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WAHA CAPITAL

BROADENING OUR INVESTMENT HORIZONS

Annual Report

2020

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About Waha Capital

We manage assets in a wide variety of sectors that include public securities and credit markets, healthcare, industrial real estate, infrastructure, energy, financial services, travel and fintech.

Waha Capital's mission is to deliver sustainable recurring income and long-term value creation to its stakeholders.

We manage assets in a wide variety of sectors that include public securities and credit markets, healthcare, industrial real estate, infrastructure, energy, financial services, travel and fintech.

With respect to the asset management side of our business (our **Public Markets business**), we have developed highly specialized capabilities in managing global and regional credit and equity funds and have a proven track record of outperformance in this arena. We manage a number of funds via our Public Markets business including our two flagship funds, the Waha MENA Equity Fund SP (the **MENA Equity Fund**) and the Waha CEEMEA Credit Fund SP (the **CEEMEA Credit Fund**). In 2020, we also launched a new Shari'a compliant fund, the Waha Islamic Income Fund SP (the **Islamic Income Fund**) to cater for the growing demand for such products in the region.

Through our private investments arm (our **Private Investments business**), Waha Capital has established a successful approach to deploying capital across numerous sectors and geographies, growing the value of its investments and monetizing them when the relevant opportunities arise. We have capital deployed in various businesses and maintain a broad range of equity positions. Examples of our investments include:

- UAE based medical group, Anglo-Arabian Healthcare – Sole Proprietorship LLC (**AAH**);
- light-industrial property developer Waha Land LLC (**Waha Land**); and
- NASDAQ listed online travel company, Despegar.com, Inc. (**Despegar**).

Waha Capital's experienced investment team seek sustainable financial returns in order to meet the strategic priorities of its shareholders. We seek to invest in sectors that reflect our competitive advantages of expertise and sound partnerships and where we believe we can unlock real value. Our investment team has extensive experience operating in both local and international markets, with expertise honed at leading international blue-chip corporations and financial institutions.

While Waha Capital is managing investments on an increasingly international footprint, it remains deeply rooted in Abu Dhabi's economy and operates from a strong and stable economic center of gravity provided by the UAE and the wider Middle East region and we also benefit from a roster of prominent local shareholders that include the Abu Dhabi sovereign wealth fund, Mubadala Investment Company.

Key Highlights – 2020

FINANCIAL HIGHLIGHTS

Net Operating Income of AED 662m
(against AED 5m in 2019)

Net profit (attributable to owners of the company) of AED 231.0m
(compared to a loss of AED 616.3m in 2019)

Total general and admin expenses reduced by 15.8% to AED 217m
(AED 258m in 2019)

Total Assets of AED 8.9 billion
(AED 9.3bn in 2019)

Our Public Markets business reported a profit of AED 321.4m
(AED 391.2m in 2019)

- the CEEMEA Credit Fund returned 14.9%
- the MENA Equity Fund returned 14.1%

Our Private Investments business reported a profit of AED 40.2m
(against a loss of AED 835.4m in 2019)

Proposed dividend of AED 0.06 per share (nil in 2019) equivalent to 48% of our 2020 net profit

HIGHLIGHTS – PUBLIC MARKETS BUSINESS

Waha Capital's two flagship funds continued to produce strong returns, despite market turbulence as a result of the ongoing pandemic:

The CEEMEA Credit Fund SP generated a total return of 14.9% in 2020

The MENA Equity Fund generated a total return of 14.1% in 2020

Our Public Markets business overall generated a net income of AED 321.4 million in 2020

In July 2020 we launched a new fund – the Islamic Income Fund, to cater for a growing demand from investors for Shari'a compliant instruments.

HIGHLIGHTS – PRIVATE INVESTMENTS BUSINESS

Reported net profits of AED 40.2 million (compared to a loss of AED 835.4 million in 2019)

Commenced an investment program (target of USD 120 million) into US listed securities (by year end, that investment program was approximately 23% completed)

Made an investment of USD 50 million in Despegar, a leading NYSE-listed company in the online travel sector in Latin America.

PUBLIC MARKETS AUM

	2020 (AED million)	2019 (AED million)
CEEMEA Credit Fund	**1,693**	1276
MENA Equity Fund	**1,593**	1,650
Islamic Income Fund	**95**	-
Total AUM ***including the Waha MENA Value Fund SP***	**3,382**	3,267

Chairman's Statement

A Strong Turnaround Achieved

Waleed Al Mokarrab Al Muhairi
Chairman

I am pleased to present the annual report and accounts for Waha Capital for the year ending 31st December 2020.

In a year that will undoubtedly be remembered for its unique challenges, not least the COVID-19 pandemic, the company was able not only to generate net profits of AED 231 million (against a loss of AED 616.3m in 2019) but also to extend the range and reach of its investment portfolio.

Though the impact of the pandemic was felt most noticeably during the second quarter across Waha Capital's businesses, the company succeeded in implementing a turnaround strategy, primarily for its Private Investments business. This met and surpassed its goals and ensured that Waha Capital traded profitably for the remainder of the year.

The Public Markets business once again outperformed peers and market benchmarks, with both the credit and equity funds ending the year significantly ahead of market expectations. Such performance demonstrates our track record as an asset manager, and our credentials as an attractive and reliable long-term investor.

Waha Capital demonstrated both determination and resilience in a tumultuous year by making a number of ground-breaking investments. A phased acquisition programme of US equities was initiated, taking advantage of downward pressure on valuations early on in the pandemic.

Additionally, a new – Shari'a - fund was launched to provide further breadth to our Public Markets offering.

I would like to express my gratitude to the UAE government for its rapid and effective response and continuing efforts to steady the economy and to protect residents of the country during the pandemic.

I would also like to express my appreciation for the diligence and support of our employees, senior management, and our Board of Directors.

CEO's Statement

An Extraordinary Year

Ahmed Khalifa Al Mehairi
Chief Executive Officer

2020 was an extraordinary year for Waha Capital and I am honored to be chosen to lead Waha Capital and to have joined a team of outstanding investment management professionals.

Despite the destabilizing effects of the COVID-19 pandemic, Waha Capital demonstrated sustained growth in both its Public Markets and Private Investments businesses and rounded out 2020 with a net profit of AED 231 million against a 2019 loss of AED 616.3 million.

In 2020, our Public Markets business:

- **continued to outperform its peers and market benchmarks;**
- **reported a profit of AED 321.4 million and our flagship funds, the CEEMA Credit Fund and MENA Equity Fund returned 14.9% and 14.1% respectively for 2020; and**
- **added a new fund (the Islamic Income Fund) to its offering, which by year end had returned 4.3%.**

Our Private Investments business continued its turnaround strategy and reported a profit of AED 40.2 million (against a 2019 loss of AED 835.4 million).

Some key highlights for the Private Investment business included:

- **the commencement of a new investment program (target of USD 120 million) into US listed securities (by year end, that investment program was approximately 23% completed);**
- **Waha Capital's USD 50 million investment into Despegar (a leading NYSE-listed company in the online travel sector); and**
- **the stabilization of turnaround of Waha Capital's Private Investments portfolio.**

Overall, Waha Capital was able to generate excess returns ahead of industry benchmarks while taking advantage of attractive valuations that brought short term gains as well as ones likely to crystallize into longer term value for our stakeholders.

While our outlook for 2021 is subject to the unprecedented challenges and business uncertainty that the COVID-19 epidemic presents, I believe that as a result of the diligent implementation of our strategy during 2020 together with the successful optimization of our business operations, we are well placed to face the challenges that 2021 will present and we will continue to deliver strong and sustained growth for our shareholders.

How We Run Our Business

Since its establishment in 1997, Waha Capital has developed a unique blend of both long and short-term investment strategies across both its Public Markets and Private Investments businesses.

We seek to deliver consistent profits for our shareholders and the investors in our funds reflecting the quality of the management and business strategy that has guided us on our journey. **We are also proud to have been a catalyst for driving foreign direct investment to the region in support of the UAE's economic diversification objectives.**

While we are rooted in Abu Dhabi's economy, we are seeking to further diversify our investments outside the MENA region, and in this context, during 2020 we saw a significant increase in our US-based holdings.

Waha Capital is committed to creating a culture where talent can grow professionally and personally, so as to make a real and lasting impact on society. To this end, we seek to attract and deploy talent both to develop our own future leaders as well as to contribute to Abu Dhabi's skills base and future leadership.

Public Markets

Waha Capital's Public Markets business has maintained a solid track record of delivering excess returns and out-performing its peers in the MENA region.

We have developed two best-in-class flagship hedge funds, one focused on global emerging market credit and the other focused on MENA equities.

Net Income

AED 321.4 million in 2020

Our award winning CEEMEA Credit Fund, generated a total return of 14.9% in 2020 against its benchmark of 7.3%. It has produced cumulative returns of 235.2% since it was launched in 2012.

The MENA Equity Fund generated a total return of 14.1% in 2020 against its benchmark of 1.2%. It has produced cumulative returns of 225.8% since it was launched in 2014.

Our Public Markets business has generated over USD 400 million in capital growth for both Waha Capital and its third-party investors in the relevant funds since 2012.

Continuing the trend of market leading annual investment returns over the past nine years, our Public Markets business generated net income of AED 321.4 million in 2020.

We continue to seek out opportunities to extend the product offerings in our Capital Markets business in order to maximize the income potential stemming from this business. With this in mind, our Islamic Income Fund was launched in 2020.

While the impact of COVID-19 on markets globally and the actions taken by the United States Federal Reserve and other central banks were in many ways unprecedented, as evidenced above, our Capital Markets business remained resilient and significantly outperformed the market and its peer group.

Funds In Focus

A snapshot of our two flagship funds and our new Shari'a compliant fund are set out below.

CEEMEA Credit Fund

The CEEMEA Credit Fund targets an absolute return throughout market cycles. The fund primarily invests in hard currency fixed income instruments from Emerging Market corporate and sovereign credits in the CEEMEA region. The fund employs a long/short strategy combining macro research and 'bottom-up' analysis with a valuation overlay to create a portfolio of relative value trades. The fund substantially hedges out interest rate risks and FX exposure back to USD to focus on identifying relative value in credit.

CEEMEA Credit Fund (Flagship Fund)

Calendar Year Performance	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund Performance (Net)	14.9%	15.5%	3.8%	11.6%	15.9%	7.0%	-0.4%	4.9%	27.9%
Benchmark (JPM CEEMEA CEMBI)	7.3%	14.6%	-1.6%	6.6%	9.9%	10.9%	-3.5%	0.7%	17.3%

MENA Equity Fund (Flagship Fund)

The MENA Equity Fund invests into equity investments within the MENA region, and has similar total return investment strategy to the CEEMEA Credit Fund, combining a 'top-down' view identifying broad investment themes with thorough 'bottom-up' analysis at the individual security level. The selection of equities involves in-house fundamental research and a rigorous risk governance framework, as well as sell side research.

Calendar Year Performance	2020	2019	2018	2017	2016	2015	2014
Fund Performance (Net)	14.1%	19.7%	6.6%	11.7%	14.0%	7.9%	27.2%
Benchmark (S&P Pan Arab Composite TR Index)	1.2%	12.5%	10.4%	4.4%	7.9%	-14.4%	1.7%

Islamic Income Fund

Our newest fund offering, the Islamic Income Fund was launched in 2020 and is based on a Shari'a compliant platform across both fixed income and equities. This fund is Waha Capital's initial response to a growing demand for Shari'a compliant investment products and is a dedicated income fund that is intended to pave the way for a larger Shari'a compliant offering. The new fund will leverage on Waha Capital's research capabilities in Global EM Credit and MENA equities to generate income levels expected by Shari'a compliant investors to match those being achieved in other asset classes.

Private Investments

We manage Waha Capital's direct investments via our Private Investments business. We make direct investments in a number of diverse sectors, including healthcare, industrial real estate, financial services and fintech, energy, infrastructure and most recently, travel.

We seek to invest into companies that have strong medium to long-term growth potential, while achieving stable and reliable returns on equity and cash yield.

Total Profits

AED 40.2 million in 2020

Our Private Investments business reported total profits of AED 40.2 million in 2020.

In 2020, we focused on managing our existing portfolio through the various challenges stemming from the COVID-19 pandemic but also sought to diversify our balance sheet by seeking out opportunities in other markets. To this end, we commenced an investment program (target of USD 120 million) into US listed securities (by year end, that investment program was approximately 23% completed) and in August 2020, we made a USD 50 million investment into Despegar (a leading NYSE-listed company in the online travel sector).

Our longer-term vision is to further increase return on invested capital and as evidenced with the investments in the US, to reinforce our diversification beyond the MENA region.

Selected Private Investments at a glance

Waha Capital has a number of assets within its Private Investments portfolio, three of which, we have detailed in the following page:

Anglo Arabian Healthcare

Waha Capital holds a 97.1% stake in healthcare provider Anglo Arabian Healthcare (AAH). AAH is a multi-disciplinary healthcare provider offering curative care services to communities in Dubai and the Northern Emirates. It became majority owned by Waha Capital in 2013. Today it is one of the largest healthcare provider networks in the country, comprising twenty-six operating units including a hospital in Ajman, a day-surgery center, four specialized clinics, twelve other clinics, seven pharmacies, and a continuous medical education center. It employs around nine-hundred people, including one-hundred and sixty highly qualified medical practitioners, and serves over eight-hundred thousand registered outpatients.

AAH implements a hub-and-spoke model across primary care, secondary care and diagnostics to retain patient revenue within the group. Primary brands within the AAH network include Amina Hospital, Ibin Sina Medical Centre, HealthBay, Sharjah Corniche Medical Centre and Orchid IVF Centre.

As with any other medical facility in the past year, the operations of all AAH units were significantly affected by the onset of the COVID-19 pandemic. Anticipated income from a wide range of specialized treatments was reduced either because they were suspended to ensure capacity for COVID-19 infected patients and quarantine safety, or patients themselves chose to postpone treatments. **In particular, Amina Hospital was dedicated to the treatment of COVID 19 patients for a period of three months.**

Waha Land

Waha Land is a wholly owned subsidiary of Waha Capital. It constructs, owns and manages master developments in Abu Dhabi including infrastructure, mixed use industrial warehousing and logistics projects.

The company's primary asset is ALMARKAZ, an integrated mixed-use industrial development with Grade "A" industrial and logistics facilities and first-class infrastructure. ALMARKAZ is located in Al Dhafra, some 35 kms west of Abu Dhabi, and is located to access the UAE's growing industrial and logistics infrastructure (land, sea, air, and rail). The ALMARKAZ development is on a 6 km^2 site that was granted to Waha Capital by the Government of Abu Dhabi.

Phase 1 of the project occupies 1.5 km^2 or 25% of the total site area, and has so far, been developed in the following stages:

- Stage 1: Stage 1 has been completed which involved the construction of roads and services infrastructure for all of Phase 1 as well as the construction of 90,000 m^2 of warehouses and small industrial units (SIUs). The SIUs are leased to tenants from a diverse range of industry segments including small and medium sized enterprises operating in industries such as plastic processing, steel fabrication, food and beverage preparation, oil & gas services, defense and logistics.
- Stage 2A: Stage 2A was complete in 2018 under which 92,500 m^2 of warehousing and SIUs were constructed.

Additional stages for the remainder of Phase 1 are being evaluated with the aim of bringing on additional industrial and logistics space to meet the growing needs for warehouse and SIU space in the UAE.

Key 2020 Highlights for Waha Land:

Occupancy for Stage 1 and Stage 2A was 95% and 97% respectively as of 31 December 2020.
Rental revenue and other income amounted to AED 39.9 million (AED 28.8 million in 2019).
Net Operating Income reached AED 33.3 million (AED 17.0 million in 2019).

Despegar

Despegar is the leading online travel company in Latin America, and one of the most recognized brands in that region. This investment represented both a new sector and a new region for Waha Capital.

In August 2020, Waha Capital completed a USD 50 million acquisition of series B preferred shares which was part of a larger USD 200 million funding round by Despegar.

Organization and Culture

Our Guiding Principles

Our Vision

Our aim is to be a world-class investor delivering sustainable and significant returns for all stakeholders, while creating long-term value for the Abu Dhabi economy.

Our Mission

Provide sustainable recurring income and long-term value creation for all stakeholders by combining a proactive approach with the brightest global talent in order to manage high growth potential opportunities across a unique range of diversified asset classes.

Our Promise

We promise professionalism, clarity and to act in the interests of our shareholders and other stakeholders. We foster a corporate culture that attracts, empowers and rewards high-caliber employees and incentivizes them to provide high-quality and competitive services.

Our Values

We have a passion for delivering excellence with integrity in our day-to-day work, showing respect to business partners and peers, and communicating transparently and directly with all stakeholders. We adhere to the following shared values:

- *Disciplined – We operate with the strength to always do the right thing.*
- *Ambitious – We demonstrate a strong desire and determination to achieve our goals.*
- *Accountable – We hold one another to account for the actions we take to enhance results and returns to investors and stakeholders.*
- *Collaborative – We work together with our colleagues, partners, shareholders and investors for our mutual benefit.*
- *Entrepreneurial – We harness superior knowledge and experience to make smarter decisions.*

Our People

At Waha Capital, our people are one of our most valued assets and by attracting, developing and retaining the best talent, we believe that we will be well placed to ensure the ongoing success of our business.

