offering flexible work options, can be beneficial for women in leadership roles.
- **Workload sharing** – women in leadership roles often take on a larger workload. To support women, it is important that work is evenly distributed among employees.
- **Offering equal opportunities** – when opportunities for career advancement open up, everyone who qualifies is considered, and equal opportunities afforded to all capable employees, regardless of their gender.

APEX National Catering

APEX National Catering is currently drafting an employee diversity programme to define and guide the development of a diverse and inclusive working environment.

PCH

PCH places great value on attracting and retaining employees by means of strategic actions designed to keep them focused and motivated. These include mandating the respectful treatment of employees at all levels, encouraging trust between employees and senior management, and offering job security, competitive compensation and professional development opportunities to employees.

PCH follows a Non-Discrimination Policy which aims to protect its employees by creating a work environment free from discrimination based on colour, race, gender, nationality, able bodiedness, ethnic origin, age and marital status. Incidents of discrimination or harassment are dealt with in line with the company's Disciplinary Code and Procedure. No incidents of discrimination or harassment were reported in 2021.

ADH

With over 40,000 employees across the group, many of them highly skilled, ADH's workforce is key to generating long-term sustainable value. The company is committed to diversity and inclusion and offers opportunities for professional growth and progression to all employees. Policies and procedures are in place to ensure an ethical workplace which is imbued with respect and integrity. The company's regard for diversity, equity and inclusion in the workplace is clear and these outcomes will continue to be a priority moving forward.

Of the 4,606 employees hired in 2021, most were male. As stated previously however, this is due to the nature of the male dominated construction industry. At its subsidiary Pure Health for example, nearly half of all new hires were female. ADH is determined to encourage more female representation in mid and senior-to-executive level roles, and has a woman on its Board of Directors.

The company's Code of Business Conduct and Ethics, currently awaiting Board approval, seeks to ensure that no discrimination of any kind takes place at ADH and aims to guide employees to act with honesty and integrity when representing the company.



c. Talent Development and Nationalisation

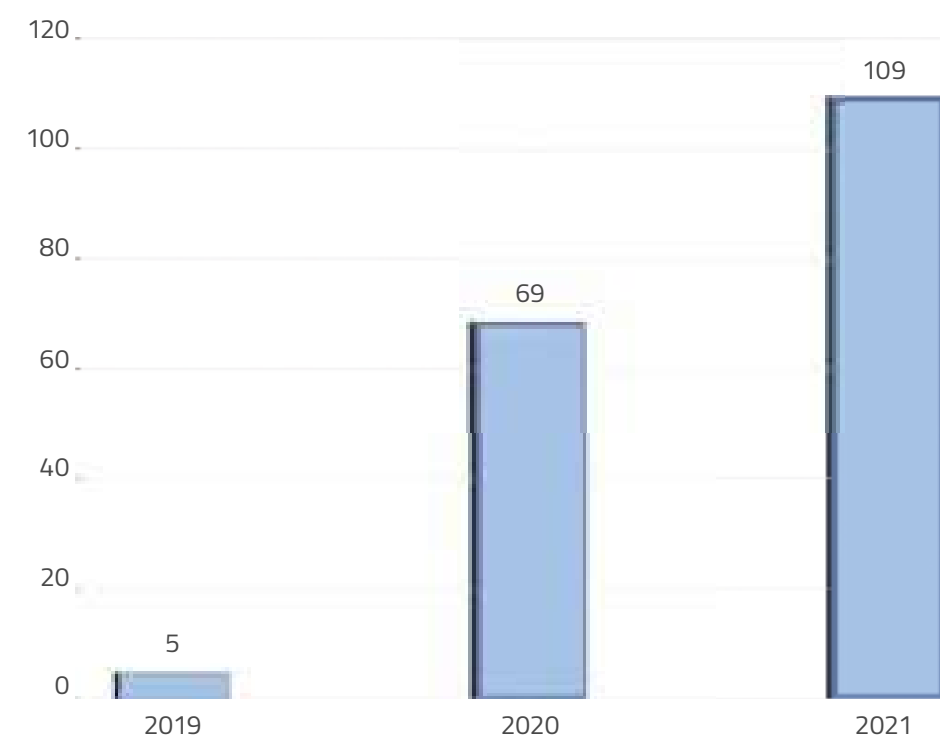
At IHC, we consider it an imperative to retain our high-calibre experts under our umbrella. By using vocational, technical and compliance training, we ensure that our employees remain up-to-date with the necessary certifications and qualifications required to continue their professional growth. In tandem with these efforts, we are also recruiting UAE nationals at all levels of our organisation in line with the UAE's Emiratisation

programme. We believe in providing our talented workforce with opportunities to grow professionally by means of training and development. In 2021, subsidiaries ASMAK and Tamouh increased their training hours by 11% and 16% respectively, compared to 2020, while the largest amount of training hours delivered by a single subsidiary was 40,000, provided by Alpha Dhabi.

Training Hours	2019	2020	2021
Total training hours delivered (#)	187 ASMAK, AI Ajban	28,338 ASMAK, AI Ajban, Tamouh, RRFM, PCH, APEX National Catering	88,982 ASMAK, AI Ajban, Tamouh, RRFM, , PCH, APEX National Catering, ADH
Total training hours delivered to male employees (#)	183 ASMAK, AI Ajban	17,950 ASMAK, AI Ajban, Tamouh, RRFM, PCH, APEX National Catering	72,412 ASMAK, AI Ajban, Tamouh, RRFM, PCH, APEX National Catering, ADH
Total training hours delivered to female employees (#)	4 ASMAK	10,338 ASMAK, Tamouh, RRFM, PCH, APEX National Catering	16,570 ASMAK, Tamouh, RRFM, PCH, APEX National Catering, ADH

Emiratisation within the group has continued to increase steadily over the years. Tamouh has the largest representation of UAE nationals, with 100 full-time Emirati employees, of which 40 are female.

Nationals Among Total Full-Time Workforce (#) (ADX S#11)



Emiratisation²

²Data includes ASMAK and Central Tents for 2019; ASMAK and Central Tents, APEX National Catering and Tamouh for 2020; and, ASMAK, Central Tents, APEX National Catering, PCH, IHC, and Tamouh for 2021.