The four key pillars that we seek to operate under, with respect to our people and their development are:

- **Culture:** we have sought to build a dynamic and inclusive culture;
- **Performance:** we have sought to foster a performance driven culture under which performance is properly recognized and incentivized;
- **Talent:** we have sought to recruit, train and retain the best talent in the industry; and
- **Service:** we have sought to imbed a service orientated culture throughout the business.

Some of the key initiatives we undertook in 2020 included:

- **HR Platform:** Even before the onset of the COVID-19 pandemic and the dislocations that it brought about, we recognized the need to re-engineer a fit-for-purpose HR platform on which the business could continue to prosper and grow. As a result, a new HR governance regime was put in place, and a fresh approach was brought for the attraction, retention and development of key talent.
- **#BetterTogether:** To support transparency, as well as collaboration, a program entitled "#BetterTogether" was introduced. #BetterTogether aims to promote behavior that encourages teamwork and collaboration. All events and programs that bring us together as one company and promote better co-operation, integration, employee engagement and communication at Waha Capital were linked under this banner. The impact of #BetterTogether was of immense benefit to us in managing the COVID-19 related measures introduced, including social distancing precautions and rosters which were implemented from March 2020 onwards.
- **Fostering local talent:** we are committed to attracting, recruiting, training and retaining top local UAE talent. To support this initiative in 2020, we continued to offer out summer internships to UAE university students and continued to run our UAE National graduate program under which three graduates have already been hired. Additionally, we sought to provide training and development opportunities to a number of promising up and coming UAE team members (including a secondment opportunity to another top investment institution in the UAE).

Corporate Social Responsibility

Environmental, Social and Governance

Waha Capital has an ongoing commitment to supporting the socio-economic development of the communities it primarily operates, namely in its home market of Abu Dhabi and the UAE more generally.

A key aim of our CSR / ESG program is to contribute to the UAE's economic diversification strategy while also creating value for key stakeholders, including investors, employees and partners.

In furtherance of this commitment, Waha Capital has set itself the goal of operating a competitive and sustainable business that meets the principles of social and environmental responsibility while also ensuring long-term value creation for all stakeholders.

In keeping with this commitment and in line with the ADX's ESG Disclosure Guidance for Listed Companies, Waha Capital has focused its sustainability program around two key pillars being social impact and governance sustainability. The main ways that we have sought to focus our operations on these key pillars in 2020 are as follows:

- ***Governance sustainability:***
  - **Direction / oversight:** Our Board plays a key role in determining the strategic sustainability areas of Waha Capital's activities and overseeing its results. The involvement of our Board in this area ensures that our management have an appropriate level of guidance in order to properly develop and maintain a sustainable business model.
  - **Independence:** Our Board is completely independent of management with all directors on our Board being non-executive directors. Additionally, a majority of our Board (including our Chairman) are independent directors. Furthermore, our Board has formed two permanent committees being an Audit Committee and Nomination and Remuneration Committee (both of which are chaired by independent members of the Board). These committees further strengthen the independent oversight that is necessary to maintain a sustainable business model.

- ***Ethical business practices:***

  We are committed to operating in an ethical and transparent way. To this end, Waha Capital strictly observes its own code of conduct, anti-bribery / corruption and anti-money laundering policies. Further, it expects that the companies it invests into and the third parties it interacts with, act in an ethical and transparent manner and in accordance with the principles of Waha Capital's core ethical business framework.

- ***Respect for human rights:***

  As part of its own operations and the operations of the companies Waha Capital invests into, Waha Capital seeks to ensure that all basic human rights are respected. For instance, Waha Capital seeks to ensure that:

  - the legal rights of workers are respected;
  - community rights are addressed and respected; and
  - the rights of clients, patients and consumers are respected and that all relevant laws are adhered to.

- ***Gender Diversity***

  Waha Capital has a strong commitment to gender diversity and actively seeks out opportunities to increase female representation on its own Board and on the boards of the companies it invests into.

  Equally, Waha Capital is actively seeking to recruit more female employees across all areas of its operations.

  Furthermore, Waha Capital is committed to providing a working environment that caters for diversity and provides equal opportunities for all, irrespective of ethnicity, religion, gender or age.

  The principles and practices associated with maintaining an equal opportunities environment apply to all aspects of employment with Waha Capital, namely recruitment, promotion, remuneration, training, work assignments, and disciplinary actions.

- ***Investment into the UAE***

  Waha Capital (via its own operations and via the companies it invests into) seeks to significantly contribute to the shaping of ongoing sustainability of the UAE.

Some key examples of how Waha Capital sought to fulfil its CSR / ESG commitments in 2020 are provided below:

Governance Sustainability / Ethical Business Practices

As part of its own governance sustainability, Waha Capital has sought to adhere to the best practice governance principles applicable to it as a PJSC in the UAE.

Additionally, as part of its assessment of potential investment opportunities (whether as a new investment or the development of an existing portfolio investment) Waha Capital looks at both the governance sustainability and the ethical business practices of the target companies it is seeking to invest into.

Investment into the UAE

We recognize that one of the key things Waha Capital can do to invest into the UAE is to nurture UAE national talent, either directly by employing promising young Emirati graduates or to help their development more generally.

We have therefore taken active steps to attract, recruit, train and retain top local UAE talent (as detailed above).

Additionally, we made:

- donations to the Sandooq Al Watan fund, which invests in education and development; and
- contributions to the Emirates Foundation and the Ma'an Social Investment Fund.

We have also been a frequent contributor of humanitarian aid, including through the Red Crescent, and will continue to do so to both support and reflect Abu Dhabi's over-arching sustainability aims.

Contributions by our group companies

In 2020, our real estate investment subsidiary, Waha Land, donated more than sixty used IT and Audio/Visual devices to the Rashid Center for People of Determination in Dubai. These will be used for the "Smart Room" at the Center to aid in the learning process for the children.

Anglo Arabian Healthcare (AAH)

In response to the COVID-19 pandemic and to assist the UAE in overcoming the COVID-19 related challenges faced by the UAE's healthcare industry, our healthcare business AAH sought to extend its treatment footprint. It did this by expanding the available Hospital, beds and treatment space in its Ajman facility, Amina Hospital by leasing out a nearby hotel in its entirety and then utilizing that hotel for the treatment of COVID-19 patients.

Risk Management

Risk management is an integral part of Waha Capital's operations and helps it to sustain the primary objective of creating long-term shareholder value by leveraging its expertise in managing investments, which necessarily involves undertaking financial risk.

Waha Capital has an established control environment that sets Waha Capital's risk appetite, approves policies and delegates responsibilities under its risk management framework.

Our approach to the risk management comprises the following key components:

- Identification and assessment of risk
- Measurement of risk
- Mitigation of risk
- Monitoring and reporting of risk

Our risk management framework:

- facilitates risk informed strategic planning to achieve business objectives and identify potential business opportunities;
- supports Waha Capital in identifying and managing key strategic, functional, investment and project risks (including, the use of an objective driven process);
- assesses the identified risks and the potential impact of such risks on Waha Capital and its key objectives;
- enhances corporate performance as processes become more risk aware and control focused; and
- strengthens Waha Capital's resilience to market disruption and evolving business practices.

Risk Management – Public Markets

For our Public Markets business, a comprehensive risk management platform has been developed and under which a number of risks (including market risk, operational risk, credit risk and liquidity risk) are assessed and managed. We manage the risks for our Public Markets business via a number of tools, including:

- stop loss policies
- VaR limits
- macro hedging policies
- interest rate and FX hedging policies
- a limits framework
- reporting

Risk Management – Private Investments

For our Private Investments business, we have developed a risk management framework that ensures we have proper oversight, control and discipline over the assets within our Private Investments portfolio. This framework allows us to monitor and manage our long and short-term risk, report these risks and ensure that we are compensated appropriately for the risks undertaken.

Corporate Governance

Our corporate governance framework has been engineered to ensure that Waha Capital maintains a culture of the highest standards of consistency, responsibility, accountability and transparency at all levels.

Waha Capital has adopted a corporate governance policy and certain other related policies and practices that act as the core framework for our corporate governance system.

Our Corporate Governance System

We are committed to strong corporate governance principles and accordingly, we have implemented and maintain a corporate governance framework that meets the requirements applicable to public joint stock companies incorporated in the UAE and that is consistent with international best practice.

Below is a brief summary of some of the key policies and practices that we have implemented and under which we operate.

Corporate Governance Policy

Our Corporate Governance Policy provides clear and detailed guidance on: (a) Waha Capital's corporate governance structure and the interface between it and its stakeholders; (b) the authorities and decision-making mechanisms within Waha Capital and between its stakeholders; and (c) the role and responsibilities of Waha Capital's corporate governance function.

Code of Conduct

Our Code of Conduct promotes our commitment to high standards of professional and equitable behavior in everything that we do. Principally, the code sets out: (a) the minimum standard of personal conduct that Waha Capital expects from anyone working for or on its behalf; and (b) a clear and concise suite of rules and standards that have been developed to cater for a business environment that is ethical, non-discriminatory, compliant and in adherence with Waha Capital's principal values.

Insider Dealing

The necessity to have fair and transparent dealings in Waha Capital's securities is of fundamental importance to us and accordingly, we maintain a zero-tolerance approach to any activities that may prevent or hinder the safeguarding of these principles. Consequently, we have adopted and maintain a Share Dealing Policy that is designed to ensure that the obligations and responsibilities of our directors, officers and employees (and their connected persons) are clearly defined and which will prevent persons from trading or otherwise dealing in Waha Capital's securities based on undisclosed market sensitive information. We have an Insider Trading Committee that administers and oversees our Share Dealing Policy and which regularly monitors the trading in Waha Capital's securities.

Disclosure Practices

We are committed to maintaining an environment that promotes disclosure and transparency and, accordingly, ensures that Waha Capital remains in compliance with the rules and regulations relating to disclosure and transparency and its obligations to the Securities and Commodities Authority (SCA) and the Abu Dhabi Securities Exchange (ADX).

By maintaining this commitment, we are able to ensure that Waha Capital's securities are traded in a fully informed marketplace. Accordingly, Waha Capital's policy is to make regular disclosures to SCA and the ADX, including but not limited, to in relation to its quarterly and annual financial statements, its upcoming Board meetings and decisions, any applicable dividends, its key investor relations materials and key transactions entered into by Waha Capital.

Related Party Transactions Policy

Our Related Party Transaction policy has been developed to ensure that: (a) transactions with related parties are conducted on arms' length terms and are fair, reasonable and in favour of our shareholders (b) the members of our Board and senior management are aware of the steps required to approve transactions with related parties; and (c) a legitimate business case is present and which supports the relevant related party transaction. Accordingly, the Waha Capital may not enter into a related party transaction unless it has been properly authorised and approved (i.e. by the Board or by its shareholders at a general assembly - depending on the nature and value of the transaction).

Conflicts of Interest Policy

We expect all of our directors, officers and employees to act with honesty and integrity and to avoid any actual or apparent conflicts of interest in their personal and professional relationships. A conflict of interest exists when a person's private interest interferes, or appears to interfere, in any way with the interests of the Waha Capital. Accordingly, our Conflicts of Interests policy sets forth requirements for the avoidance and management of such conflicts and the appropriate disclosure procedures to follow to the extent that a conflict does arise.

Anti-bribery and Corruption Policy

Our anti-bribery and corruption policy is designed to ensure that Waha Capital and its directors, officers and employees comply with the laws and regulations of the UAE and other relevant international bodies, and prohibits any improper payment, promise of payment or offer of employment, or the improper provision of anything of value to government officials or to any person employed by or representing a government, officials of a political party, officials of public international organizations, candidates for office and employees of state-owned enterprises, or to any other person for the purpose of obtaining or retaining business or influencing official action.

Whistleblowing Policy

We expect all of our directors, officers and employees to exercise due care, honesty, transparency and integrity in fulfilling their responsibilities, and to comply with all applicable laws and regulations.

Our whistleblowing policy encourages our employees to report concerns about unethical or unlawful behavior in connection with our business by assuring confidentiality and by protecting good faith whistle-blowers from retaliation, even if they are mistaken.

Corporate Governance Framework

Our corporate governance framework sets the tone for how corporate governance should be addressed and conducted throughout our group companies pursuant to a group corporate governance structure. Through this framework, Waha Capital ensures that, among other things, its corporate governance standards are also adhered to by all of its group companies.

Board Formation

Our Board comprises seven directors. All directors are non-executive directors, with a majority being independent. Each director has the requisite knowledge, skills and expertise required to enable our Board to efficiently and effectively perform its functions.

Pursuant to our Articles of Association, each Director serves for a term of three years and may be re-elected to serve successive terms at the end of each three-year term.

Composition of the Board of Directors

We have set out below details of the composition of our Board including their independence and executive/non-executive status.

Mr. Waleed Al Mokarrab Al Muhairi
Independent Non-executive Chairman
Since March 2019

Mr. Ahmed Al Dhaheri
Non-executive Vice Chairman[1]
Since April 2012

Mr. Rashed Al Ketbi
Independent Non-executive Director
Since March 2018

Mr. Mohamed Al Nowais
Non-executive Director[2]
Since March 2018

Mr. Rasheed Al Omaira
Independent Non-executive Director
Since March 2018

Mr. Nader Al Hammadi
Independent Non-executive Director
Since March 2019

Mr. Carlos Obeid
Non-executive Director[1]
Since April 2006

[1]Under the Corporate Governance Code, these directors are no longer considered independent as they have served more than 3 consecutive terms as a Director

[2]Under the Corporate Governance Code, Mr. Al Nowais is currently not considered independent as he served in an executive position of the Company in the last 2 years (having held the role as Acting Chief Executive Officer from June 2019 to September 2019)

Audit Committee

Our Audit Committee assists the Board in discharging its responsibilities with regards to financial reporting and external and internal audits and controls namely by overseeing the integrity of and reviewing Waha Capital's annual and interim financial statements; developing and applying the policy for contracting with external auditors; overseeing the relationship with our external auditors; reviewing and monitoring the extent of any non-audit work undertaken by the external auditors; overseeing the qualifications and performance of Waha Capital's internal audit and compliance staff; and reviewing Waha Capital's financial control, internal control and risk management systems.

The Audit Committee makes recommendations to the Board, which retains ultimate responsibility for reviewing and approving our annual report and financial statements. The Audit Committee gives due consideration to the applicable laws and regulations of the UAE, SCA and the ADX.

The Audit Committee's terms of reference requires that the Audit Committee comprises of at least three members who are non-executive directors, two of whom must be independent with one having relevant work experience in the field of accounting or financial matters.

The current members are Mr. Carlos Obeid, Mr. Rasheed Al Omaira and Mr. Mohamed Al Nowais. Mr. Carlos Obeid sat as the Chairman of the Audit Committee for 2020.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee assists the Board in discharging its responsibilities relating to the composition and formation of the Board (and any committees of the Board in effect from time to time). Principally, it is responsible for evaluating the range of skillsets, experience and knowledge of the Board (and committees) and its size, structure and composition and, notably, assessing and monitoring the independent status of those non-executive directors classified as independent. In addition, it assists the Board in determining Waha Capital's needs for qualified staff at the level of senior management and the basis of their selection.

Furthermore, our Nomination and Remuneration Committee reviews and recommends (in consultation with our CEO and the Chairman of the Board), the terms and conditions of the service contracts of any executive directors and senior management employees and reviews at least annually, the remuneration (comprising basic salary, other allowances, and any performance related element of salary or bonus) of our employees including the senior management team and the remuneration proposed to be paid to the Board.

In accordance with this committee's terms of reference the committee has three members, all of which are non-executive directors.

The current members of the Nomination and Remuneration Committee are Mr. Rasheed Al Omaira (Chairman), Mr. Ahmed Al Dhaheri, and Mr. Carlos Obeid.

Insider Trading Committee

Our Insider Trading Committee oversees compliance with and administers our Share Dealing Policy (as further described above) and regularly monitors trading in Waha Capital's securities to reduce the risk of any unauthorised trading by Waha Capital's directors, officers and employees.

Pursuant to our Share Dealing Policy, all directors, officers and employees who are in possession of inside information are prohibited from dealing in Waha Capital's securities during certain periods and must seek approval from the Insider Trading Committee to purchase, dispose or otherwise deal in our shares outside of those periods. In order to grant any such approval, the Insider Trading Committee must be satisfied that the individual seeking to deal in Waha Capital's securities is not at that time in possession of inside information.

External Auditor

Our external audit function has been entrusted to Ernst & Young (EY). EY has been engaged as our external auditor since its initial appointment in 2019.

EY has maintained a presence in the MENA region since 1923 and is among the region's top professional services firms, providing audit, tax, consulting and financial services advice through 21 offices in 16 countries in the region with more than 7,500 directors, partners and staff.

We adopt a policy on our external auditor's independence by which the external auditor may not, while assuming the auditing of the Waha Capital's financial statements, perform any technical, administrative or consultation services or works in connection with its assumed duties that may affect its decisions and independence or any services or works that, in the discretion of SCA, may not be rendered by the external auditor.

Internal Control System

Our internal control system has been established to ensure that (a) our Board and management are able to achieve their business objectives in a prudent manner; and (b) we are able to effectively and efficiently safeguard the interests of Waha Capital's shareholders and other stakeholders, in each case, while minimising key risks such as fraud, unauthorised business activity, misleading financial statements, uninformed risk-taking, or breaches of legal or contractual obligations.

As per our Corporate Governance Policy, the Board is responsible for ensuring that Waha Capital applies adequate internal control systems. The Board is also responsible for performing an annual review of the effectiveness of with Waha Capital internal control system and the scope of with Waha Capital compliance with that system. Under delegated authority, our senior management is also responsible for ensuring that adequate internal controls (both financial and operational) are in place and applied.

Internal Audit

The Board has approved an internal audit function (constituted by our internal audit department) that is independent of our management and reports directly to Waha Capital's Audit Committee. The department's key objectives are to provide assurance and advice on the adequacy of our internal control environment and risk management processes. This is accomplished through the execution of an annual risk based audit plan.

Compliance and Control

We have established and maintain a compliance and control framework that provides our Board and executive management with reliable assurances on the health of our internal controls.

Our compliance function is responsible for ensuring that Waha Capital and its directors, officers and employees operate in full compliance with all applicable legal and regulatory requirements (including but not limited to resolutions issued by SCA and ADX). To underpin this function, we have adopted a suite of internal policies and procedures (as further described above).

Our compliance and control function performs a number of key tasks that help us to ensure that we maintain an effective and efficient compliance and control system. These key tasks include:

- establishing policies, procedures, rules and guidelines for Waha Capital, its Board and employees that are designed to ensure that Waha Capital operates in full compliance with its applicable legal and regulatory requirements;
- monitoring Waha Capital's internal controls and identifying any breaches or weaknesses;
- reporting on the health and effectiveness of our control system; and
- recommending and implementing corrective measures of any deficiencies or weaknesses that are identified in our control system.

To ensure that our internal control system is properly imbedded into Waha Capital and its operations, we have sought to implement the internationally recognized 3 lines of defence model consisting of:

- **Level 1:** the heads of the various departments and divisions within Waha Capital are responsible for assessing and managing risks and building efficient control systems for their own functions;
- **Level 2:** appropriate internal departments and committees (including our compliance and risk management functions) are responsible for developing, communicating and monitoring the appropriate policies, processes and procedures for Waha Capital; and
- **Level 3:** Waha Capital's internal audit function conducts independent assessments of the efficiency of the internal control system.

Board of Directors

Waleed Al Mokarrab Al Muhairi
Chairman

Mr. Waleed Al Mokarrab Al Muhairi is the Chairman of Waha Capital. He is also the Deputy Group Chief Executive Officer of Mubadala Investment Company, where he has strategic oversight of the company's broad investment portfolio and special projects at the group level.

Mr. Al Muhairi is also a member of Mubadala's Investment Committee, which is mandated to develop the company's investment policies, establish investment guidelines, and review proposed projects and investments to ensure they are in line with business objectives. He is also the Chairman of Mubadala's new investment and business planning committee, which approves deals within a certain financial threshold in addition to the responsibility of annual and multi-year business planning. Furthermore, Mr. Al Muhairi has oversight of Mubadala's Real Estate & Infrastructure and Disruptive Investments platforms.

He also serves as Chairman of Cleveland Clinic Abu Dhabi (CCAD) and the Global Institute for Disease Elimination (GLIDE), the US-UAE Business Council, and Mubadala Health. In addition Mr. Al Muhairi is a member of the Board of Trustees of Cleveland Clinic in the United States and is a board member of Aldar, Abu Dhabi Global Market, Noon.com, First Abu Dhabi Bank (FAB), Hub71, Ellipses Pharma Limited, and Investcorp.

Mr. Al Muhairi was one of the principal architects behind the Abu Dhabi 2030 Economic Vision. Prior to joining Mubadala, he worked with the UAE Offsets Program Bureau as a Senior Project Manager. His previous roles include working with McKinsey & Company as a commercial and governmental consultant.

Mr. Al Muhairi holds a Master's Degree in Public Policy from Harvard University and a Bachelor of Science Degree in Foreign Service in Economics and Finance from Georgetown University.

Ahmed Ali Khalfan AlMutawa Al Dhaheri
Vice Chairman

Mr. Al Dhaheri is the Chairman of Ali & Sons Holding L.L.C and Foodco Holdings PJSC. He is also a board member of Al Wathba National Insurance Co PJSC, Abu Dhabi Aviation PJSC and Al Ramz Corporation Investment & Development PJSC.

Mr. Al Dhaheri is a Certified Public Accountant from California, United States and holds a Bachelor's Degree in Accounting from Seattle Pacific University Washington, USA. Mr Al. Dhaheri also holds a Diploma in Business Administration (specilising in accounting) from the Higher Colleges of Technology, Abu Dhabi UAE.

Carlos Obeid
Director

As Mubadala's Chief Financial Officer, Mr Obeid is responsible for managing the organization's Business Finance including Treasury and Investor Relations, Financial Planning and Business Performance, and Financial Governance and Reporting.

He is a member of the Board of Directors of several Mubadala Group companies and other operational businesses. He currently serves as the Chairman of the Board of Directors of Mubadala Infrastructure Partners Ltd and is also a board member of Cleveland Clinic Abu Dhabi LLC, GLOBALFOUNDRIES, Waha Capital, and Abu Dhabi Commercial Bank PJSC.

Before joining Mubadala, Mr. Obeid worked with the UAE Offset Program Bureau where he led a wide range of initiatives including privatization, utilities and financial services.

Mr. Obeid holds a Bachelor of Science in Electrical Engineering from American University of Beirut, Lebanon, and a Master of Business Administration from INSEAD in Fontainebleau, France.

Mr. Rashed Al Ketbi
Director

Mr. Al Ketbi is the current Chairman of the Board of the RDK Group. He is also the Vice-Chairman and Managing Director of Al Wathba National Insurance Company PJSC and Foodco Holding PJSC. He currently serves on the board of Darwish Bin Ahmed & Sons Co LLC.

Mr. Al Ketbi holds a Bachelor's degree in Commerce from Indiana University and a Master of Business Administration from the University of St. Louis University of Management, USA.

H.E. Nader Al Hammadi
Director

H.E. Nader Al Hammadi is an established member of the Abu Dhabi business community and joined the Waha Capital board in 2019.

He is the current Chairman of Abu Dhabi Aviation, and Emirates Reem Investment Company (ERC). He also holds board positions at several companies including Royal Jet, Abu Dhabi Airports and Emirates Driving Company.

He began his career in 1990 at Abu Dhabi Aircraft Technologies (ADAT). He held several positions and was instrumental in establishing GAMAERO, a joint venture between Gamco and Aerospatiale, where he served as its Executive Director. He joined Presidential Flight in 1996 and held several key management positions and was appointed Managing Director and CEO in 2014.

He has 30 years of work experience which includes 15 years in managing public and private joint-stock companies covering several sectors, including real estate investment and aviation management as well as his experience in the hotel, construction, manufacturing and mining sector.

He graduated from Embry Riddle Aeronautical University in Florida, USA in 1990 and holds a Bachelor of Science in Aviation Electronics (Avionics). He obtained a post-graduate degree in Engineering Business Management from Warwick University in London, UK in 2002 and participated in "The Advanced Management Programme" held at INSEAD in Fountainebleau, France in March 2007.

Rasheed Ali Rasheed Al Omaira
Director

Mr. Al Omaira holds board positions on the Al Wathba National Insurance Company and Abu Dhabi National Company for Building Materials (Bildco) and he was the Chairman of Vision Capital Brokerage Company. Mr. Al Omaira is also the Chief Executive Officer of Bildco, an Abu Dhabi Securities exchange listed company that has three subsidiaries (Bildco Reinforcing Steel Services Est., Bildco Aerated Concrete Products LLC and Bildco Cement Products LLC). Bildco Steel Industries provides and manufactures building products for residential and commercial construction projects.

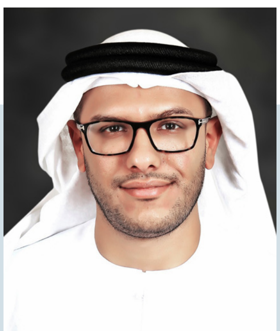
Mr. Al Omaira has over 24 years of experience in leading businesses. Mr. Al Omaira has led his family business Omaira Group of Companies and manages the daily business and assets, ensuring its maintains profitability and revenue growth. Mr. Al Omaira was also the CEO of Vision Capital Brokerage Company between 2006 and 2010.

Mohamed Hussain Al Nowais
Director

Mr. Mohamed is the Managing Director of AMEA Power, a developer, owner and operator of renewable and thermal power projects in Africa, the Middle East and Asia. He is also the Executive Director at Al Nowais Investments Company. Previously, Mr. Al Nowais worked as an Investment Associate at the Abu Dhabi Investment Authority (ADIA), as well as an Investment Banking Analyst with JP Morgan in New York, USA. Following his graduation, he completed multiple internships with international financial institutions including HSBC in Abu Dhabi and Citi Bank in London, UK.

Mr. Al Nowais holds a Bachelor's Degree with joint honours in Economics and Business Finance from the Brunel University in London, UK.

Executive Management



Ahmed Khalifa Al Mehairi
Chief Executive Officer

As Chief Executive Officer of Waha Capital, Mr. Al Mehairi drives the overall direction and strategy of the company, seeking to build on its diversified investment portfolio and generating greater returns for its stakeholders and shareholders.

Prior to his appointment at Waha Capital, Mr. Al Mehairi was a senior investment professional at the Global Special Situations Department of the Abu Dhabi Investment Council (ADIC). Before joining ADIC in 2008, he worked in the field of equities investments at Abu Dhabi Investment Authority (ADIA).

He has extensive experience within a wide range of asset classes and sectors in the field of Asset Management and Investments. He is a member of the Board of Directors at Abu Dhabi National Hotels Company PJSC, and previously served on the Boards of Al Dar Properties PJSC, Etihad Airways, Abu Dhabi National Energy Company (TAQA), TAQA Morocco, Al Dhabi Investments, National Health Insurance Company – Daman, Massar Solutions, Foodco Holding, Aseel Finance and Sorouh Real Estate.

Mr. Al Mehairi holds a Bachelor of Commerce in Finance from The John Molson School of Business at Concordia University in Montreal, Canada. He has also completed the General Management Program at Harvard Business School.

Simon Reeves
Chief Financial Officer

Mr. Reeves joined Waha Capital from J.P. Morgan in London, where as CFO, he had led the firm's financial function and was instrumental in improving performance across a number of the company's business divisions including private banking and investment management in Hong Kong, Japan and Brazil.

Mr. Reeves brings close to 20 years of financial management experience and an extensive background in financial management, strategic planning and budget control. He is a Chartered Global Management Accountant and holds a Master of Science in Strategic Business Management from Manchester Metropolitan University in the UK.

Mohamed El Jamal
Chief Investment Officer - Public Markets

Mr. El Jamal joined Waha Capital in 2010 and since that time, he has been instrumental in setting-up and developing Waha Capital's Public Markets business. He is the CIO and lead PM of the Waha CEEMEA Credit Fund SP and the Waha Mena Equity Fund SP, both of which have a long-term track record of outperformance and have consistently ranked in the top percentile of their respective peer groups.

Under Mr. El Jamal's leadership, Waha Capital's Public Markets business has opened-up and attracted third party capital from a mix of international and regional investors. Mr. El Jamal has more than 15 years of professional experience investing across capital structures, including public credit, equities as well as private debt. Prior to joining Waha Capital, he worked for Société Générale Corporate & Investment Banking in London focusing on equity and debt financing transactions across CEEMEA.

Mr. El Jamal holds a Master Degree in Financial Engineering, which he obtained with Honors, from ESSEC Business School in France.

Aseem Gupta

Managing Director, Private Investments

Mr. Gupta is a Managing Director in Waha Capital's Private Investments business. Mr. Gupta is responsible for managing strategic proprietary investments, deploying capital in new investments, and delivering successful exits. He has over 15 years of corporate finance and investments experience, and represents Waha Capital on the boards of several companies in the investment portfolio.

Prior to joining Waha Capital, Mr. Gupta worked in the Technology, Media and Telecom Investment Banking Team at Deutsche Bank in New York, where he was involved in IPO, M&A and debt raising transactions for US and global clients. Mr. Gupta holds an MBA degree from Rice University (USA), and a Bachelor of Science in Computer Engineering from Purdue University (USA).

Paul Myers
General Counsel and Company Secretary

Mr. Paul Myers is Waha Capital's General Counsel and Company Secretary and is responsible for Waha Capital's legal and regulatory affairs, corporate governance, compliance and company secretarial functions.

Prior to joining Waha Capital, Paul held senior legal roles in AFK Sistema, one of Russia's largest public investment companies and in Redline Capital, a Luxembourg regulated funds management group. Prior to this, Paul worked for Allen & Overy where he advised both private enterprises and listed companies on high value global transactions across a number of industry sectors.

Paul has close to 20 years of experience including complex public and private mergers and acquisitions, joint ventures and private equity, fund structuring and compliance and corporate governance.

Paul holds a BA from the University of New South Wales and an LL.B from the University of New England, Australia.

Hilary Rowe
Head of Human Capital & Support Services

As Head of Human Capital & Support Services at Waha Capital, Ms. Rowe is responsible for overseeing the Human Capital and Support Services for Waha Capital. Ms. Rowe has over 20 years of Human Resource management experience in investment banking and asset management.

Prior to joining Waha Capital, Ms. Rowe worked at a number of leading global investment firms in both the UK and the GCC.

Ms. Rowe holds a Bachelor's Degree in Applied Psychology from the University of Surrey, a Post Graduate Diploma in Human Resource Management from the University of Westminster, London and is a Master Member of the Chartered Institute of Personnel and Development. Ms. Rowe also holds an Executive Master's in Leadership Development and Executive Coaching from HultAshridge Business School, UK.

Financial Statements

Chairman's Report

Dear Shareholders,

I am pleased to present Waha Capital's 2020 financial results, returning to profit of AED 231m for the year, generating a return on equity of 7.9%. The results of the company are very encouraging, based on the current investment environment, which is dominated by the impact of the pandemic, and the actions taken by governments to contain it. While this volatility is always difficult to navigate, I am proud to report that the company was able not only to meet these challenges by returning to profit, but also by extending the range and reach of its investment portfolio through new investments.

Waha Capital demonstrated commendable determination and resilience throughout the year by going ahead with a number of new investments. A planned and phased acquisition programme of US equities was launched mid-year, which was followed by an investment in a US listed online travel firm operating in Latin America, Despegar. Additionally, a new – Shari'a - fund was launched to provide further breadth to our Public Markets offering.

Our Public Markets business continued to outperform industry benchmarks by creditable margins. At a time when global markets came off very significantly in market conditions seen perhaps only once in a generation, this accomplishment demonstrates the proven ability of Waha Capital's investment teams to overcome the toughest market conditions. Our Private Investments business was also able to show strong returns, by supporting the investee companies navigate the economic conditions and report contributions of profit to the group.

Underlying our robust performance was an undiminished focus on strong corporate governance. A new Business Continuity Plan was implemented at the beginning of the year and our risk management processes were enhanced across the entire business, ensuring that operating policies and procedures were observed while seeking to deliver positive returns for investors even in such unstable market conditions.

I wish to express a great debt of gratitude to the UAE government for its rapid and effective response and continuing efforts to steady the economy and to protect residents of the country during the pandemic. The extent of support and economic stimulus provided, as well as the guidance shared and the reassurance given, ensured that stability returned far more quickly than elsewhere.

In view of the work done to reset the business over the past year I remain confident that the company is well positioned to grow on the basis of its strong financial footing in the years to come.

On behalf of Waha Capital's board, management and employees, I would like to thank the leadership and Government of Abu Dhabi for their backing and support. I would also like to express my sincere thanks to Waha Capital's employees, senior management, and Board of Directors for their valuable contributions in a seminal year.

Waleed Al Mokarrab Al Muhairi
Chairman

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Codes of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's 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.

Impairment of equity accounted associates and joint ventures

As disclosed in note 11 to the consolidated financial statements, investments in equity-accounted associates and joint ventures amounted to AED 472 million (5.3% of total assets) as at 31 December 2020.

The Group is exposed to risk of impairment of its equity accounted associates and joint ventures. The Group's management conducts its impairment tests to assess its recoverability of its equity accounted associates and joint ventures and considers whether there are indicators of impairment with respect to these investments. Impairment assessments require significant judgement and there is the risk that valuation of the assets may be incorrect and any potential impairment charge miscalculated.

As such, we have identified the impairment assessment of equity accounted associates and joint ventures as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the judgement and estimates associated in conducting the impairment assessment.

As part of our audit procedures, we have:

- Obtained an understanding of the design and implementation of key controls around the underlying processes and methodologies implemented by management in performing its impairment assessments;

- Evaluated the appropriateness of the model and/or methodology used by management to calculate the recoverable amount;
- Reviewed the reasonableness of management's assumptions and assessed the estimates used in determining the recoverable amounts of material investments;
- Benchmarked assumptions applied against external data and assessed reasonableness based on our knowledge of the Group and the industry; and
- Reviewed sensitivity analyses and stress test scenarios.