Tamouh Healthcare

Tamouh has developed a diverse and inclusive work environment where employees treat each other with respect and dignity. In compliance with IHC policies and local laws and regulations, Tamouh seeks to employ qualified and talented UAE nationals who will support the company and contribute to the local economy.

Tamouh provides considerable employee training and development in the form of formal education, career and performance assessments, job experience and interpersonal relationship training. In addition, Tamouh has designed and implemented an HR strategy bolstering its reputation for good talent management.

The company's mentoring programme is an effective tool for supporting employee career advancement. The programme matches employees with mentors based on their skills and development needs. The mentors assist mentees in outlining, defining and tracking their goals, linking these individual objectives to those of the company as a whole.

Tamouh values its employees and is committed to maintaining a dedicated workforce. To support this, Tamouh has developed an employee engagement programme that focuses on four key factors: leadership, enablement, alignment and development (LEAD).

Tamouh is proud to have been chosen to pilot a training programme for Union Assessment and Certification (UAC), an organisation providing innovative solutions to governments and employers across the region. The programme will further help to maintain a cadre of highly skilled employees at the IHC Group as a whole.

Al Ajban

Working towards the vision of increasing the representation of UAE nationals amongst its workforce, Al Ajban is in discussions with United Arab Emirates University (UAEU) Veterinary Medicine Faculty to establish a programme aimed at hiring Emirati veterinary graduates.

Al Ajban is currently developing a parental leave policy in line with the national regulations.

Despite the pandemic, Al Ajban was able to maintain normal levels of employee training throughout 2021, with an average of 10 hours of training completed per employee. Training also included sustainability awareness programmes, in which 89 employees participated.

To assess employee performance and contributions to the growth of the company, Al Ajban conducts performance and career development reviews. In 2021, 70% of its employees took part in these reviews.

ASMAK

ASMAK has an annual training schedule which aims to provide two hours of training monthly at the minimum. Training is provided on food safety, personal hygiene, health and safety, emergency procedures and more. In addition, annual basic food hygiene training sessions are provided to every ASMAK employee who handles food as part of their job.

As a result of COVID-19 restrictions, performance and career development reviews have been limited since 2020. This year, ASMAK conducted employee evaluations on 11% of non-management staff.

The absenteeism rate in ASMAK more than doubled in 2021 because of global travel restrictions. Employees who had travelled for vacation were unable to return to the UAE and were therefore allowed to take unpaid leave.

Although ASMAK does not conduct employee engagement and satisfaction assessments, it does strive to create a compelling work environment by designing programmes to stimulate and engage its workforce. In 2021, football and cricket matches were organised for members of staff. In addition, ASMAK established the Quality and Sustainability Reward Programme, to recognise employees who make outstanding contributions to the company.

Furthermore, ASMAK offers parental leave to its employees as per national regulations current at the time: male employees were entitled to three working days, while female employees were entitled to 45 calendar days of parental leave. In 2021, three employees took parental leave, all of whom returned to work following their allotted leave period. **The UAE Labour Law has changed w.e.f. 2nd February, 2022, and the new allowances for leave will figure in next year's Annual Report.*

ASMAK is working on developing a programme to increase the hiring of Emirati nationals and women. In 2020, ASMAK had one Emirati employee and eight female employees.

APEX National Catering

APEX National Catering expanded significantly in 2021, with its workforce growing by more than 55% to meet the demand for providing daily meals to COVID-19 patients. Apex National Catering prioritises talented Emiratis in its recruitment process.

The company places great importance on providing in-house training and skills development programmes to ensure high product quality, operational efficiency, and the safeguarding of health and safety. In 2021, APEX National Catering provided its employees with 8,600

hours of training, almost double that provided in 2020. Programmes and initiatives aimed at more efficient engagement for employees to improve their performance and motivation levels are currently under development.

Central Tents

Central Tents is developing policies and procedures for employee training aimed at improving job specific knowledge, skills and subsequently, performance.

PCH

PCH has implemented an operational control procedure for competency training and toolbox talk. The purpose of this initiative was to develop effective training and induction programmes for all employees thereby creating a workforce qualified to conduct its responsibilities safely and cost-effectively.

In 2021, PCH invested in a series of certification courses for its employees, including project management professional (PMP), certified maintenance and reliability professional (CMRP), and certified energy manager (CEM) courses.

ADH

ADH is always seeking to add new talent to its workforce. In 2021, the company hired 4,606 new employees. Almost half of these new hires were below the age of 30, with the remainder aged between 30 and 50. ADH has ensured that its workforce constitutes the right mix of fresh graduates and experienced professionals. Furthermore, the ADH group develops rigorous training programmes to improve both soft and hard skills amongst its workforce.

ADH intends to hire a further 2,500 Emirati citizens over the next five years through the federal government programme, Nafis, aimed at boosting the competitiveness of Emirati human resources and increasing the representation of Emiratis in the private sector. ADH is committed to supporting the programme by recruiting and training UAE talents and providing them with the skills and expertise necessary to find suitable positions in the private sector. To kick-start these efforts, ADH held a careers fair in October 2021 at which a group of talented UAE nationals were selected to fill several positions at its subsidiary companies. The new talent commenced work after the UAE National Day holiday on December 2nd.



d. Community Engagement and Investment

As responsible corporate citizens, we strive to support the communities within which we operate at IHC through donations, charitable contributions, education projects and the COVID-19 National Screening Programme. In 2021, we continued demonstrating our commitment to operating in ways that have a measurable and lasting

positive effect on communities; notably, contributing over five million hours-worth of volunteering through Tamouh, donating 42,000kg of poultry products through Al Ajban, and providing 18 million meals through APEX National Catering.

Community Investments	2020	2021
Total amount of donations contributed (AED)	211,510 Al Ajban	1,046,522 Al Ajban, APEX National Catering

Tamouh Healthcare

Since the start of the pandemic, Tamouh has worked hard to improve its relations with the community, spreading awareness on topics such as COVID-19, health and safety, carbon emissions and corporate policies that benefit the environment. Tamouh has set up a company calendar with monthly topics and initiatives in this regard.

Al Ajban, IHC, Ghitha and ASMAK, in association with the Emirates Veterinary Association (EVA), is a major sponsor of the 37th World Veterinary Association Congress in Abu Dhabi in 2022, where its General Manager will be conducting scientific seminars and lectures.