Recognition and valuation of investment properties

As disclosed in note 8 to the consolidated financial statements, the Group's investment properties amounted to AED 716 million representing 8% of total assets as at 31 December 2020.

The investment properties arose from the recognition of a portion of the land granted by the Abu Dhabi Government. The Group accounts for investment properties initially at cost and subsequently measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss. The Group uses independent valuers to determine the fair value of the investment properties on an annual basis.

As the fair value is determined based on level 3 valuation methodologies, it requires management to apply significant judgement in determining the fair value of investment properties. We have identified the recognition and valuation of investment properties as a key audit matter in view of the significant judgments involved.

As part of our audit procedures, we have:

- Obtained an understanding of the design and implementation of key controls around the underlying processes and methodologies implemented by management in recognizing and performing valuation of investment properties;
- Assessed the external valuer's competence, capabilities and objectivity by perusing their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed any scope limitations in their work;
- Involved our real estate specialists to assist us in evaluating the assumptions and methodologies of both management and the external valuer. With the assistance of our real estate specialists, we have assessed whether the valuations were performed in accordance with Royal Institution of Chartered Surveyors Valuation Professional Standards;
- Gained an understanding of both management and the external valuer's valuation methodologies (e.g., income capitalisation approach, residual value method) and their assumptions applied such as rental yields, discount rates etc. by comparing yields on a sample of similar properties and by evaluating the extent to which the movements in valuations were consistent with our industry knowledge and comparable market transactions;
- Compared a sample of key inputs used in the valuation models, such as rental income, occupancy and current tenancy contracts to lease contracts to ensure the accuracy of the information supplied to the external valuer by management; and
- Evaluated management's established criteria for recognition of government grants for reasonability.

Other information

Other information consists of the information included in the Chairman's Report, Management's Discussion and Analysis and Annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Chairman's Report and Management Discussion and Analysis prior to the date of our audit report, and we expect to obtain the Annual Report after the date of our auditor's opinion. The Board of Directors and management are 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 or the other information obtained prior to the date of the auditor's opinion, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Board of Directors 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by UAE Federal Law No. (2) of 2015, we report that:

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 and the Memorandum and Articles of Association of the Company;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Chairman's Report is consistent with the books of account of the Group;

v) Investment in shares and stocks are included in note 12 to the consolidated financial statements and include purchases and investment made by the Group during the year ended December 31, 2020;

vi) note 25 to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted;

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

viii) note 23 to the consolidated financial statements discloses social contributions made during the year ended 31 December 2020.

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

Date: 11 February 2021
Abu Dhabi

Consolidated Statement of Financial Position

As at 31 December

	Note	2020 AED '000	2019 AED '000
ASSETS			
Property and equipment, net	7	**46,368**	57,573
Right-of-use assets	19	**113,550**	129,140
Investment property	8	**715,989**	717,140
Goodwill and intangible assets	9	**79,080**	85,695
Loan investments	10	**45,003**	232,963
Investments in equity-accounted associates and joint ventures	11	**472,076**	524,552
Financial investments	12	**6,163,043**	6,085,448
Inventories		**15,224**	12,751
Trade and other receivables	13	**526,796**	701,640
Cash and bank balances	14	**704,684**	800,344
Total assets		**8,881,813**	9,347,246
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**1,944,515**	1,944,515
Treasury shares	15	**(267,184)**	(267,184)
Retained earnings		**848,229**	648,650
Reserves		**505,847**	487,048
Equity attributable to the Owners of the Company		**3,031,407**	2,813,029
Non-controlling interests	5.2	**1,118,188**	1,345,715
Total equity		**4,149,595**	4,158,744
Liabilities			
Borrowings	16	**4,211,842**	4,443,657
End of service benefit provision		**26,058**	29,900
Derivative liabilities	17	**29,907**	38,949
Lease liabilities	19	**126,383**	136,510
Trade and other liabilities	18	**338,028**	539,486
Total liabilities		**4,732,218**	5,188,502
Total equity and liabilities		**8,881,813**	9,347,246

These consolidated financial statements were authorised for issue by the Board of Directors on 11 February 2021 and signed on their behalf by:

Waleed Al Mokarrab Al Muhairi	Ahmed Khalifa Al Mehairi	Simon Reeves
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Consolidated Statement of Profit or Loss

For the year ended 31 December

	Note	**2020 AED '000**	2019 AED '000
Revenue from sale of goods and services	20	**301,589**	297,692
Cost of sale of goods and services	20	**(232,514)**	(238,372)
Gross profit		**69,075**	59,320
Share of (loss) / profit from equity-accounted associates and joint ventures, net	11	**(24,356)**	234,066
Impairment of equity-accounted associates and joint ventures, net	11	**(9,915)**	(516,803)
Gain on disposal of equity-accounted associates and joint ventures		**-**	46,478
Income from financial investments	21	**605,024**	202,746
Gain on settlement of loan investments	10	**11,244**	-
Income / (loss) from investment property, net	8	**39,578**	(24,415)
Other (expense) / income, net	22	**(28,401)**	3,457
Net operating income		**662,249**	4,849
General and administrative expenses	23	**(216,678)**	(257,478)
Finance cost, net	24	**(105,674)**	(195,272)
Profit / (loss) for the year		**339,897**	(447,901)
Profit / (loss) for the year attributable to:			
Owners of the Company		**230,969**	(616,286)
Non-controlling interests		**108,928**	168,385
Profit / (loss) for the year		**339,897**	(447,901)
Basic and diluted earnings / (loss) per share attributable to the Owners of the Company (AED)	15	**0.126**	(0.335)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

As at 31 December

	2020 AED'000	2019 AED '000
Profit / (loss) for the year	**339,897**	(447,901)
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to profit or loss:		
Share of effective portion of changes in fair value of cash flow hedges	**-**	(254,162)
Hedge reserve reclassification adjustments for amounts recognised in profit or loss (note 21)	**-**	270,028
Share of changes in other reserves of equity-accounted associates and joint ventures (note 11.2)	**(4,298)**	(61,674)
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal	**-**	38,854
Other comprehensive loss for the year	**(4,298)**	(6,954)
Total comprehensive income / (loss) for the year	**335,599**	(454,855)
Total comprehensive income / (loss) attributable to:		
Owners of the Company	**226,671**	(623,240)
Non-controlling interests	**108,928**	168,385
Total comprehensive income / (loss) for the year	**335,599**	(454,855)

Consolidated statement of changes in equity

For the year ended 31 December

	Share capital AED '000	**Treasury shares AED '000**	**Retained earnings AED '000**	**Statutory reserve AED '000**
At 1 January 2019	1,944,515	(267,184)	1,407,829	486,991
(Loss) / profit for the year	-	-	(616,286)	-
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive (loss) / income	-	-	(616,286)	-
Cash dividend (note 15)	-	-	(137,888)	-
Acquisition of non-controlling interests	-	-	(5,005)	-
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-
At 31 December 2019	**1,944,515**	**(267,184)**	**648,650**	**486,991**
At 1 January 2020	1,944,515	(267,184)	648,650	486,991
Profit for the year	-	-	230,969	-
Other comprehensive loss	-	-	-	-
Total comprehensive income / (loss)	-	-	230,969	-
Transfer to statutory reserve	-	-	(23,097)	23,097
Acquisition of non-controlling interests	-	-	(8,293)	-
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-
At 31 December 2020	**1,944,515**	**(267,184)**	**848,229**	**510,088**

Hedge reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
(15,866)	22,877	494,002	3,579,162	970,768	4,549,930
-	-	-	(616,286)	168,385	(447,901)
15,866	(22,820)	(6,954)	(6,954)	-	(6,954)
15,866	(22,820)	(6,954)	(623,240)	168,385	(454,855)
-	-	-	(137,888)	-	(137,888)
-	-	-	(5,005)	(2,445)	(7,450)
-	-	-	-	209,007	209,007
-	**57**	**487,048**	**2,813,029**	**1,345,715**	**4,158,744**
-	57	487,048	2,813,029	1,345,715	4,158,744
-	-	-	230,969	108,928	339,897
-	(4,298)	(4,298)	(4,298)	-	(4,298)
-	(4,298)	(4,298)	226,671	108,928	335,599
-	-	23,097	-	-	-
-	-	-	(8,293)	(2,524)	(10,817)
-	-	-	-	(333,931)	(333,931)
-	**(4,241)**	**505,847**	**3,031,407**	**1,118,188**	**4,149,595**

Consolidated statement of cash flows

For the year ended 31 December

	Note	**2020 AED '000**	2019 AED '000
Cash flows from operating activities			
Profit / (loss) for the year		**339,897**	(447,901)
Adjustments for:			
Depreciation on property and equipment, net	7	**18,362**	19,584
Depreciation on right-of-use assets	19	**13,915**	17,604
Finance cost, net	24	**105,674**	195,272
Charge for employees' end of service benefits		**2,621**	3,876
Gain on valuation of financial assets at fair value through profit or loss		**(618,777)**	(484,332)
Loss on reclassification of hedge reserve on maturity	21	**-**	270,028
Share of loss / (profit) from equity-accounted associates and joint ventures, net	11	**24,356**	(234,066)
Impairment of equity-accounted associates and joint ventures, net	11	**9,915**	516,803
Gain on disposal of equity-accounted associates and joint ventures		**-**	(46,478)
Gain on disposal of a subsidiary	22	**(2,191)**	-
Decrease in fair value of investment property	8	**-**	49,919
Gain on disposal of investment property	8	**(2,607)**	-
Dividend from equity-accounted associates and joint ventures	11	**13,907**	24,211
Other expense		**37,443**	-
Amortisation and impairment of intangible assets	9	**453**	20,839
Impairment of loan investment	10	**972**	-
Write off of intangible assets	9	**-**	1,347
Provision for expected credit losses	23	**10,396**	11,997
Investment in asset held for sale and equity-accounted joint venture	11	**-**	(99,446)
Investments in financial assets at FVTPL		**532,140**	(433,967)
Loans (repaid) / obtained for financial assets at FVTPL	16	**(302,652)**	600,801
Finance cost paid on loans obtained against financial assets at FVTPL		**(53,349)**	(61,279)
Interest expense on lease liabilities	19	**(8,508)**	(10,507)
Gain on settlement of loan		**(11,244)**	-
Proceeds on disposal of associates and joint ventures, net		**-**	3,389,447
Changes in working capital:			
Change in inventories		**(2,518)**	(3,023)
Change in trade and other receivables		**177,884**	(282,484)
Change in trade and other liabilities		**(238,186)**	73,092
Net cash generated from operations		**47,903**	3,091,337
Employees' end of service benefits paid		**(6,393)**	(7,945)
Net cash generated from operating activities		**41,510**	3,083,392

	Note	2020 AED '000	2019 AED '000
Cash flows from investing activities			
Purchase of intangibles, net	9	**(93)**	(162)
Payments made for development of investment property	8	**(7,542)**	(13,493)
Purchase of property and equipment, net	7	**(7,317)**	(4,462)
Proceeds from disposal of a subsidiary, net of cash disposed	5.3	**(480)**	-
Proceeds from finance leases		**2,600**	2,960
Wakala deposit placed		**35,000**	(35,000)
Interest received		**7,388**	7,714
Net cash generated from / (used in) investing activities		**29,556**	(42,443)
Cash flows from financing activities			
Finance cost paid on borrowings		**(58,098)**	(97,455)
Lease liabilities paid		**(8,452)**	(7,413)
Loans repaid	16	**(602,446)**	(3,053,345)
Loans obtained	16	**893,649**	389,969
Proceeds from loan settlement		**23,527**	-
Loan investment provided		**(45,975)**	-
Dividends paid	15	**-**	(137,888)
(Redemptions) / contributions by non-controlling interest holders, net		**(333,931)**	209,007
Acquisition of non-controlling interests		**-**	(7,450)
Net cash used in from financing activities		**(131,726)**	(2,704,575)
Net (decrease) / increase in cash and cash equivalents		**(60,660)**	336,374
Cash and cash equivalents at 1 January		**765,344**	428,970
Cash and cash equivalents at 31 December	14	**704,684**	765,344

Notes to the consolidated financial statements

1. Legal status and principal activities

Al Waha Capital PJSC (the "Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These consolidated financial statements comprise the results and financial position of the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates and jointly controlled entities ("associates and joint ventures").

The Group invests in a wide range of sectors, including financial services, capital markets, industrial real estate, infrastructure, healthcare, fintech and oil and gas.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and applicable requirements of the UAE laws.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment property and certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

(c) Functional currency and presentation currency

The functional currency of the Company is the US Dollar ("US$"). The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of these consolidated financial statements, the results and financial position of the Group are presented in United Arab Emirates Dirhams ("AED"), which is the Group's presentation currency. All financial information presented in AED has been rounded to the nearest thousand, unless otherwise stated.

(d) New and revised IFRS

(i) New and revised IFRSs adopted with no material effect on the consolidated financial statements

In the current year, the Group has applied a number of standards and amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020, as follows:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IFRS 3 Definition of a Business	1 January 2020
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 16: Covid-19 Related Rent Concessions	1 June 2020

The application of these revised and new IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

(ii) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 - *Property, Plant and Equipment* — Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 - *Onerous Contracts* — Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, 9 and 16 and IAS 41)	1 January 2022
IFRS 17 *Insurance Contracts*	1 January 2023

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

(i) Subsidiaries

Consolidation of a subsidiary is achieved when the Company obtains control over the investee and ceases when the Company loses control of the investee. Control is achieved when the Company:

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

The Company 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.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the investee.

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 balances, equity, income, expenses and cash flows resulting from intragroup transactions are eliminated in full on consolidation. When the Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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 interest 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 Owners of the Company.

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 (including goodwill), and the 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, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(iii) Investments in equity accounted associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint 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.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(iv) Associates designated at FVTPL

Interests in associates that are held as part of the Group's investment portfolio are carried in the consolidated statement of financial position at fair value. IAS 28 *Investments in Associates and Joint Ventures*, allows investments in associates held by venture capital organisations to be designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the consolidated statement of profit or loss in the period of the change.

(b) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the non-current asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an equity accounted associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (refer to note 3 (a) (iii)).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(c) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment loss. The cost of property and equipment is the purchase cost plus any directly attributable cost of acquisition.

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 statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate the assets' cost to their residual value over their estimated useful life, on the following basis:

Description	Estimated useful lives
Leasehold improvements	3 to 5 years
IT equipment, furniture and fittings	3 to 5 years
Medical and other equipment	5 to 7 years
Motor vehicles	3 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.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

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

(d) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Cost includes all direct costs attributable to bringing the assets to the location and condition necessary for the asset to operate in the manner intended, including related staff costs, design, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, they are transferred from work-in-progress to completed properties. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill arising upon an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an equity accounted investee is described at note 3 (a) (iii) above.

(ii) Other intangible assets acquired in a business combination

Other intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost), and include trademarks, licenses contracts and software.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets, on the following basis:

Description	Estimated useful lives
Trademarks	5 to 10 years
Licenses	5 years
Contract	5 years
Software	3 to 5 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(iii) De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) 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. When 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated selling expenses. Allowance for obsolete and slow moving inventory is made to reduce the carrying amount of inventories to their net realisable value.

(i) Financial instruments

(i) Initial recognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument except for “regular way” purchases and sale of financial assets which are recognised on trade date basis (other than derivative assets).

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Options which are acquired at transaction cost, with a different day one fair value based on unobservable inputs, are initially recognised at fair value; and any differences between fair value and transaction cost are deferred into unearned income, which is recycled into profit and loss account over the life of the options. Any subsequent changes on the re-measurement of fair value are presented in profit and loss account.

(ii) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Debt instruments
Debt instruments are classified and subsequently measured at either amortised cost or fair value on the basis of the entity’s business model for managing the financial

assets and the contractual cash flow characteristics of the financial assets.

Debt instruments are measured at amortised cost, net of any write down for impairment, only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) 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.

Interest calculated using the effective interest method is recognised in profit or loss and is included in 'Finance cost, net'. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group may choose at initial recognition to designate a debt instrument that otherwise qualifies to be measured at amortised cost or as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch. All other debt instruments must be measured as at FVTPL.

Debt instruments are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVTPL on initial recognition is not allowed.

Other financial assets measured at amortised cost

Trade and other receivables and cash and bank balances are measured at amortised cost less any impairment. Interest income is recognised on an effective interest basis, except for short term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents include cash on hand and deposits held with banks for working capital purposes (excluding deposits held under lien) and term and Wakala deposits of original maturity less than 3 months.

Equity instruments

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments designated at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 15 *Revenue from Contracts with Customers*, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in 'other income, net' (note 22).

(iii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 recognised as the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with IFRS 9.

Financial liabilities designated at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of held for trading financial liabilities are recognised in profit or loss. Such gains or losses that are recognised in profit or loss incorporate any interest paid on the financial liabilities and are included in the 'Income from financial investments' line item in the consolidated statement of profit or loss.

However, for non-held for trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance cost, *net*' line item in the consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iv) Reclassification

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost; if and only if the Group's business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. The Group does not restate any previously recognised gains, losses, or interest.

Reclassification is not allowed for:

- equity investments measured at FVTOCI, or
- where the fair value option has been exercised in any circumstance for a financial asset or financial liability.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in:

- Profit or loss, for securities measured at amortised cost or FVTPL, or
- Other comprehensive income, for investments at FVTOCI. At the time of derecognition of FVTOCI investment any revaluation reserve is transferred to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities but, where it does not intend to settle the amounts net or simultaneously, the assets and liabilities concerned are presented on a gross basis.

(vii) Repurchase and reverse repurchase contracts

Securities sold subject to a commitment to repurchase them at a predetermined price at a specified future date (repos) continue to be recognised in the consolidated statement of financial position and a liability is recorded in respect of the consideration received under borrowings. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position. Amounts placed under these agreements are included in 'Reverse-repo contracts' within 'Financial investments'.

(viii) Foreign exchange gains and losses

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- for financial assets and liabilities that are classified as at FVTPL, the foreign exchange component is recognised in profit or loss; and
- for financial assets that are equity instruments and designated as at FVTOCI, any foreign exchange component is recognised in other comprehensive income.

For foreign currency denominated financial assets and liabilities measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the financial assets and are recognised in the 'Income from financial investments' line item in the consolidated statement of profit or loss.

(ix) Derivative financial instruments

The Group enters into a variety of derivative financial instruments, including equity price collars, foreign exchange forward contracts and interest rate swaps to manage its exposure to equity price, interest rate and foreign exchange rate risks.

In addition, the Group acquired options and warrants (the Options), pursuant to which the Group can increase its ownership stake in equity accounted associates and joint ventures. Further details of derivative financial instruments are disclosed in note 12.

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit immediately unless: (i) the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship or (ii) the derivative is capitalised as unearned income and subsequently recognised in profit or loss over the life of the options and warrants.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

(x) Hedge accounting

The Group has designated its equity price collars, in respect of its cash flow risk resulting from changes in equity price on a forecasted sale of equity accounted investee, as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 12 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of revaluation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in "other income, net".

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss as the recognised hedged item. If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the revaluation reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability.

When the Group discontinues hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the future cash flows occur; if the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

When the Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of the option, it recognises some or all of the change in the time value in other comprehensive income which is later removed or reclassified from equity as a single amount or on an amortised basis (depending on the nature of the hedged item) and ultimately recognised in profit or loss.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

(xi) Impairment of financial assets

Under IFRS 9, the Group recognises a loss allowance for expected credit losses on financial assets. No impairment loss is recognised for investments in equity instruments which are carried at FVTPL. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for its trade and other receivables. Further, the Group applies the general approach for all other financial assets carried at amortised cost.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of financial assets at amortised cost, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default for financial assets is represented by the assets' gross carrying amount at the reporting date. The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet.

be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;

- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals, if applicable; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment amount in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through an allowance for expected credit losses account.

(j) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(i) Sale of goods and services

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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group recognises revenue from the sale of goods and services from the following:

a) healthcare services to patients at its various clinics;

b) laboratory services to patients for tests requested by patients or prescribed by doctors; and

c) contracts with customers for the sale of pharmacy items including medicines and other consumables

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Rental income

The Group's policy for recognition of revenue from operating leases is described in note (l) below.

(iv) Capital markets transactions

The Group has arranged debt capital financing on behalf of its clients for the acquisition of high value items, such as vessels and aircraft. The Group earns income from arranging, advising on and administering such transactions, which are accounted for in accordance with IFRS 15 *Revenue from Contracts with Customers*. Fee income earned from the provision of services is recognised as revenue when the services are performed .

(l) Leasing

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.

(i) The Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the term of the relevant lease. 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.

(ii) The Group as lessee

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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.

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 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.

(m) Employee benefits

The provision for employees' end of service benefit is calculated in accordance with the UAE Federal Labour Law and is recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Pension contribution for GCC nationals is recognised as an expense in the consolidated statement of profit and loss on an accrual basis.

Liabilities recognised in respect of other long-term employee benefits, included in trade and other liabilities, are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(n) 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Government grants

The Group believes that, in most cases, when land is initially received through government grants, the probability that future economic benefits will flow to the Group is uncertain, since, until the Group has established plans to utilise the land, it is possible that such land may revert back to the government. In addition, in the absence of identified use of the land, the amount of future economic benefits cannot be determined with reasonable certainty. Accordingly, land so received is not initially recognised in the consolidated financial statements until certain events occur, which enable management to conclude that it becomes probable that future economic benefits will flow to the Group from its ownership of such land.

Land received as government grants that do not meet the criteria that future economic benefits will flow to the Group, are not recognised, but their existence is disclosed in the consolidated financial statements. The determination of whether future economic benefits will flow to the Group is made by management using guidelines approved by the Board of Directors; each such determination is also approved by the Board of Directors. Once the determination is made, land is recognised in the financial statements at nominal value.

At the point of such initial recognition, and subsequently, at each reporting date, an assessment is made by the Group as to the ultimate use of the land, and based on such assessment, the land is transferred to the relevant asset category (such as investment property, property, plant and equipment or inventory) depending on its intended use, and is thereafter accounted for using the accounting policy in place for that relevant asset category.

(p) Statutory reserve

In accordance with the Companies Law and the Company's Articles of Association, 10% of the profit after tax is transferred at the end of each financial year to a non-distributable statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates or assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Key sources of estimation uncertainty

(i) Investment property valuation

The Group's investment properties are revalued at the end of the reporting period by management with reference to accredited independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair values are based on market values, being the estimated consideration that would be exchanged at an arms' length transaction between knowledgeable market participants at measurement date.

In the absence of reliable estimates of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated future cash flows expected to be received from the property considering income capitalization approach, comparable method and residual value method. Based on the revaluation, a fair value decrease of AED nil was recognised in the current year (2019: decrease of AED 49,919 thousand). The fair valuation methodology of the investment properties are disclosed in note 8.

(ii) Impairment of equity-accounted associates and joint ventures

The investment in equity accounted associates was tested for potential impairment, by comparing its carrying amount and recoverable amount.

The investment in NESR was tested for impairment following the evidence of a prolonged period of its share price trading at reducing multiple, among other relevant factors. Other investments are tested for impairment when there is an objective evidence of impairment indicators. The recoverable amounts of these investments were determined using the higher of their fair value less cost to sell and value in use.

The recoverable amount of the investment in NESR was determined considering the fair value less cost of disposal.

The recoverable amount of the investment in Petronash was determined using both the income approach (discounted cash flows) and the market approach (EBIDA multiples).

The recoverable amount of the investment in Deem Finance LLC was determined considering the adjusted net assets value of the Company.

Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of AED 9,915 thousand was recognised (2019: AED 516,803 thousand).

(iii) Impairment of goodwill

Goodwill arising from the acquisition of Anglo Arabian Healthcare and its subsidiaries was tested for impairment during the year. The critical estimates involved are disclosed in note 9.

(iv) Allowance for expected credit losses

The Group has estimated the recoverability of trade and other receivables, and loan investments and has considered the allowance required for Expected Credit Losses ("ECL").

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for its trade and other receivables. Further, the Group applies the general approach for all other financial assets carried at amortised cost.

ECL are measured as an allowance equal to 12 months ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

As at 31 December 2020, provision for expected credit losses on trade receivables amounting to AED 184,364 thousand (2019: AED 265,497 thousand) amounted to AED 55,174 thousand (2019: AED 44,231 thousand) and provision for expected credit losses on other receivables amounting to AED 29,012 thousand (2019: AED 19,404 thousand) amounted to AED 3,714 thousand (2019: AED 4,266 thousand). 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.

(v) Fair value of financial instruments

The Group has financial assets and liabilities that are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various financial assets and liabilities are disclosed in note 28.

(vi) COVID 19

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration and its impact on the business and overall economic impact. The outbreak of COVID-19 has had an impact on demand for oil and petroleum products.

The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. The management believes that the COVID- 19 has no significant impact for the year ended 31 December 2020 except on an investment in an equity-accounted associate which was fully written down during the year (note 11), however, these COVID-19 developments could impact future financial results, cash flows and the financial condition of the Group.

(b) Critical accounting judgements

(i) Possibility of future economic benefits from land received as government grant

Refer to note 3(o) for a description of judgements used to ascertain the possibility of future economic benefits from land received as government grant.

(ii) Indemnity provided upon disposal of a subsidiary

On 15 February 2017, the Group through its UAE healthcare subsidiary, Anglo Arabian Healthcare Investment (AAH), has entered into a share purchase agreement with an unrelated company to sell its entire 93% equity stake in Proficiency Healthcare Diagnostic LLC (PHD), which was completed on 6 December 2017.

Pursuant to the completion of the transaction, AAH has indemnified certain amounts to the buyer of PHD, which could vary up to 50% and 75% of the proceeds, under certain events for a limited period. This indemnity is backed by a comfort letter issued by the Company in the event that the net asset value of AAH falls below the indemnity threshold. At the end of the reporting period, management believe the occurrence of such certain events to be remote.

(iii) Initial recognition of options and warrants related to Petronash

Further to the acquisition of Petronash, the Group also acquired additional rights in the form of options and warrants (the Options) on zero-cost basis, pursuant to which the Group can increase its ownership up to 50% and are classified as financial assets measured at FVTPL. Since the day 1 fair value was derived using unobservable inputs, the fair value at initial recognition was deferred as Unearned Income and is recycled into profit and loss account over the life of the Options. On subsequent re-measurement, the change in fair value is recognised into profit and loss account.

(iv) 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.

(v) Discount rate used for initial measurement of lease liabilities

The Group, as a lessee, measures the lease liabilities at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company on initial recognition of the lease uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Company 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 assets in similar economic environment. The Company determined its incremental borrowing rate at 5.00% - 7.02% in respect of the lease liabilities (note 19).

5. Composition of the Group

5.1 Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

			Group's shareholding	
Subsidiary	**Country of incorporation**	**Principal activity**	**2020**	2019
Private Investments				
Waha AC Cooperatief U.A. [1]	Netherlands	Investment in AerCap	**100%**	100%
Al Waha Land LLC	UAE	Industrial Real Estate	**100%**	100%
Anglo Arabian Healthcare Investments LLC	UAE	Healthcare	**97.1%**	97.1%
Waha VAS Limited [2]	Cayman Islands	Investment in Channel VAS	**100%**	100%
Waha Energy Limited [3]	Cayman Islands	Energy	**100%**	100%
Asset Management				
Waha Investment PrJSC	UAE	Investment manager	**100%**	100%
Waha Investment Management Company SPC[4]	Cayman Islands	Financial investments	**100%**	100%
Oasis Investment No 1 Limited	Cayman Islands	Private financial transactions	**100%**	100%
Oasis Investment No 2 Limited	Cayman Islands	Private financial transactions	**100%**	100%

[1] Holding Company that previously held an investment in AerCap.

[2] Holding Company carrying an investment in Channel VAS (note 11).

[3] Holding Company carrying special purpose vehicles for investments in SDX Energy Inc., NESR Corp and Petronash Global Limited (note 11 and 12).

[4] Waha Investment Management Company SPC owns 100.0% of Waha MENA Value Fund SP (2019: 99.8%), 67.7% of Waha MENA Equity Fund SP (2019: 49.8%), 63.5% of Waha CEEMEA Credit Fund SP (2019: 58.9%), and 100.0% of Waha Islamic Income Fund SP (2019: nil).

5.2 Details of subsidiaries with material non-controlling interests

5.2a Waha Investment Management Company SPC

Summarised financial information in respect of Waha Investment Management Company SPC is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Statement of financial position	2020 AED '000	2019 AED '000
Total assets	**6,432,360**	6,656,456
Total liabilities	**(2,909,107)**	(3,355,375)
Non-controlling interests[1]	**(1,132,932)**	(1,352,927)
Equity attributable to the Owners of the Company	**2,390,321**	1,948,154

[1] Movement in non-controlling interests includes: a) net redemption of Waha MENA Equity Fund SP of AED 349,019 thousand (2019: net investment of AED 44,282 thousand); b) net investments into Waha CEEMEA Credit Fund SP of AED 15,683 thousand (2019: AED 118,377 thousand); and c) redemptions of AED 617 thousand from Waha MENA Value Fund SP (2019: net investments of AED 44,126 thousand).

Movement in equity attributable to the Owners of the Company includes: a) investments of AED 102,340 thousand into Waha MENA Equity Fund SP (2019: redemptions of AED 25,746 thousand) and the Group's ownership increased from 49.8% to 67.7%; b) investments of AED 156,309 thousand (2019: redemptions of AED 18,390 thousand) into Waha CEEMEA Credit Fund SP and the Group's ownership increased from 58.9% to 63.5%; and c) redemptions of AED 315,021 thousand from Waha MENA Value Fund SP (2019: investments of AED 44,136 thousand) and the Group's ownership increased from 99.8% to 100.0%. The Group invested in Waha Islamic Income Fund SP, a newly established fund, an amount of AED 91,950 thousand (31 December 2019: AED nil) and the Group's ownership is 100.0%.

Statement of profit or loss	Year ended 31 December 2020 AED '000	Year ended 31 December 2019 AED '000
Income from financial investments	**520,302**	663,252
Expenses	**(59,153)**	(70,601)
Profit for the year	**461,149**	592,651
Profit attributable to Owners of the Company	**347,191**	408,145
Profit attributable to the non-controlling interests	**113,958**	184,506
Profit for the year	**461,149**	592,651
Statement of cash flows		
Net cash inflow from operating activities	**283,800**	15,419
Net cash (outflow) / inflow from financing activities	**(238,978)**	207,150
Net cash inflow	**44,822**	222,569

5.2b Anglo Arabian Healthcare Investments LLC

Anglo Arabian Healthcare Investments LLC ("AAH") is a holding company for the Group's 70% ownership interest in Sharjah Corniche Hospital LLC ("SCG") and Health Bay Polyclinic (2019: 70%), 60% in Ibn Sina Medical Centre LLC (2019: 60%), nil% in Oras Medical Center LLC (2019: 60%), 100% in AAH Services FZ LLC (2019: 100%), 74% in Amina Hospital LLC (2019: 73%) and 100% in IVF Investment LLC (2019: 80%).

Summarised financial information in respect of AAH is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Statement of financial position	**2020 AED '000**	2019 AED '000
Non-current assets	**232,449**	262,710
Current assets	**121,559**	116,458
Total liabilities	**(225,701)**	(229,011)
Non-controlling interests[1]	**21,800**	14,688
Equity attributable to the Owners of the Company	**150,107**	164,845

[1]Movement in non-controlling interests include contributions of non-controlling interest holders' share of investment amounting to AED 22 thousand (2019: AED 2,222 thousand).

Statement of profit or loss	**Year ended 31 December 2020 AED '000**	Year ended 31 December 2019 AED '000
Revenue	**301,589**	297,692
Expenses	**(310,110)**	(348,848)
Loss for the year	**(8,521)**	(51,156)
Loss attributable to Owners of the Company	**(4,814)**	(34,928)
Loss attributable to the non-controlling interests	**(3,707)**	(16,228)
Loss for the year	**(8,521)**	(51,156)
Statement of cash flows		
Net cash inflow / (outflow) from operating activities	**11,790**	(17,683)
Net cash inflow from investing activities	**17,741**	35,582
Net cash outflow from financing activities	**(30,509)**	(14,778)
Net cash (outflow) / inflow	**(978)**	3,121

5.3 Disposal of a subsidiary

On 6 October 2020, the Group through its UAE healthcare subsidiary, Anglo Arabian Healthcare Investment (AAH), has entered into a sale and purchase agreement of shares in the capital of Oras Medical Center LLC and certain related transactions to sell its entire 60% equity stake in Oras Medical Center LLC, which was completed on 24 November 2020.

Analysis of assets and liabilities over which control was lost	**25 November 2020 AED '000**
Current assets	
Cash and cash equivalents	**3,494**
Trade and other receivables	**3,706**
Inventories	**45**
Non-current assets	
Goodwill	**6,255**
Furniture and equipment	**160**
Current liabilities	
Trade and other liabilities	**(266)**
Non-current liability	
End of service benefit provision	**(70)**
Net assets disposed	**13,324**
Net profit from disposed subsidiary	
Revenue	**4,218**
Direct Costs	**(1,220)**
General and administration expenses	**(482)**
	2,516
Gain on disposal of a subsidiary	
Consideration received	**12,697**
Net assets disposed	**(13,324)**
Non-controlling interests	**2,818**
	2,191
Net cash outflow on disposal of a subsidiary	
Consideration received in cash and cash equivalents	**3,014**
Less: cash and cash equivalent balances disposed	**(3,494)**
	(480)

6. Operating segments

Private Investments

The Private Investments segment holds all of the Group's proprietary investments in diversified industries including financial services, infrastructure, oil and gas, fintech, industrial real estate and healthcare.

Asset Management - Capital Markets

The Asset management- Capital Markets segment represents a platform to provide investors access to opportunities in equities and other asset management services.

Corporate

The corporate segment comprises the Group's activities, which are not allocated to reportable segments.