Tamouh's most important contribution to the community was its contribution of over five million hours of volunteering performed by company employees during 2021. From helping with the National Screening Programme to treating and isolating COVID-19 patients, PCR testing and other vital operations across the UAE, Tamouh did all it could to support the country in the fight against coronavirus.

APEX National Catering

APEX National Catering provided more than 18 million meals in 2021 alone, an unprecedented number in the UAE's commercial catering industry. The meals were provided to COVID-19 patients and frontline staff involved in the fight against the pandemic.

Also, the company provided free transportation and logistics services, amounting to approximately AED 800,000 in value.

Al Ajban

Al Ajban dedicates its resources to supporting and investing in the UAE community through a series of programmes every year. In 2021, the company partnered with the Emirates Red Crescent on their Ramadan Relief Campaign, distributing 42,000kg of poultry products among local communities in the UAE. The Emirates Red Crescent provided Al Ajban with a document of recognition in appreciation of the donations.

Al Ajban is proud of its community initiatives, which are aimed at fostering local talent and providing them with the skills necessary to join its workforce. Al Ajban is developing a Memorandum of Understanding (MOU) with the UAE government in collaboration with universities to train veterinary students and to conduct useful scientific research.

During the pandemic, Al Ajban held lectures at scientific and official events relating to poultry production, national food security and resilience plans to spread knowledge and best practices within the industry.

Central Tents

Central Tents contributed vastly to the UAE's community by providing tents for critical services during the COVID-19 pandemic. These included COVID-19 testing and vaccination services.

Central Tents is looking to invest AED 1 million in the local community in 2022 in addition to providing voluntary community services carried out by each of its employees.

ADH

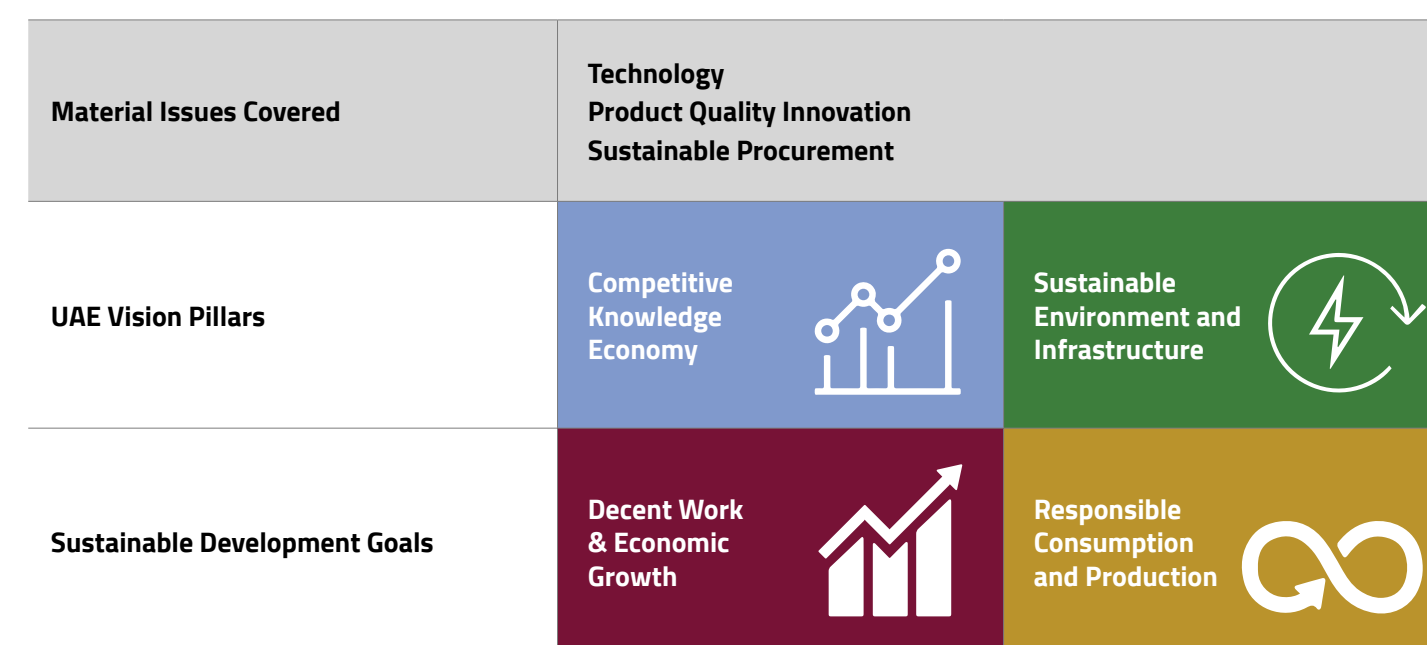
As a major asset owner and strategic contributor to the UAE economy, Alpha Dhabi Holding has an inbuilt responsibility to support community development. One of the most effective ways of adding value to local communities is through job creation.

ADH's Pure Health has played a vital role in supporting the UAE during the COVID-19 pandemic by providing critical testing and vaccination services. In partnership with the local government, Pure Health has set up several screening centres in key locations throughout the country. Its rapid screening project across the UAE reached an amazing 50,000 COVID-19 screenings per day and provided a more localised approach to screening and testing.

Pure Health also launched the first online COVID-19 screening appointment portal in the UAE, enabling individuals to book and pay for appointments online in three easy steps. The company releases test results on the portal's mobile application, where those screened can easily access their results once they are ready.

Responsible Business Practices

Using advanced technology and disruptive digital innovation, we offer sustainable products and services spanning categories that include eco-packaging and renewable energy resources. Additionally, we are committed to ethical sourcing by conducting social and environmental screening when selecting suppliers, sourcing locally whenever possible.



e. Technology

Technological advancements are crucial to our business and that of our subsidiaries in order to optimise production and service provision, while minimising operational costs. Overall, innovative technology enables us to reach our long-term goals faster. At IHC, we are committed to investing in research and development to increase efficiency and achieve better results overall.

Tamouh Healthcare

Tamouh spent approximately AED 250,000 on research and development in the area of sustainable products and services, and aims to increase this investment by 50% in 2022.

RRFM

RRFM plans to install solar panels on sites to reduce dependency on grid-supplied electricity.

ASMAK

ASMAK has established a Hazard Analysis Critical Control Points (HACCP) system and has implemented traceability throughout its supply chain by means of the widely used enterprise resource planning (ERP) software, SAP. Any raw material entering the supply chain can be traced from supplier to customer using this system.