Information related to the operating segments is mentioned below as at and for the year ended 31 December:

		Asset Management		
AED '000 2020	**Private Investments**	**Capital Markets**	**Corporate**	**Consolidated**
Revenue from sale of goods and services	**301,589**	**-**	**-**	**301,589**
Cost of sales	**(232,514)**	**-**	**-**	**(232,514)**
Share of loss from equity-accounted associates and joint ventures, *net*	**(24,356)**	**-**	**-**	**(24,356)**
Impairment of equity-accounted associates and joint ventures, net	**(9,915)**	**-**	**-**	**(9,915)**
Gain on settlement of loan investments	**11,244**	**-**	**-**	**11,244**
Income from financial investments	**88,794**	**516,230**	**-**	**605,024**
Other (expense) / income, *net*	**(28,808)**	**321**	**86**	**(28,401)**
Income from investment property, net	**39,578**	**-**	**-**	**39,578**
General and administrative expenses – parent	**(6,813)**	**(22,080)**	**(90,012)**	**(118,905)**
General and administrative expenses – subsidiaries	**(91,092)**	**(6,681)**	**-**	**(97,773)**
Finance cost, *net*	**(12,542)**	**(52,413)**	**(40,719)**	**(105,674)**
Profit / (loss) for the year	**35,165**	**435,377**	**(130,645)**	**339,897**
Other comprehensive loss	**(4,298)**	**-**	**-**	**(4,298)**

AED '000 2019	Asset Management Private Investments	Capital Markets	Corporate	Consolidated
Revenue from sale of goods and services	297,692	-	-	297,692
Cost of sales	(238,372)	-	-	(238,372)
Share of profit from equity-accounted associates and joint ventures, *net*	234,066	-	-	234,066
Impairment of equity-accounted associates and joint ventures	(516,803)	-	-	(516,803)
Gain on disposal of equity-accounted associates and joint ventures	46,478	-	-	46,478
(Loss) / income from financial investments	(456,649)	659,395	-	202,746
Other income, *net*	2,185	1,135	137	3,457
Loss from investment property, *net*	(24,415)	-	-	(24,415)
General and administrative expenses – parent	(9,398)	(16,970)	(85,222)	(111,590)
General and administrative expenses – subsidiaries	(136,566)	(9,322)	-	(145,888)
Finance cost, *net*	(49,713)	(58,498)	(87,061)	(195,272)
Profit / (loss) for the year	(851,495)	575,740	(172,146)	(447,901)
Other comprehensive loss	(6,954)	-	-	(6,954)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the year (2019: AED nil). All revenues are generated from sales of goods and services within the UAE. Included in revenue from sales of goods and services are revenues of approximately AED 35,196 thousand (2019: AED 23,621 thousand) which arose from the Group's largest customer. No other customer contributed 10% or more to the Group's revenue for 2020 while no single customer contributed 10% or more to the Group's revenue for 2019.

During the year, the Group recognised an impairment loss of AED 9,915 thousand (2019: AED 516,803 thousand) on investments in equity accounted investees, and a fair value loss of AED nil (2019: AED 49,919 thousand) on investment properties in the Private Investments segment.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration cost amounting to AED 130,645 thousand (2019: AED 172,146 thousand). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

	Asset Management			
AED '000 **2020**	**Private Investments**	**Capital Markets**	**Corporate**	**Consolidated**
Investment in equity-accounted associates and joint ventures	**472,076**	**-**	**-**	**472,076**
Other assets	**1,632,742**	**6,403,176**	**373,819**	**8,409,737**
Segment assets	**2,104,818**	**6,403,176**	**373,819**	**8,881,813**
Segment liabilities	**444,720**	**2,948,042**	**1,339,456**	**4,732,218**
Capital expenditures	**14,530**	**21**	**598**	**15,149**
Depreciation and amortisation and impairment of intangibles assets	**29,094**	**25**	**3,611**	**32,730**
2019				
Investment in equity-accounted associates and joint ventures	524,552	-	-	524,552
Other assets	1,225,377	7,034,761	562,556	8,822,694
Segment assets	1,749,929	7,034,761	562,556	9,347,246
Segment liabilities	470,496	3,704,702	1,013,304	5,188,502
Capital expenditures	18,843	27	239	19,109
Depreciation and amortisation and impairment of intangibles assets	53,561	37	4,429	58,027

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than corporate assets of AED 373,819 thousand (2019: AED 562,556 thousand)
- All liabilities are allocated to operating segments other than corporate liabilities of AED 1,339,456 thousand (2019: AED 1,013,304 thousand)

7. Property and equipment, net

	Leasehold improvements AED '000	IT equipment, furniture and fittings AED '000	Medical and other equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Total AED '000
Useful economic lives (years)	**3 - 5**	**3 - 5**	**5 - 7**	**3**		
Cost						
At 1 January 2019	46,615	36,833	80,848	2,800	92	167,188
Adjustments	-	(845)	209	707	(71)	-
Additions	375	1,489	3,483	-	22	5,369
Disposals	(1,193)	(466)	(310)	(283)	-	(2,252)
At 31 December 2019	45,797	37,011	84,230	3,224	43	170,305
Additions	215	2,028	5,016	210	53	7,522
Disposals	-	(5)	(220)	(600)	-	(825)
Eliminated upon disposal of subsidiary	(149)	(44)	(806)	-	-	(999)
At 31 December 2020	**45,863**	**38,990**	**88,220**	**2,834**	**96**	**176,003**
Accumulated depreciation and impairment						
At 1 January 2019	23,012	25,403	43,305	2,773	-	94,493
Adjustments	-	(464)	209	255	-	-
Charge for the year[1]	4,383	4,060	10,812	329	-	19,584
Disposals	(337)	(432)	(293)	(283)	-	(1,345)
Balance at 31 December 2019	27,058	28,567	54,033	3,074	-	112,732
Charge for the year[1]	4,212	3,404	10,616	130	-	18,362
Disposals	-	(5)	(15)	(600)	-	(620)
Eliminated upon disposal of subsidiary	(141)	(44)	(654)	-	-	(839)
Balance at 31 December 2020	**31,129**	**31,922**	**63,980**	**2,604**	**-**	**129,635**
Net carrying amount						
At 31 December 2020	**14,734**	**7,068**	**24,240**	**230**	**96**	**46,368**
As at 31 December 2019	18,739	8,444	30,197	150	43	57,573

[1] Depreciation expense of AED 9,166 thousand is included in "Cost of sales of goods and services" (2019: AED 9,118 thousand) and AED 9,196 thousand is included in "General and Administrative expenses" (2019: AED 10,465 thousand).

8. Investment property

	2020 AED '000	2019 AED '000
At 1 January	**717,140**	753,566
Additions	**7,542**	13,493
Fair value loss	**-**	(49,919)
Disposal	**(8,693)**	-
At 31 December	**715,989**	717,140

Investment property comprise of land and buildings that are constructed for commercial and industrial use.

The Group has recognised a portion of the land granted in the consolidated financial statements by applying the accounting policy with respect to government grants (refer to note 3(o)) and investment properties (refer to note 3(d)). The land grant related to the portion of land for which the Group has no development plans, remains unrecognised on the consolidated statement of financial position as at reporting date.

The investment property is categorised into level 3 of the fair value hierarchy based on the inputs to the valuation technique accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 December 2020, was performed by management with reference to an accredited independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use. Valuation methodologies considered include:

- The Income Capitalisation Approach, where income receivable under comparable leases, existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation date.

- The Comparable method, which identify identical or similar assets (properties) that have been sold, analysing the sales prices achieved and the relevant market data and establishing value by comparison with those properties that have been sold

- The Residual Value Method, which requires the use of estimates such as sale price, construction costs, professional fees, financing cost and targeted internal rate of return. These estimates are based on local market conditions existing at the end of the reporting period.

The Income Capitalisation Approach was used to derive the fair value of buildings where the discount rate used ranged from 10% – 12%. The Comparable method and Residual Value Method were used to derive the fair value of land plots where the sales price ranged from AED 25 to AED 48 per sq ft.

Based on the revaluation, a fair value change of AED nil was recognised in the current year (2019: decrease of AED 49,919 thousand).

Income / (loss) from investment property, net

	2020 AED '000	2019 AED '000
Rental income	**39,880**	28,751
Operating costs	**(2,909)**	(3,247)
Fair value loss	**-**	(49,919)
Gain on disposal	**2,607**	-
	39,578	(24,415)

During the year, the Group entered into a Musataha Agreement for sale of a serviced land. Total consideration for the transaction is AED 13,000 thousand which is payable in five instalments until September 2023. Gain of AED 2,607 thousand is recognised in respect of such transaction. As at 31 December 2020, the gross receivables from such transaction amounted to AED 9,450 thousand and provision for expected credit loss amounted to AED 764 thousand (note 13).

9. Goodwill and intangible assets

	Goodwill[1] AED '000	Trademarks AED '000	Contract AED '000	Software AED '000	Total AED '000
Useful economic lives (years)	**-**	**5 - 10**	**5**	**3 - 5**	
Cost					
At 1 January 2019	84,185	28,344	25,589	10,494	148,612
Adjustment	-	-	-	(85)	(85)
Additions	-	-	-	247	247
Write-offs	-	-	-	(1,347)	(1,347)
At 31 December 2019	84,185	28,344	25,589	9,309	147,427
Adjustment	-	-	-	38	38
Additions	-	-	-	55	55
Eliminated upon disposal	(6,255)	-	(25,589)	-	(31,844)
At 31 December 2020	**77,930**	**28,344**	-	**9,402**	**115,676**
Accumulated amortisation and impairment					
At 1 January 2019	-	13,118	20,898	6,877	40,893
Amortisation	-	2,489	4,691	922	8,102
Impairment	-	12,737	-	-	12,737
Balance at 31 December 2019	-	28,344	25,589	7,799	61,732
Amortisation	-	-	-	453	453
Eliminated upon disposal	-	-	(25,589)	-	(25,589)
At 31 December 2020	**-**	**28,344**	**-**	**8,252**	**36,596**
Net carrying amount					
At 31 December 2020	**77,930**	**-**	**-**	**1,150**	**79,080**
At 31 December 2019	84,185	-	-	1,510	85,695

[1]Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

- Affordable care
- Premium care

The carrying amount of goodwill was allocated to cash-generating units as follows:

	2020 AED '000	2019 AED '000
Affordable care	**41,423**	41,423
Premium care	**36,507**	42,762
	77,930	84,185

The recoverable amounts of Affordable care and Premium care cash-generating units were determined based on level 3 fair value calculation which uses cash flow projections based on a business plan approved by the directors covering a 5 year period, and a discount rate of 11% to 14% per annum (2019: 11% to 14% per annum) for Affordable care and 11% to 12% per annum (2019: 11% to 12% per annum) for Premium care. Cash flow projections during the period are based on the gross margins and direct costs price inflation throughout the projection period which are in line with the respective industries in which Affordable care and Premium care operates. The cash flows beyond that five-year period have been extrapolated using a 3% (2019: 3%) per annum growth rate which is the projected long term average growth rate for the market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based, would not cause the aggregate carrying amount to exceed the recoverable amounts of the cash generating units.

10. Loan investments

	2020 AED '000	2019 AED '000
Loan to equity accounted investees[1]	**45,003**	12,283
Loan portfolio[2]	**-**	220,680
	45,003	232,963

[1] The equity accounted investees are based in the Middle East region. As at 31 December 2020, the loan is a stage 1 asset (2019: stage 3 asset) and has a net balance of AED 45,003 thousand (2019: AED 12,283 thousand) and provision for expected credit losses of AED 972 thousand (2019: AED 21,327 thousand)) (refer note 25).

During the year, a loan of AED 12,283 was settled and a gain of AED 11,244 thousand was recognised in the profit or loss account.

During the year, the Group provided an interest bearing loan amounting to AED 45,975 thousand at an interest rate of three-month Libor plus 6.5% to an equity accounted investment. The loan is due on 31 March 2021.

[2] During the year, the loan agreement was terminated and amount due was settled in full.

11. Investments in associates and joint ventures

Carrying amount	2020 AED '000	2019 AED '000
Equity-accounted associates	187,185	176,400
Equity-accounted joint ventures	284,891	348,152
Total equity-accounted associates and joint-ventures	**472,076**	524,552
Associate carried at FVTPL (note 12)	**36,099**	42,511

11.1 Details of material associates

Details of each of the Group's material associates at the end of the reporting period are as follows:

Associate	Principal activity	Country of incorporation	Beneficial shareholding	
			2020	2019
SDX Energy Inc. ("SDX")	Oil and gas services	Canada	19.50%	19.50%
NESR Corp	Oil and gas services	United States	6.29%	6.33%

During the year, NESR Corp issued additional shares to the Group amounting to AED nil (2019: AED 17,340 thousand) upon meeting certain earn-out criteria. Furthermore, the Group acquired from its co-investors a shareholding amounting to AED nil (2019: AED 1,033 thousand).

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	SDX Energy Inc.[1]		NESR Corp[2]	
	2020 AED '000	2019 AED '000	**2020 AED '000**	2019 AED '000
Statement of financial position				
Current assets	**125,942**	150,062	**1,801,540**	1,483,003
Non-current assets	**349,425**	339,178	**4,316,607**	4,116,252
Current liabilities	**100,538**	104,047	**1,241,281**	839,084
Non-current liabilities	**27,662**	24,635	**1,471,145**	1,499,727
Non-controlling interests	**-**	-	**206**	-
Statement of profit or loss				
Revenue	**80,736**	195,791	**2,283,931**	2,421,540
(Loss) / profit for the year	**(14,543)**	(66,888)	**123,467**	144,781
Other comprehensive income / (loss) for the year	**-**	-	**129**	(70)
Total comprehensive (loss) / income for the year	**(14,543)**	(66,888)	**123,596**	144,711
Group's share of contingencies	**-**	-	**26,582**	29,358
Group's share of commitments	**5,881**	5,881	**4,534**	5,145

[1] The 2020 amounts disclosed above pertain to the six-month period ended and as of 30 June 2020. The 2019 amounts disclosed pertain to the twelve-month period ended and as of 31 December 2019.

[2] The 2020 amounts disclosed above pertain to the nine-month period ended and as of 30 September 2020. The 2019 amounts disclosed pertain to the twelve-month period ended and as of 31 December 2019.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Group's material associates recognised in the consolidated financial statements:

	NESR Corp	
	2020 AED '000	2019 AED '000
Net assets of the associate	**3,405,515**	3,240,876
Proportion of the Group's ownership interest	**6.29%**	6.33%
Group's share of net assets of the associate	**214,207**	205,147
Impairment	**(42,523)**	(42,523)
Other adjustments	**15,501**	13,776
Carrying amount of associate	**187,185**	176,400

11.2 Details of material joint ventures

Details of each of the Group's material joint ventures at the end of the reporting period are as follows:

Joint venture	Principal activity	Country of incorporation	Group's shareholding	
			2020	2019
Deem Finance[1]	Banking	UAE	26.00%	26.00%
Channel VAS Investments Limited [2]	Fintech	UAE	19.70%	19.70%
Petronash Global Limited [3]	Oil and gas services	Cayman Islands	32.09%	32.09%

[1] Deem Finance includes Deem Finance LLC and Deem Services FZ-LLC (previously named "Dunia Services FZ-LLC"). During 2019, the Group injected AED 87,500 thousand in Deem Finance.

[2] On 26 September 2017, the Group's Private Investments segment acquired a 20% equity stake in Dubai-based Channel VAS Investments Limited (Channel VAS), for a total consideration of AED 200.5 million. Channel VAS is a business in the fintech sector, operating in over 25 emerging markets in the Middle East, Africa, Asia and Europe. During the year, the Group acquired from its co-investors a shareholding amounting to AED nil (2019: AED 1,756 thousand).

[3] On 6 August 2018, the Group, along with co-investors, entered into a subscription agreement to acquire 35% stake in Dubai-based Petronash Global Limited (Petronash), a global oilfield services and manufacturing company, for an upfront consideration of AED 322,762 thousand and a deferred contingent consideration of AED 134,863 thousand. The transaction closed on 10 October 2018 which includes options, pursuant to which the Group can increase its ownership up to 50% in Petronash. During 2018, these options are reported separately as financial investments and do not form a part of the carrying value of the investments in associates and joint ventures. As at 31 December 2020, these options were valued at AED nil (2019: AED nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management (note 12).

During the year, the Group acquired from its co-investors a shareholding amounting to AED nil (2019: AED 8,199 thousand).

The Group exercises joint control in Petronash through its shareholding agreement and representations on its board and various committees.