Al Ajban

Al Ajban has deployed the latest smart traceability system in its processing plant and applies traceability stickers to its products to guarantee transparency when it comes to quality.

PCH

As a district cooling service provider, PCH focuses heavily on technology and innovation to optimise services and minimise resource consumption. The company has implemented a series of initiatives (and is testing others) to deliver district cooling solutions, including:

- Solar PV plants;
- Reverse osmosis plants for waste recovery;
- Carpooling for employees;
- Energy efficient HVAC equipment.

In total, PCH invested AED 535,197 in research and development of sustainable products and services in 2021.

ADH

ADH's mission, to augment the collaboration and performance of verticals and amplify shareholder value by infusing technologies, guides the company's strategy to remain competitive and achieve sustainable growth.

ADH invests in technology and innovation through rigorous planning and assessment of how such investments can support the company's strategic objectives. ADH has developed two technology investment categories. The first is 'Technology as part of the investment strategy', whereby ADH invests in innovation and technology focused companies as part of a mandate to underpin its mission and vision, while the second is 'Technology to enhance synergy across the group', under which the company strives to embrace technology to enhance the performance of existing subsidiaries and increase shareholder value.



f. Product Quality and Innovation

Product innovation allows our subsidiaries to enhance their efficiency and better respond to the needs of their customers. At IHC, we aim to deliver value-added solutions and the highest quality of products and services to all customers. Our food and beverage (F&B) subsidiaries adopt stringent measures to ensure that products are safe for consumption and are of the highest quality. The goal is to continue to identify areas for improvement within our vertical markets, making use of the latest technologies to deliver unmatched experiences to customers.

Tamouh Healthcare

The UAE government has tasked Tamouh with supporting its fight against COVID-19. The company is proud to have made history by establishing a multipurpose treatment centre in just eight days to spearhead essential healthcare tasks. Tamouh adheres to the highest standards of medical professionalism and has provided additional security for citizens and residents of the UAE during this challenging period.

Tamouh's team members rose to the occasion during the pandemic. The team grew from one doctor and one nurse in April 2020 to 2,300 field professionals, including specialised domain experts and an advisory panel of renowned specialists. Tamouh has effectively handled half a million hospitalisations and over one million quarantine patients. As a result of these outstanding efforts, the World Health Organization (WHO) praised Tamouh for being the only medical agency to achieve this feat and record zero mortalities.

Tamouh's field hospital was a huge success thanks to the support provided by government authorities, the coordinated efforts of both its medical and non-medical staff, and of course, the trust put in Tamouh by its patients.

Tamouh is mindful of the necessity to consider sustainability when making decisions related to the products and services it offers. The company ensures the adoption of best practices across its workforce. These include, but are not limited to, installing recycling bins, eliminating single-use water bottles, deploying renewable energy sources and using hybrid or fully electric cars.

In addition to providing medical services, Tamouh has also been trusted with operating and managing call centres and hotline numbers to deal with technical issues, vaccination schedules, feedback on services provided, and more. These call centres, which began work in April 2020, have handled approximately 7,000 to 8,000 engagements per month since.

To enhance customer experience and facilitate customer engagement, Tamouh has made use of QR codes at its facilities to obtain customer feedback on the services it provides. The company has established command centres at all its facilities and is in the process of creating a command centre that will work across the UAE to enhance service quality and customer satisfaction.

RRFM

Notwithstanding a series of challenges faced as a result of the pandemic, such as personnel shortages, scarcity of essential products and short notice operations, RRFM mobilised and operated 11 COVID-19 facilities and commercial projects in 2021. As a service-based organisation, RRFM strives to operate in compliance with environmental management systems and puts policies in place to ensure that its services cause the minimum amount of environmental harm possible.

RRFM also conducts customer satisfaction surveys to improve the services provided at its COVID-19 facilities.

ASMAK

ASMAK has certification from many food and beverage authorities to guarantee the quality, ethical origin and food safety of its products.

The company is proud to be able to make legitimate claims regarding its products, such as the fact that their seafood is organic, sustainably sourced, and rich in protein and Omega-3 fatty acids.

As a food processing company, ASMAK follows GCC Standardization Organization (GSO) standards and international food safety requirements for labelling and nutritional information. All products destined for customer consumption are labelled with production and expiry dates, ingredients and allergen information, and more.

In 2021, ASMAK participated in Carrefour Discovery Day to further expand its business prospects. Their work on the day included a presentation to the vice president of Majid al Futtaim (MAF) Carrefour and his management team, sharing insights into the work of ASMAK and IHC. A factory tour of ASMAK's new production facility resulted in an agreement to launch a private fresh seafood brand packaged exclusively for MAF Carrefour.

Each year, ASMAK conducts customer satisfaction surveys to gather feedback on key criteria such as product quality, order accuracy, delivery punctuality and customer query resolution. The results and feedback are gathered and discussed in senior management meetings to improve the products and service offered as well as customer satisfaction.

ASMAK values its ability to resolve customer complaints in a professional and timely manner. For this reason, a standard procedure for such complaints has been established, whereby they are sent to the quality assurance (QA) department for investigation. The QA team identifies the root cause of the complaint and proposes the appropriate corrective actions with a timeline for their implementation. Although the number of customer complaints received in 2021 was higher than the previous year, overall customer satisfaction remains as high as ever.

Al Ajban

Al Ajban utilises Hazard Analysis Critical Control Points (HACCP), is certified in Food Safety Management (ISO 22000), and halal certified. The company does not work with or sell genetically modified organism (GMO) products.

Al Ajban uses social media platforms, such as Facebook, Twitter and Instagram, to engage with its customers. Its accounts on these platforms are managed by Viola, another IHC subsidiary. Al Ajban also has a dedicated account for receiving customer complaints and a hotline number to take customer phone calls.

To guarantee transparency and assist customers in making mindful decisions while purchasing products, Al Ajban product labels are approved by the Abu Dhabi Quality and Conformity Council. The labels contain a range of information required by customers, including nutritional facts about each product.

In 2021, the company received just four complaints out of the hundreds of thousands of transactions it carried out. Each was resolved by following quality control procedures. Products receiving complaints undergo investigation and Al Ajban uses product tracing to identify the root cause of an issue and implement immediate corrective actions.

APEX National Catering

APEX National Catering provides food for COVID-19 patients, and packages its products in recyclable single use cardboard boxes.

The company assesses customer satisfaction based on food quality, palatability, service quality and hygiene/health and safety.

APEX National Catering encourages customer feedback by means of both its centralised toll-free number and email correspondence.

Central Tents

Central Tents supports the UAE government in its fight against COVID-19. The company's primary focus is to provide marquees to accommodate medical providers and patients. In 2021 the company built 40 healthcare marquees at short notice.

PCH

PCH is dedicated to listening to its customers. The company conducts customer surveys to gather feedback and uses the results of these surveys to inform its efforts to improve the customer experience. This year, PCH received average ratings in the following categories: quality of interaction, scheduling and timing, product quality, service quality and overall service.

Embarking on a mission to improve customer satisfaction scores, PCH met customer representatives to identify ways of improving chilled water temperature. As a result, an optimal water temperature was determined, resulting in enhanced efficiency of its DC plants and higher levels of customer approval.

ADH

ADH considers the impact it has on the environment in which it operates. By providing access to quality healthcare through Pure Health, building sustainable communities through Trojan Holding and a resilient infrastructure through NMDC, ADH maximises its positive impact on society. ADH reinforces its own efforts by continually investing in innovative technology.

With advances in technology and digitisation comes the added responsibility of safeguarding the data being handled. Data privacy and cybersecurity are a top priority at ADH. While the company is looking at implementing a group-level security framework, each entity has its own data security policies and procedures, ensuring that the necessary systems are in place to protect data. In 2021, none of the subsidiaries experienced data leakage or cyberattacks.

g. Sustainable Procurement

IHC acts responsibly and transparently with all its suppliers. We prioritise working with local suppliers to support the development of the local economy. While our purchases from local suppliers dipped in 2020 due to supply chain challenges, this aspect of trade increased significantly again in 2021.

Sustainable Procurement	2019 ³	2020 ⁴	2021 ⁵
Total number of local suppliers engaged (#)	488	748	1,110
Procurement spending on local suppliers (AED million)	221	334	1,324
Total procurement spending (AED million)	227	541	1,580
Proportion of spending on local suppliers (%)	97%	62%	84%

³Data includes Al Ajban, Central Tents, PCH, IHC

⁴Data Includes ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, IHC

⁵Data includes ASMAK, Al Ajban, Central Tents, APEX National Catering, PCH, IHC, RRFM, ADH

Tamouh Healthcare

Tamouh expects all vendors and suppliers to abide by its Supplier Code of Conduct. The company evaluates and selects suppliers not only based on economic criteria, but also by looking closely at their commitments to environmental protection, human rights and labour and social standards. Suppliers are expected to fully comply with any applicable national laws and international standards. Tamouh also encourages its suppliers to implement these standards with their respective suppliers and subcontractors.

In 2021, Tamouh engaged with 140 suppliers, all of whom were locally based. Targets have been set for 2022 to increase total procurement spending by more than 6%, in order to contribute to the growth of the national economy.

RRFM

RRFM has not yet implemented a Supplier Code of Conduct. Nevertheless, the company conducted audits on 83% of its suppliers in 2021. None of its suppliers were identified as having unsustainable practices.

ASMAK

ASMAK's Supplier Code of Conduct is shared with potential vendors via external communication methods during the vendor approval process. The company ensures that any changes to the Code are communicated to vendors.

ASMAK has also implemented a supplier audit programme, which considers environmental and social criteria during the supplier approval process. The programme is based on a risk assessment matrix, covering food safety, environmental, labour, social and human rights factors. Each of these factors are assigned a specific mark in the audit checklist, resulting in a supplier assessment score.

In 2021, 16 suppliers were audited and, as a result, improvements were agreed upon with each.

ASMAK has not implemented a policy on locally based spending, but it does prefer to purchase raw materials from local suppliers, if product specifications and buying criteria can be met, to reduce lead time. As a result, the portion of total procurement spending on locally based suppliers increased from 19.3% in 2020 to 20.6% in 2021.

Al Ajban

While Al Ajban is in the process of implementing a Supplier Code of Conduct in line with company policy and procedures, it had a Supplier Audit and Evaluation Policy in place during 2021.

Al Ajban carries out supplier audits and evaluations on potential new suppliers as well as on existing suppliers of critical raw materials in line with the policy. The evaluations measure the ability of suppliers to supply products and services while complying with quality, environmental and occupational health and safety requirements. In 2021, Al Ajban agreed on improvements with one supplier as a result of the audit and evaluation.

Al Ajban maintained local procurement spending at 92% in 2021 with 139 local suppliers engaged.

APEX National Catering

APEX National Catering is drafting a Supplier Code of Conduct along with a Human Rights Policy that will apply to suppliers and vendors.

To guarantee proper procurement practices when awarding business to suppliers and third-party contractors, its Internal Procurement Committee is responsible for reviewing their processes and operations. Moreover, the purchasing department conducts audits on its suppliers for current or potential threats to sustainability, and during supplier selection, places heavy priority on vendors strongly engaged in sustainable environmental and social practices.

APEX National Catering prioritises local procurement and is in the process of awarding a contract for the supply of locally produced vegetables, a step that will support and promote the development of the local farming community.

Central Tents

Central Tents does not currently have a supplier code of conduct in place, nor does it conduct audits or assessments on its suppliers.

In 2021, procurement spending increased exponentially compared with the previous year. In effect, 2021 spending was almost 65 times higher. Additionally, unlike previous years where Central Tents only engaged with local suppliers, in 2021 the company imported vehicles necessary for its operations. Nevertheless, 99.9% of the company's procurement spending was local. Central Tents has set targets to continue to increase total and local procurement spending, contributing to the growth of the national economy.

PCH

PCH has not implemented a supplier code of conduct, but it follows national labour laws with regards to ensuring the protection of human rights.

Additionally, although PCH does not have a policy for locally based spending in place, procurement spending over the years has almost entirely been with locally based suppliers.



5.4 Governance

Good Governance and Strong Institutions

At IHC, we are committed to conducting our business with the highest standards of integrity, transparency and accountability. Our robust governance structure is guided by a sound risk management framework. We work diligently to eliminate any manifestation of fraud, bribery, corruption and all forms of financial crime, while advocating human rights. IHC is a valuable contributor to the economic vitality of UAE and the overall attainment of UAE Vision 2021. We aim to continuously achieve stable financial growth and attract investment for the benefit of our stakeholders.