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

	Deem Finance		Channel VAS		Petronash	
	2020 AED '000	2019 AED '000	**2020 AED '000**	2019 AED '000	**2020 AED '000**	2019 AED '000
Statement of financial position						
Current assets						
- cash and cash equivalents	**207,477**	355,051	**41,325**	41,325	**28,951**	68,000
- others	**4,657**	16,945	**87,522**	62,989	**708,504**	317,561
Non-current assets	**651,639**	990,884	**74,575**	46,849	**1,158,093**	1,209,861
Current liabilities						
- trade and other payables	**31,326**	51,814	**43,542**	60,012	**107,703**	106,512
- others	**2,948**	-	**48,331**	13,832	**481,522**	224,172
Non-current liabilities	**783,226**	1,047,774	**4,112**	3,978	**427,325**	439,438
Non-controlling interests	**-**	-	**5,526**	3,746	**-**	-
Statement of profit or loss						
Revenue	**-**	-	**281,423**	242,681	**643,242**	288,728
Expenses	**-**	-	**115,346**	97,072	**470,517**	312,590
Interest income	**153,476**	271,898	**-**	-	**152**	708
Interest expense	**42,802**	60,983	**3,335**	2,296	**41,866**	39,303
Depreciation and amortisation	**10,719**	7,582	**16,521**	11,384	**59,106**	57,988
(Loss) / profit before tax	**(217,019)**	(125,583)	**142,276**	131,929	**73,811**	(119,579)
Income tax expense	**-**	-	**26,150**	21,006	**19,763**	15,459
(Loss) / profit for the year	**(217,019)**	(125,583)	**116,126**	110,923	**54,048**	(135,038)
Statement of cash flows						
Dividends received during the year	**-**	-	**13,768**	23,386	**-**	-
Group's share of contingencies	**44,201**	72,691	**13,223**	11,662	**14,732**	9,871
Group's share of commitments	**31**	463	**331**	45	**6,923**	18,866

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Group's material joint ventures recognised in the consolidated financial statements:

	Deem Finance		Channel VAS		Petronash	
	2020 AED '000	2019 AED '000	**2020 AED '000**	2019 AED '000	**2020 AED '000**	2019 AED '000
Net assets of the joint venture	**46,273**	263,292	**101,911**	67,569	**878,998**	853,641
Proportion of the Group's ownership interest	**26.00%**	26.00%	**19.70%**	19.70%	**32.09%**	32.09%
Group's share of net assets of the joint venture	**12,031**	68,456	**20,076**	13,311	**282,070**	273,933
Goodwill	**-**	-	**80,434**	80,434	**-**	-
Intangible assets	**-**	-	**61,673**	75,704	**-**	-
Impairment	**(12,061)**	-	**-**	-	**(181,325)**	(181,325)
Other adjustments	**30**	(479)	**1,586**	1,393	**7,591**	4,813
Carrying amount of joint venture	**-**	67,977	**163,769**	170,842	**108,336**	97,421

During the year, the Group recognised net share of loss of AED 622 thousand from joint ventures that are not individually material (2019: share of profit of AED 1,795 thousand), the total carrying value of such investments amounting to AED 12,786 thousand (2019: AED 11,402 thousand).

The movement of investment in equity-accounted associates and joint ventures is presented below:

	2020 AED '000	2019 AED '000
As at 1 January	**524,552**	4,200,967
Investments in equity-accounted associates and joint ventures	**-**	116,786
Disposals	**-**	(3,303,194)
Share of (loss) / profit, net	**(24,356)**	234,066
Impairment loss, net	**(9,915)**	(516,803)
Share of equity reserves	**(4,298)**	(61,674)
Distributions received	**(13,907)**	(24,211)
Other adjustments	**-**	(121,385)
	472,076	524,552

In 2019, other adjustment relates to the reduction of AED 121,385 thousand of the cost of investment in Petronash Global Limited ("Petronash") against deferred contingent consideration which was dependent on achievement of certain performance criteria in the subscription agreement.

Investment in equity-accounted associates and joint ventures domiciled outside UAE amount to AED 187,185 thousand (31 December 2019: AED 176,400 thousand).

The fair value of publicly listed equity-accounted associates and joint ventures based on quoted market price is AED 201,631 thousand (2019: AED 185,184 thousand), carried at AED 187,185 thousand (2019: AED 176,400 thousand).

12. Financial investments

	2020 AED '000	2019 AED '000
Financial assets at fair value through profit or loss		
Unquoted fund	**34,162**	34,017
Derivative assets[1]	**68,282**	41,901
Reverse repurchase contracts, net[2]	**49,484**	210,908
Listed fixed income securities[3]	**4,422,913**	4,043,900
Listed equity securities[4]	**1,366,559**	1,753,759
Convertible preference shares [5]	**220,680**	-
Other investments	**963**	963
	6,163,043	6,085,448

Financial investments held outside the UAE amount to AED 5,470,455 thousand (31 December 2019: AED 5,126,071 thousand).

[1]Derivative assets held by the Group include total return swaps, credit default swaps, currency and interest rate futures, which are measured at fair value, Level 2 (see note 28).

[2]Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 1,781,496 thousand and corresponding liabilities of AED 1,732,012 thousand (31 December 2019: reverse repurchase receivables of AED 2,622,214 thousand and corresponding liabilities of AED 2,411,306 thousand). The repurchase agreements are subject to a master netting agreement.

[3]Listed fixed income securities aggregating to AED 3,694,441 thousand (31 December 2019: AED 3,863,010 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

[4]Included in the listed equity securities is a 19.50% associate investment in SDX Energy Inc. carried at AED 36,099 thousand (31 December 2019: 19.50% stake carried at AED 42,511 thousand), as part of the Group's venture capital activities and measured at FVTPL.

[5]On 20 August 2020, the Group entered into a subscription agreement with Despegar.com, a NYSE-listed online travel company in Latin America to acquire 50,000 Series B Preferred Shares, without par value for an aggregate purchase price of $50 million. The terms of the transaction include an option to the holder to convert each Series B Preferred Shares into 108.1081 common shares of Despegar.com. Series B Preferred Shares carry an annual dividend of 4% which is payable on a quarterly basis. The issuer also has an option to enforce conversion at any time from the third to seventh anniversary of the deal closing date, if for at least 10 consecutive trading days volume weighted average price of the common shares exceeds $13.88 between third and fifth anniversary and $12.49 between fifth and seventh anniversary. In addition, the issuer has right to redeem at any time on or after the seventh anniversary in cash. The Group paid net cash consideration of AED 180,222 thousand for the transaction which was closed on 21 September 2020. As of reporting date, the fair value of the instrument is estimated at AED 220,680 thousand (31 December 2019: AED nil).

During 2018, in addition to the acquisition of Petronash, the Group also acquired additional rights in the form of options and warrants (the Options), pursuant to which the Group can increase its ownership up to 50% effective from 10 October 2018. Upon initial recognition, the fair value of the Options was deferred as unearned income and is recycled into profit and loss account over the life of the Options. As at 31 December 2020, these options were valued at AED nil (2019: AED nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management (note 12).

Maturity profiles of derivative assets are as follows:

	2020 Notional '000	**2020 Fair value AED '000**	2019 Notional '000	2019 Fair value AED '000
Due within 1 year	**631,798**	**40,724**	3,198,931	17,451
Due between 1 to 3 years	**107,080**	**1,885**	7,187,364	2,961
More than 3 years	**8,558,706**	**25,673**	6,782,232	21,489
	9,297,584	**68,282**	17,168,527	41,901

13. Trade and other receivables

	2020 AED '000	2019 AED '000
Trade receivables	**184,364**	265,497
Allowance for expected credit losses on trade receivables	**(55,174)**	(44,231)
	129,190	221,266
Prepayments and advances	**8,304**	7,049
Accrued interest	**56,085**	140,811
Amounts set aside for prior year dividends	**37,931**	38,468
Deposits under lien	**1,028**	1,022
Margin accounts	**268,960**	277,886
Other receivables[1]	**29,012**	19,404
Allowance for expected credit losses on other receivables	**(3,714)**	(4,266)
	526,796	701,640

The maximum exposure to credit risk for trade receivables as at 31 December by geographic region is:

	2020 AED '000	2019 AED '000
Middle East	**183,749**	264,814
Europe	**615**	683
	184,364	265,497

The ageing of trade receivables as at 31 December is:

	2020			2019		
	Trade receivables AED'000	**Expected credit losses AED'000**	**Expected credit loss rate**	Trade Receivables AED'000	Expected credit losses AED'000	Expected credit loss rate
Not past due	**71,374**	**1,549**	**0 - 25%**	164,345	2,758	0 - 25%
Past due:						
Within 90 days	**21,009**	**2,300**	**5 - 35%**	29,829	1,914	5 - 35%
91 days - 180 days	**17,942**	**3,826**	**20 - 50%**	18,483	4,321	20 - 50%
181 days - 365 days	**29,250**	**11,614**	**30 - 75%**	17,753	7,615	30 - 75%
> 365 days	**44,789**	**35,885**	**55 - 100%**	35,087	27,623	55 - 100%
	184,364	**55,174**		265,497	44,231	

Movement in allowance for expected credit losses on trade receivables:

	2020 AED '000	2019 AED '000
Balance at the beginning of the year	**44,231**	36,391
Expected credit losses recognised during the year	**10,949**	7,731
Eliminated on disposal of subsidiary	**(6)**	-
Other adjustments	**-**	109
Balance at the end of the year	**55,174**	44,231

Movement in allowance for expected credit losses on other receivables:

	2020 AED '000	2019 AED '000
Balance at the beginning of the year	**4,266**	-
Expected credit losses recognised during the year	**1,164**	4,266
Reversals	**(1,716)**	-
Balance at the end of the year	**3,714**	4,266

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Deposits under lien represent cash collateral for letters of guarantee issued by commercial banks in favour of the Central Bank of the UAE on behalf of the Group. The interest rate on deposits under lien is 0.55% (2019: 0.55%) per annum. All deposits under lien are placed with UAE banks.

14. Cash and bank balances

	2020 AED '000	2019 AED '000
	276,021	460,490
Cash at banks	**428,481**	339,475
Cash in hand	**294**	494
	704,796	800,459
Less: Allowance for expected credit losses	**(112)**	(115)
Cash and bank balances	**704,684**	800,344
Less: Wakala deposits with original maturities greater than 3 months	**-**	(35,000)
Cash and cash equivalents	**704,684**	765,344

The interest rate on short term deposits ranged between 0.20% - 1.80% (2019: 1.57% - 2.65%) per annum. During 2019, the profit rate on Wakala deposits ranged between 1.40% - 1.85% per annum. All short term deposits are placed with UAE banks.

15. Share capital and dividend

Authorised and fully paid up capital:	2020 AED '000	2019 AED '000
1,944,514,687 shares (2019: 1,944,514,687 shares) of AED 1 each	**1,944,515**	1,944,515

On 22 March 2020, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED nil (24 March 2019: approved a cash dividend of AED 137,888 thousand representing AED 0.075 per share).

A cash dividend of AED 0.06 per share for 2020 is proposed by the Board of Directors of the Company subject to the approval of the shareholders in the forthcoming Annual General Meeting.

On 17 September 2014, the Company's Board of Directors approved the implementation of a share buy-back programme for up to 10% of the outstanding shares of the Company. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014, which ended on 18 October 2016 and was subsequently approved for extension until 18 October 2019. This was further extended by 3 years until 18 October 2022. As of 31 December 2020, the Company had bought 106,005,973 shares at AED 267,184 thousand.

The basic and diluted earnings / (loss) per share for the year ended 31 December 2020 and 2019 has been calculated using the weighted average number of shares outstanding during the year after considering the effect of treasury shares.

	2020	2019
Profit / (loss) for the year attributable to Owners of the Company (AED '000)	**230,969**	(616,286)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,838,508,714**	1,838,508,714
Basic and diluted earnings / (loss) per share attributable to the Owners of the Company (AED)	**0.126**	(0.335)

16. Borrowings

31 December 2020
AED '000

	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Secured term loans [1]	LIBOR+3% and 3m EIBOR +2.5%	**1,243,928**	**67,733**	**42,334**	**1,353,995**
Borrowings through repurchase agreements [2]	0.05 %- 3.3%	**2,853,983**	**-**	**-**	**2,853,983**
Unsecured loans [3]	1m and 3m EIBOR +3.25%	**3,864**	**-**	**-**	**3,864**
		4,101,775	**67,733**	**42,334**	**4,211,842**

31 December 2019
AED '000

	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Secured term loans [1]	LIBOR+3% and 3m EIBOR +2.5%	919,877	66,957	72,127	1,058,961
Borrowings through repurchase agreements [2]	0.1%- 2.67%	3,156,635	-	-	3,156,635
Unsecured loans [3]	1m and 3m EIBOR +3.25% and 3.93%	6,938	443	220,680	228,061
		4,083,450	67,400	292,807	4,443,657

[1] On 15 August 2016, the Group completed the refinancing of its existing US$ 375 million secured revolving loan facility, replacing it with a 5 year US$ 500 million secured revolving loan facility. During 2019, the facility limit was reduced from US$500 million to US$400 million. The facility is secured by a pledge over the Group's shareholding in Al Waha Land LLC (note 5.1). As at 31 December 2020, an amount of AED 1,210,062 thousand was drawn-down (2019: AED 886,398 thousand).

During 2016, the Group secured AED 426 million in a Murabaha-Ijara based financing for further development of its light industrial real estate project. During 2018, it was amended to reduce the facility from AED 426 million to AED 378 million.

[2] Repurchase liabilities represent the Group's borrowings against its investment in listed fixed income securities under repurchase contracts.

[3] Unsecured loans include commercial loans and other banking facilities obtained by the Group amounting to AED nil (2019: AED 220,680 thousand) denominated in US$.

The investments and assets pledged to lenders as security against various facilities are the Group's shareholding in Al Waha Land LLC (refer to note 5.1) and listed fixed income securities (refer to note 12).

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

	2020 AED '000	2019 AED '000
At 1 January	**4,443,657**	6,463,768
Loans drawn-down	**893,649**	990,770
Loan arrangement and prepaid interest costs, net of amortisations	**314**	42,464
Loans repaid	**(1,125,778)**	(3,053,345)
	4,211,842	4,443,657

During the year, an amount of AED 323,664 thousand was net repayment of the Group's existing secured revolving loan facility, and AED 28,944 thousand was net drawn-down from the secured Murabaha-Ijara based financing for further development of its light industrial real estate project.

During the year, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 302,652 thousand.

17. Derivative liabilities

	2020 AED '000	2019 AED '000
Financial liabilities at FVTPL		
Other derivative liabilities	**29,907**	38,949
	29,907	38,949

Maturity profiles of derivative liabilities are as follows:

	2020 Notional '000	**2020 Fair value AED '000**	2019 Notional '000	2019 Fair value AED '000
Due within 1 year	**346,187**	**9,900**	4,801,416	13,231
Due between 1 to 3 years	**11,457,796**	**2,430**	525,954	342
More than 3 years	**2,453,277**	**17,577**	9,011,100	25,376
	14,257,260	**29,907**	14,338,470	38,949

18. Trade and other liabilities

	2020 AED '000	2019 AED '000
Trade payables	**73,807**	207,127
Interest accrued on borrowings	**23,811**	113,860
Dividends payable	**37,935**	38,335
Long term employee incentive plans accrual (note 27)	**42,010**	30,426
Deferred income	**14,975**	52,391
Other payables and accruals	**145,490**	97,347
	338,028	539,486

Trade and other liabilities are stated at amortised cost. The average credit period for the trade payables is 60 days. The Group has financial risk management policies in place to ensure that all the payables are paid within the agreed credit period. The contractual maturities for trade payables are within one year.

Other payables and accruals include a provision for constructive obligation amounting to AED 37 million with respect to the Group's investment in one of its joint ventures. The joint venture is currently facing financial difficulties and has breached minimum capital requirements set by its regulator which warrants additional financial support from the Group. The provision is based on management's best estimate as of 31 December 2020 of the amount required to support the investee.

19. Leases

The Group as lessee

The Group has entered into operating lease arrangements for office and medical facility space.

The movement in the Group's right-of-use assets and lease liabilities during the year is as follows:

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2019	200,546	197,725
Depreciation expense	(17,604)	-
Interest expense	-	10,507
Payments	-	(17,920)
New leases	5,597	5,597
Reassessment of lease terms	(59,399)	(59,399)
As at 31 December 2019	**129,140**	**136,510**
Depreciation expense	(13,915)	-
Interest expense	-	8,508
Payments	-	(16,960)
Reassessment of lease terms[1]	(1,675)	(1,675)
As at 31 December 2020	**113,550**	**126,383**

[1] During the year, the Group performed reassessment due to reduction in market rentals on account of its leases.

The following are the amounts recognised in profit or loss:

	2020 AED '000	2019 AED '000
Depreciation expense of right-of-use assets	**13,915**	17,604
Interest expense on lease liabilities	**8,508**	10,507
Expense relating to short-term leases	**5,468**	7,884
Total amount recognised in profit or loss	**27,891**	35,995

The total cash outflow for leases amounted to AED 16,960 thousand (31 December 2019: AED 17,920 thousand).

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease payments between 1 to 15 years (2019: 1 to 15 years).

Rental income earned by the Group on its investment property is set out in note 8.

The non-cancellable operating lease receivables are set out below:

	2020 AED '000	2019 AED '000
Within one year	**46,500**	26,853
Between 2 and 5 years	**73,025**	64,395
More than 5 years	**8,646**	12,094
	128,171	103,342

20. Revenue from sale of goods and services

	2020 AED '000	2019 AED '000
Revenue	**301,589**	297,692
Cost of sale	**(232,514)**	(238,372)
Gross profit	**69,075**	59,320

Revenue and cost of sales of services are mainly attributable to the healthcare operations. Performance obligations relating to goods and services are satisfied at the point in time.