Material Issues Covered	Governance, Ethics and Anti-corruption Economic Development		
UAE Vision Pillars	Competitive Knowledge Economy		
Sustainable Development Goals	Gender Equality	Responsible Consumption and Production	Peace, Justice and Strong Institutions

a. Governance, Ethics and Anti-corruption

Our Board of Directors is composed of five members, four male and one female. There are three Board of Directors Committees: the Audit Committee, Nomination and Remuneration Committee and Follow-Up and Insider Transaction Supervision Committee. Each committee consists of three members, all of whom are non-executive.

At IHC, our Code of Business Conduct and Ethics, Conflict of Interest, and Anti-fraud policies define the company's stance on ethics and corruption and define the conduct expected from our employees. Furthermore, the defined Delegation of Authority Policy Framework and the active involvement of our senior management in operational activities ensures tight monitoring to prevent any form of fraud, corruption or bribery.

No incidents of corruption or non-compliance with laws and regulations were reported in 2021.

Tamouh Healthcare

It is a priority for Tamouh to conduct all its business in an honest and ethical manner. The company follows thorough guidelines for the prevention of corruption within the organisation, enforced by its Anti-Corruption Policy, and a zero-tolerance approach to bribery or acts that may reflect adversely on the integrity and reputation of Tamouh. The policy is applicable to everyone working at Tamouh or on behalf of the organisation. Breaches of the policy are met with disciplinary action. Tamouh also follows a Data Privacy Policy to safeguard company and patient information.

Tamouh's Human Rights Policy demonstrates the company's commitment to respecting human rights, as defined by the UAE's National Human Rights Institute. Tamouh emphasises that individuals should be treated with dignity and respect within the organisation, as well as throughout the supply chain. Furthermore, Tamouh provides a full training programme on human rights to all its employees.

Tamouh follows a Data Privacy Policy to safeguard the privacy of its employees and patients.

ASMAK

ASMAK places great emphasis on good governance and ethical practices across its organisation. Included in its employee handbook, provided to every member of staff, are policies and procedures that describe the kind of conduct expected of its employees, an explanation of its Anti-Corruption and Business Policy, and descriptions of the systems and controls in place to combat bribery, fraud and other forms of corruption. The company conducts regular assessments of business risks and prepares action plans to mitigate such risks.

ASMAK strives to develop an inclusive and pleasant workplace for all its employees, and to protect their interests by adopting fair and ethical practices. The company does not tolerate discrimination or harassment of any kind as per national regulations and its human resource (HR) policies. ASMAK's employees can submit grievances through a complaint box and these are then addressed by the HR department and resolved accordingly. No formal grievances were filed in 2021.

ASMAK's main motto with regards to human rights is "Protect, respect, and remedy", and the conduct this motto necessitates is detailed in its Employee Human Rights Policy. All ASMAK employees are given access to documents explaining the policies and procedures that relate to their rights as employees and their human rights. The Employee Human Rights Policy is communicated to employees via training sessions as well as on bulletin boards across the company's facilities. In line with its human rights motto, ASMAK is committed to preventing forced labour and each of its employees are requested to sign labour agreements before joining its workforce, to ensure that they understand all the conditions of their employment.

To further safeguard the rights and interests of individuals and encourage ethical business practices, ASMAK has become a member of Supplier Ethical Data Exchange (Sedex). Sedex provides tools and services to help organisations further improve their responsible and sustainable business practices. Sedex helps ASMAK enforce its four main pillars of ethical business conduct: labour standards, health and safety standards, environmental standards and business ethics standards.

ASMAK also has a data privacy policy in place, overseen by its IT department. All company computers are password and firewall protected, ensuring that company data can only be accessed by authorised users.

To motivate employees and maximise business growth, ASMAK has established performance-based incentive programmes for sales and marketing employees, as well as a reward programme for food handlers.

Al Ajban

Al Ajban assesses risks relating to corruption and mitigates wrongful actions through a series of processes. These include regular meetings to enhance employee awareness of ethical behaviour, rotating staff between departments, and segregating duties and responsibilities. These actions are guided by the Delegation of Authorities (DoA) procedures developed by its internal audit team. Furthermore, all critical administrative and production areas are monitored by CCTV cameras.

Al Ajban rewards employees who exceed expectations in terms of performance and achievements through a "Star of the Month" programme.

The company values safeguarding the rights of all individuals and follows local laws and regulations to ensure that its operations are ethical. It applies a stringent process for identifying risks to human rights in its operations and supply chain, in line with national law and its own HR policy. Al Ajban ensures employees are aware of the importance of human rights and employee rights by providing information through Tawjeeh Centers, which are licensed to provide governmental services by the Ministry of Human Resources and Emiratisation (MoHRE). Furthermore, the company is in the process of developing a formal grievance system as part of its company policy and procedures profile.

Al Ajban's internal audit division conducts audits to monitor and assess the implementation of environmental and social policies, risk assessments and mitigation processes.

Al Ajban also has a Data Privacy Policy that complies with the General Data Protection Regulation (GDPR), the strictest of privacy and security laws. As a result of a 6% contraction of Al Ajban's workforce, total salaries paid were slightly lower in 2021. However, the ratio of salaries and benefits paid to the number of employees was higher in 2021 than in preceding years.

APEX National Catering

APEX National Catering's Code of Conduct details the company's expectations of its employees as far as ethical behaviour and the prevention of corruption are concerned. Strong internal controls and a dedicated framework were established to specifically target bribery, fraud and other forms of corruption. APEX National Catering prevents corruption by segregating duties and conducting internal audits. The company is drafting a human rights policy to ensure ethical practices within both the business and the supply chain to enhance the commitments contained in its HR Policy. No incidents of harassment, discrimination, or human rights violations were recorded or reported this year.

APEX National Catering follows a Data Privacy Policy to guarantee the protection of company information.

PCH

PCH is committed to maintaining high ethical standards and good governance across its organisation. Its Business Code of Ethics was developed to ensure this. On day one of their employment, employees receive communications from HR regarding the policy's terms and company expectations where respect for individuals, civil responsibility and privacy are concerned. PCH expects all its staff to comply with its Business Code of Ethics at all times.

This Code and other comprehensive company policies aim to prevent bribery and corruption in the following areas:

1. Soliciting third-party hospitality.
2. Accepting third-party hospitality.
3. Giving third-party hospitality.
4. Financial or other interests of the employees and family members.
5. Fraudulent or unlawful conduct.

PCH has also implemented a Disciplinary Code and Procedure to deal with misconduct or the violation of its Business Code of Ethics. A grievance procedure at PCH encourages employees to report any form of dissatisfaction with their experiences at work, especially where human rights violations are concerned.

PCH places strong emphasis on safeguarding the privacy of its customers and employees and is committed to keeping their personal information confidential. A confidentiality statement is included in its contracts with all customers, and access to employee records is only granted to IHC Group employees who require the information for legal reasons to conduct legitimate business.

ADH

ADH went public in June 2021. Its Board of Directors was elected at the company's Annual General Meeting (AGM), where a comprehensive corporate governance manual was issued. The role of the Board is to provide effective leadership in the company's pursuit of its long-term strategic goals, to oversee the execution of its business plan and to deliver sustainable value for shareholders. The company has five members, four of whom are independent non-executive members with extensive

amounts of experience across a range of sectors, and one of the five Board members is female. The Board is well qualified to strategically steer such a large, diversified organisation in its intended direction.

Following the establishment of ADH as a Public Joint Stock Company (PJSC), three committees were formed to oversee effective corporate governance practices. The Audit Committee oversees financial reporting and disclosures and establishes a robust risk management process and internal controls. The Nomination and Remuneration Committee is in charge of developing fair and transparent procedures for the company's HR strategy, as well as the remuneration of directors and senior management. Finally, the Insider Trading Supervision Committee is in charge of managing the transactions of insiders, maintaining a register of these, and submitting statements and periodic reports to the market.

Furthermore, ADH has drafted numerous policies aimed at ensuring ethical practices within the group, including its Anti-fraud Policy, Conflict of Interest Policy, Whistleblower Policy and the Compliance Management Policy. These policies define the company's approach to corporate governance, ensure compliance with local laws and regulations, and provide guidance for consistent decision-making. They also help to streamline internal processes.

The company's Business Ethics Policy lays out the responsibilities of its management team and its employees at all levels, as far as managing business activities with integrity and in compliance with applicable laws is concerned. In 2021, there were no reported incidents of rule breaches at ADH.

All ADH subsidiaries are expected to follow the same standards that it sets out for itself. The company's Delegation of Authority Policy Framework was developed to clarify decision-making procedures and operational responsibilities to ensure a consistent approach across the Group.

At ADH, sustainability is addressed by its management and leadership team. Moving forward, ADH plans to form a sustainability committee and a corresponding charter to oversee the sustainable evolution of the company and ensure that ESG factors are considered from a strategic perspective and fully embedded in its governance agenda.

b. Economic Development

In line with our mission to generate value and create sustainable growth for our shareholders, we have a clear strategy for enhancing our corporate portfolio through acquisitions, strategic investments, restructuring and diversification.

We currently have 302 subsidiaries and conduct business in all of the following vertical markets: industrial, capital, digital, food, utilities, real estate, education and health.

Our company's economic performance continues to improve year-on-year, demonstrating our commitment to our core values, mission, and vision. For further details on our economic performance, please refer to the Financial Statements section of this report.

ASMAK

ASMAK's revenue grew in 2021 in comparison with 2020, when the company witnessed a dip in turnover. Following the lifting of COVID-19 lockdown measures, there has been a return to normality and ASMAK's net profits have been steadily increasing.

Al Ajban

Notwithstanding the supply chain disruptions, volatile demand and significant increases in raw material prices caused by the pandemic, Al Ajban has managed to achieve an overall revenue growth of 7% year-on-year and a 39% improvement in its net profit margin. As a result of Al Ajban's high levels of customer confidence and satisfaction, revenue from egg hatching grew by 52% year-on-year, resulting in the company achieving control of 35% of the local market share.

APEX National Catering

APEX National Catering's financial performance spiked in 2021, with revenue almost triple that of the previous year. Due to various business opportunities & economies of scale, operating costs increased at a lower rate than revenue, resulting in a substantial increase in net profits.

Central Tents

Given the necessity for medical tents across the country during the pandemic, Central Tents' total revenue and net profits soared in 2021 after a flat performance in 2020.

ADH

ADH's prosperity is founded on how its business activities also create prosperity for all stakeholders, for the communities in which it operates and for the UAE as a whole.

More importantly, the company's activities also create prosperity for local suppliers, many of whom are small to medium sized enterprises that form the very foundations of the national economy.

ADH will continue to diversify its business activities, by means of both organic growth and acquisitions, in order to support national strategies for the diversification of the UAE's economy.

(I) IHC Stakeholder Map







Stakeholder Group	Importance to IHC	Needs and Expectations	Methods of Engagement
Customers	Fostering strong relationships with our customers is crucial to the success and growth of IHC. Our growth of the group is attributable to the expansion of our customer base, for whom we are building customer partnership models and maintaining the highest levels of product quality. Our objective is to continue to identify areas for improvement that will allow us to deliver unmatched experiences to each of our customers.	<ul style="list-style-type: none"> Innovative and sustainable products and services Efficient and proactive customer channels Friendly and responsive customer service 	<ul style="list-style-type: none"> Social media channels such as Twitter, Facebook, Instagram and LinkedIn Customer service offices for IHC vertical companies
Our People	Our hardworking employees continue to demonstrate their commitment to IHC year after year - and we recognise their massive contribution to our success and our ambitious plans. Our ongoing commitment remains to be the establishment of a workplace that retains the most talented employees and offers them opportunities to grow and realise their career ambitions.	<ul style="list-style-type: none"> Employee engagement and growth, by cultivating a diverse and inclusive workforce Providing a safe and secure work environment Fair compensation Recognition and rewards 	<ul style="list-style-type: none"> Employee training, including orientations, professional training, and certifications Health and safety policies Social gatherings such as annual picnics
Stakeholders & Investors	Growing our portfolio of subsidiaries and diversifying our investments continues to result in solid returns that create value for our shareholders. Our efforts are coordinated towards capturing a higher market share to generate sustainable income for our shareholders.	<ul style="list-style-type: none"> Strong balance sheet and continuous cash flows Transparency and disclosure Incorporate ESG criteria into business operations and activities Dynamic risk management Strong market position 	<ul style="list-style-type: none"> Annual reports Corporate governance reports Quarterly financial statements Annual General Meetings (AGM)

Continues >

(I) IHC Stakeholder Map (continues)





Communities	IHC contributes to the development of the community through job creation, community investments, and supporting local government initiatives. Corporate social responsibility is deeply rooted in our activities as we are committed to making a positive impact on the world.	<ul style="list-style-type: none"> Charitable initiatives to help less privileged communities Social initiatives and programmes to promote health, education, security, sports and culture Partnerships with other organisations to address social concerns 	<ul style="list-style-type: none"> Sponsorship in educational expenses for people of determination Participation in seminars and lectures related to the environment and sustainability Donations to charitable causes Social welfare campaigns
Government Regulators	Promoting a compliance culture is paramount to our strategy. We demonstrate our commitment to our various stakeholders by developing and enhancing our transparency and sense of accountability. We are committed to complying with all rules and regulations. We strive to raise the standards of corporate governance in line with global and regional best practices.	<ul style="list-style-type: none"> Alignment with federal and local strategies and visions (e.g. UAE Vision 2021, Abu Dhabi Economic Vision 2030) Compliance with legal and regulatory requirements Protecting customers and shareholders Transparency and disclosure 	<ul style="list-style-type: none"> Internal audit External audit Internal control and risk management systems Compliance department Audit Committee Annual reports
Partners	At IHC, we create, develop and maintain alliances with various partners to facilitate consistent growth and strategic positioning. Strengthening partnerships with the best suppliers, distributors and trade partners allows us to meet our customers' needs.	<ul style="list-style-type: none"> New opportunities for engagement and interaction Open communication channels Fair and respectful treatment of suppliers Timely payments Fair and transparent bidding procedures 	<ul style="list-style-type: none"> Supplier surveys to obtain feedback Supplier portal Procurement department

(II) ADX ESG Guidance

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
Environment				
E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1	GRI 305: Emissions 2016	Climate action 	Energy and Climate Change
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)			
	E1.3) Total amount in CO2 equivalents, for Scope 3 (if applicable)			
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	GRI 305: Emissions 2016	Climate Action 	Energy and Climate Change
	E2.2) Total non-GHG emissions per output scaling factor			
E3. Energy Usage	E3.1) Total amount of energy directly consumed	GRI 302: Energy 2016	Responsible Consumption and Production 	Energy and Climate Change
	E3.2) Total amount of energy indirectly consumed			
E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	Responsible Consumption and Production 	Energy and Climate Change
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	Affordable and Clean Energy 	Environmental Management
E6. Water Usage	E6.1) Total amount of water consumed	GRI 303: Water and Effluents 2018	Clean Water and Sanitisation 	Water Management
	E6.2) Total amount of water reclaimed			





Continues >

(II) ADX ESG Guidance (Continues)

E7. Environmental Operations	E7.1) Does your company follow a formal environmental policy? Yes/Non	GRI 103: Management Approach 2016	Climate action 	Environmental Management
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No			Water Management
	E7.3) Does your company use a recognised energy management system?			Energy and Climate Change
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No
E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience and product development		Climate action 	Environmental Management
Social				
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation	GRI 102: General Disclosures 2016	Reduced Inequalities 	N/A
	S1.2) Does your company report this metric in regulatory filings? Yes/No			No
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	Gender Equality 	N/A






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(II) ADX ESG Guidance (Continues)

S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016		Diversity and Equality
	S3.2) Percentage: Year-over-year change for part-time employees			Diversity and Equality
	S3.3) Percentage: Year-over-year change for contractors/consultants			Diversity and Equality
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	Gender Equality 	Diversity and Equality
	S4.2) Percentage: Entry- and mid-level positions held by men and women			Diversity and Equality
	S4.3) Percentage: Senior- and executive-level positions held by men and women			Diversity and Equality
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	GRI 102: General Disclosures 2016		Diversity and Equality
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants			Diversity and Equality
S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	GRI 103: Management Approach 2016*	Reduced Inequalities 	Governance, Ethics and Anti-corruption
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	Good Health & Wellbeing 	Health and Safety
S8. Global Health and Safety	Does your company follow an occupational health and/or global health and safety policy? Yes/No	GRI 103: Management Approach 2016*	Good Health & Wellbeing 	Health and Safety



Continues >

(II) ADX ESG Guidance (Continues)

S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labour policy? Yes/No	GRI 103: Management Approach 2016*	Decent Work & Economy Growth 	Yes
	S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No			Yes
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016	Reduced Inequalities 	Yes, we abide by UAE regulations covering human rights
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			
S11. Nationalisation	Percentage of national employees		Decent Work & Economy Growth 	Talent Development and Nationalisation
S12. Community Investment	Amount invested in the community, as a percentage of company revenues.	GRI 413: Local Communities 2016	Decent Work & Economy Growth 	Community Engagement and Investment
Governance				
G1. Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	Gender Equality 	Governance, Ethics and Anti-corruption
	G1.2) Percentage: Committee chairs occupied by men and women			Governance, Ethics and Anti-corruption
G2. Board Independence	G2.1) Does the company prohibit the CEO from serving as Board chair? Yes/No			Governance, Ethics and Anti-corruption
	G2.2) Percentage: Total Board seats occupied by independent board members			Governance, Ethics and Anti-corruption
G3. Incentivised Pay	Are executives formally incentivised to perform on sustainability?			No

Continues >

(II) ADX ESG Guidance (Continues)

G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a code of conduct? Yes/ No		Responsible Consumption and Production 	Sustainable Procurement
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			
G5. Ethics and Prevention of Corruption	G5.1) Does your company follow an ethics and/or prevention of corruption policy? Yes/No		Peace, Justice and Strong Institutions 	Governance, Ethics and Anti-corruption
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?			
G6. Data Privacy	G6.1) Does your company follow a data privacy policy? Yes/No			Governance, Ethics and Anti-corruption
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No			
G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No			Yes
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No			Yes
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No			Yes
	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No			No
G9. External Assurance	Are your sustainability disclosures assured or validated by a third party audit firm? Yes/No	* GRI 103: Management Approach 2016 is to be used in combination with the topic-specific standards		No



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