All revenues are generated within UAE.

21. Income from financial investments

	2020 AED '000	2019 AED '000
Derivatives designated and effective as hedging instruments carried at fair value		
Equity price collar – Reclassification of hedge reserve on settlement [1]	**-**	(270,028)
Financial assets at fair value through profit or loss		
Net income / (loss) from unquoted fund	**146**	(14,865)
Net income / (loss) from derivatives	**97,308**	(166,284)
Net income from listed fixed income securities	**418,950**	333,687
Net income from listed equity securities	**46,128**	325,682
Net income from convertible preference shares	**42,492**	-
Others	**-**	(5,446)
	605,024	202,746

[1]During 2019, the Group disposed its entire stake in Aercap for a consideration of AED 3,385,142 thousand, resulting in the recognition of net gain on disposal of AED 43,094 thousand in the consolidated statement of profit or loss. Consequently, an amount of AED 270,028 thousand was reclassified from other comprehensive income to profit or loss upon maturity.

22. Other (expense) / income, net

	2020 AED '000	2019 AED '000
Impairment on loan investments	**(972)**	-
Gain on disposal of subsidiary (note 5.3)	**2,191**	-
Others	**(29,620)**	3,457
	(28,401)	3,457

23. General and administrative expenses

	2020 AED '000			2019 AED '000		
	Company	**Subsidiaries**	**Total**	Company	Subsidiaries	Total
Staff costsç	**91,600**	**40,665**	**132,265**	89,827	51,153	140,980
Legal and other professional expenses	**11,434**	**12,401**	**23,835**	9,537	17,383	26,920
Depreciation	**3,294**	**8,683**	**11,977**	3,658	10,550	14,208
Amortisation and write- off intangible assets	**344**	**108**	**452**	819	20,020	20,839
Marketing expenses	**1,443**	**4,600**	**6,043**	2,032	4,712	6,744
Provision for expected credit losses	**400**	**10,009**	**10,409**	-	11,997	11,997
Others	**10,390**	**21,307**	**31,697**	5,717	30,073	35,790
	118,905	**97,773**	**216,678**	111,590	145,888	257,478

During the current year, Group made social contributions amounting to AED 50 thousand (2019: AED nil).

24. Finance cost, net

	2020 AED '000	2019 AED '000
Interest on borrowings	**111,446**	188,994
Interest on lease liabilities (note 19)	**8,508**	10,507
Amortisation of loan arrangement costs	**315**	12,204
Interest income from loan investments at amortised cost	**(6,458)**	(8,662)
Interest earned on time deposits	**(7,388)**	(7,714)
Unwinding of interest on disposal of investment property	**(749)**	-
Interest income from investments in finance leases	**-**	(57)
	105,674	195,272

25. Related parties

Related parties include major shareholders of the Company, directors or officers of the Group, enterprises that are in a position to exercise significant influence over the Group or those enterprises over which the Group can exercise significant influence or has joint control.

The Group conducts its transactions with related parties on arm's length terms, with any exceptions to be specifically approved by the Board. In all cases, transactions with related parties are required to be conducted in compliance with all relevant laws and regulations. Where a Board member has an actual or perceived conflict of interest over an issue to be considered by the Board, the interested member may not vote on any relevant resolutions, and can also be asked by the Chairman not to participate in the relevant Board discussions. The Company has a conflict of interest policy for Board members and, for senior management, a code of conduct. The Company takes reasonable steps to maintain an awareness of the other relevant commitments of its Directors and senior management, and thus is able to monitor compliance with this policy and code.

Significant balances and transactions with related parties

Loan investments provided to associates amounted to AED 45,003 as at 31 December 2020 (2019: AED 12,283 thousand). As at 31 December 2020, the loan is a stage 1 asset and was interest bearable while the loan 2019 was stage 3 and does not bear any interest. As at 31 December 2020, the loan has a gross balance of AED 45,975 thousand (2019: AED 33,610 thousand) and expected credit loss of AED 972 thousand (2019: AED 21,327 thousand).

During the year, the loan portfolio agreement that was held under the Group was terminated and the amount due of AED 220,680 thousand (2019: AED nil) was settled in full (note 10).

During the year, the Company's Key Management Personnel redeemed an amount of AED 3,241 thousand from Waha MENA Equity Fund SP (2019: AED 3,797 thousand); the Company's Key Management Personnel redeemed an amount of AED 617 thousand from Waha MENA Value Fund SP (2019: AED 10 thousand); the Company's Directors and Key Management Personnel redeemed an amount of AED 16,536 thousand from Waha CEEMEA Credit Fund SP under a co-investment plan (2019: AED 694 thousand).

Key management personnel compensation	**2020 AED '000**	2019 AED '000
Short term benefits	**10,224**	9,862
End of service and other long term benefits	**524**	4,470
	10,748	14,332

26. Commitments

Capital commitments

As at 31 December 2020, the Group has capital commitments of AED 290 thousand (2019: AED 890 thousand) with respect to AAH.

27. Employee compensation

In designing its employee compensation plans, the Group's primary objective is to provide employees with a robust compensation platform upon which they are encouraged to pursue outstanding returns and to reward them based on their results in line with the interests of the Group. This is achieved through a combination of cash salaries, variable bonuses dependent upon Group and individual's performance, and participation in various long term employee incentive and co-investment programs described below.

Investment profit participation plans

The Group's Board of Directors has approved the following cash settled long term incentive plan for certain employees linked to investment profit participation:

- A trading plan, whereby the employees are granted points linked to the fund's performance which vests annually. An amount representing the value of vested points derived from the fund's net asset value is divided into a cash payment and cash deferral. The cash deferral is reinvested into the funds for a period of three years. The reinvested amount vests over the three year period and after completing the service condition a cash payment is made.

Share linked plan

The Group's Board of Directors has approved a cash settled share linked incentive plan for the management team, under which certain employees receive restricted stock units of Waha Capital PJSC, which vest progressively, over three years from the effective grant date, subject to continued employment. A cash amount representing the value of the vested shares, based on the latest share price, is paid upon the employee successfully completing the three year service condition.

The reconciliation of restricted stock units at the beginning and end of the year is as follows:

	2020	2019
Opening balance:		
Grant date 31 December 2015	**-**	1,361,613
Grant date 1 January 2016	**219,194**	1,919,015
Grant date 31 December 2016	**226,085**	801,963
Grant date 1 January 2017	**525,580**	927,679
Grant date 31 December 2017	**168,539**	376,456
Grant date 1 January 2018	**544,721**	3,158,845
Grant date 31 December 2018	**-**	97,222
Grant date 1 January 2019	**665,245**	-
Granted during the year:		
Grant date 1 January 2019	**-**	2,102,308
Paid / forfeited during the year:		
Grant date 31 December 2015	**-**	(1,361,613)
Grant date 1 January 2016	**(219,194)**	(1,699,821)
Grant date 31 December 2016	**(226,085)**	(575,878)
Grant date 1 January 2017	**(525,580)**	(402,099)
Grant date 31 December 2017	**(168,539)**	(207,917)
Grant date 1 January 2018	**(544,721)**	(2,614,124)
Grant date 31 December 2018	**-**	(97,222)
Grant date 1 January 2019	**(665,245)**	(1,437,063)
Closing balance	**-**	2,349,364

During 2019, management has discontinued the RSU plans, accelerating vesting of all the outstanding units in 2019. 2,349,364 units were settled during the year and there was no remaining units as of 31 December 2020.

Investment profit participation and shared linked plans

The Group's Board of Directors has approved total grants under various incentive plans of AED nil for the current year (2019: AED 3,006 thousand). The total plan expenses recognised under "staff costs" in respect to the grants is as follows:

	2020 AED '000	2019 AED '000
Awards expenses for performance year	**-**	1,618
Amortisation of prior year awards	**1,618**	3,097
Total expense	**1,618**	4,715

The movement in accruals for the various plans is as follows:

	2020 AED '000	2019 AED '000
Opening balance	**30,426**	27,517
Expensed during the year	**19,502**	17,059
Payments during the year	**(7,918)**	(14,150)
Closing balance (note 18)	**42,010**	30,426

28. Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management has established a committee comprising of senior management, which is responsible for developing and monitoring the Group's risk management policies. 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 Audit 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. The Group Audit Committee is assisted in its oversight role by an internal audit team. The Internal audit team undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

In respect of capital market transactions, the Group has implemented risk management policies and guidelines, as set out in the Private Placement Memorandums of Waha MENA Equity Fund SP, Waha CEEMEA Credit Fund SP, Waha MENA Value Fund SP and Waha Islamic Income Fund SP (all together the "Funds"), which set out the procedures to be performed prior to making investment decisions, including employing qualitative analyses, quantitative techniques, due diligence and management meetings as well as fundamental research on evaluation of the issuer based on its financial statements and operations. In addition to analysing financial instruments, the Group determines the relative attractiveness of investing in different markets in order to determine the country weighting in each area. In assessing the investment potential in each area, the Group considers economic growth prospects, monetary decisions, political risks, currency risks, capital flow risks, and other factors.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, derivative assets, cash and cash balances and loan investments. As at the end of the reporting date, the Group's financial assets exposed to credit risk amounted to:

	2020 AED '000	2019 AED '000
Cash and bank balances[1]	**704,390**	799,850
Trade and other receivables[2]	**518,492**	694,591
Loan investment[3]	**45,003**	12,283
Financial investments at FVTPL	**6,163,043**	6,085,448
	7,430,928	7,592,172

[1] Cash and bank balances exclude cash in hand

[2] Trade and other receivables exclude prepayments and advances

[3] Loan investment, with gross value of AED 45,975 thousand and ECLs of AED 972 thousand, is fully secured against shares mortgage.

(i) Bank balances

Substantially all of the bank balances are held with reputed financial institutions with S&P credit ratings ranging between A and BBB+, therefore, there are no significant credit risks as at reporting date.

(ii) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The characteristics of the Group's customer base including default risk of the industry and country in which the Group's customers operate are some of the factors which influence credit risk.

The Group has established various policies and procedures to manage credit exposure, including initial financial assessment and appraisal, collateral and guarantee requirements and continual credit monitoring. The expected credit losses on trade and other receivables are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions 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.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk related to unsettled transactions is considered small due to the short settlement period involved and high credit quality of the brokers used.

(iii) Loan investments

The Group limits its exposure to credit risk by investing in securities which are fully collaterised and with credit ratings which are within the limits prescribed by the Group's financial risk management guidelines. The expected credit loss of a loan to an equity accounted investee is based on the expected credit loss model which is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

(iv) Derivative assets

The Group limits its exposure to credit risk on derivative assets by dealing with financial institutions and commercial banks that have S&P credit ratings ranging between A and BBB+ as at the reporting date

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which provides appropriate liquidity risk management guidance to the management for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The maturity profile of the assets and liabilities as at 31 December 2020 and 2019 are as follows:

AED '000 — **31 December 2020**

	Current	**Non-current**			
Assets	**< 1 year**	**1 – 3 years**	**> 3 years**	**Unspecified**	**Total**
Property and equipment, net	-	-	-	**46,368**	**46,368**
Right-of-use assets	**14,016**	**20,315**	**79,219**	-	**113,550**
Investment property	-	-	-	**715,989**	**715,989**
Goodwill and intangible assets	-	-	-	**79,080**	**79,080**
Loan investments	**45,003**	-	-	-	**45,003**
Investments in equity-accounted associates and joint ventures	-	-	-	**472,076**	**472,076**
Financial investments	**6,135,485**	**1,885**	**25,673**	-	**6,163,043**
Inventories	**15,224**	-	-	-	**15,224**
Trade and other receivables	**526,796**	-	-	-	**526,796**
Cash and bank balances	**704,684**	-	-	-	**704,684**
Total assets	**7,441,208**	**22,200**	**104,892**	**1,313,513**	**8,881,813**
Liabilities & equity					
Borrowings	**4,101,775**	**67,733**	**42,334**	-	**4,211,842**
End of service benefit provision	-	-	-	**26,058**	**26,058**
Derivative liabilities	**9,900**	**2,430**	**17,577**	-	**29,907**
Lease liabilities	**8,383**	**15,298**	**102,702**	-	**126,383**
Trade and other liabilities	**338,028**	-	-	-	**338,028**
Total equity	-	-	-	**4,149,595**	**4,149,595**
Total liabilities and equity	**4,458,086**	**85,461**	**162,613**	**4,175,653**	**8,881,813**

AED '000 — 31 December 2019

Assets	Current < 1 year	1 – 3 years	Non-current > 3 years	Unspecified	Total
Property and equipment, net	-	-	-	57,573	57,573
Right-of-use assets	14,782	26,015	88,343	-	129,140
Investment property	-	-	-	717,140	717,140
Goodwill and intangible assets	-	-	-	85,695	85,695
Loan investments	-	232,963	-	-	232,963
Investments in equity-accounted associates and joint ventures	-	-	-	524,552	524,552
Financial investments	5,850,089	27,224	208,135	-	6,085,448
Inventories	12,751	-	-	-	12,751
Trade and other receivables	619,918	81,722	-	-	701,640
Cash and bank balances	800,344	-	-	-	800,344
Total assets	7,297,884	367,924	296,478	1,384,960	9,347,246

Liabilities & equity					
Borrowings	4,083,450	67,400	292,807	-	4,443,657
End of service benefit provision	-	-	-	29,900	29,900
Derivative liabilities	13,231	342	25,376	-	38,949
Lease liabilities	8,540	17,165	110,805	-	136,510
Trade and other liabilities	457,758	81,728	-	-	539,486
Total equity	-	-	-	4,158,744	4,158,744
Total liabilities and equity	4,562,979	166,635	428,988	4,188,644	9,347,246

The table below analyses the Group's financial liabilities, based on contractual undiscounted payments, into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

AED '000	**31 December 2020**			
	< 1 year	**1 – 3 years**	**> 3 years**	**Total**
Liabilities				
Borrowings	**4,154,762**	**71,663**	**45,405**	**4,271,830**
Trade and other liabilities	**177,563**	**-**	**-**	**177,563**
Lease liabilities	**16,823**	**37,843**	**193,185**	**247,851**
Total liabilities	**4,349,148**	**109,506**	**238,590**	**4,697,244**

AED '000	31 December 2019			
	< 1 year	1 – 3 years	> 3 years	Total
Liabilities				
Borrowings	4,138,722	73,362	300,723	4,512,807
Trade and other liabilities	308,020	81,728	-	389,748
Lease liabilities	21,982	43,650	281,396	347,028
Total liabilities	4,468,724	198,740	582,119	5,249,583

c) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

(i) Currency risk

The Group may be exposed to currency risk on financial investments, trade receivables and trade payables that are denominated in a currency other than the respective functional currencies of Group entities. In respect of the Group's transactions and balances denominated in US$, Qatari Riyal (QAR), Saudi Riyal (SAR), the Group is not exposed to the currency risk as the UAE Dirham (AED) and Saudi Riyal (SAR) are currently pegged to the US$. The table below summarises the sensitivity of the Group's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/ decreased by 0.5% with all other variables held constant:

2020 AED'000	**Assets**	**Liabilities**	**Net Exposure**	**Hedged**	**Effect on net equity for +/- 0.5% sensitivity**
Euro	882,716	(724,862)	157,854	153,862	+/- 20
Great British Pound	42,114	-	42,114	-	+/- 211
Kuwaiti Dinar	28,470	-	28,470	-	+/- 142
Egyptian Pound	283,035	-	283,035	-	+/- 1,415
Omani Riyal	8,062	-	8,062	-	+/- 40
Others	71,381	-	71,381	-	+/- 357
	1,315,778	**(724,862)**	**590,916**	**153,862**	**+/- 2,185**

2019 AED'000	Assets	Liabilities	Net Exposure	Hedged	Effect on net equity for +/- 0.5% sensitivity
Euro	405,072	(341,763)	63,309	67,014	+/- 19
Great British Pound	130,810	(36,881)	93,929	10,669	+/- 416
Kuwaiti Dinar	257,373	(8,070)	249,303	-	+/- 1,247
Egyptian Pound	243,518	-	243,518	-	+/- 1,218
Omani Riyal	15,442	(7,287)	8,155	-	+/- 41
Others	14,609	-	14,609	-	+/- 73
	1,066,824	(394,001)	672,823	77,683	+/- 2,976

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk on its investment in listed fixed income securities carried at fair value through profit or loss, and cash flow interest rate risk on its floating rate non-derivative borrowings. The sensitivities of these financial instruments to changes in interest rates are as follows:

Fair value interest rate risk

- The Group had listed fixed income securities fair valued at AED 4,422,913 thousand at the end of the reporting period (2019: AED 4,043,900 thousand), for which the Group uses a range of DV01 (the dollar value of a basis point) for different time intervals as a key measure of interest rate risk. An absolute measure derived from duration, it indicates the change in price or fair value, expressed in monetary units, caused by a one basis point (0.01%) change in the yield curve. The DV01 for the Group's listed fixed income securities was AED 856 thousand at the end of the reporting period (2019: AED 881 thousand).

Cash flow interest rate risk

- The Group had floating rate non-derivative borrowings of AED 4,064,045 thousand at the end of the reporting period (2019: AED 4,043,033 thousand). Had the relevant interest rates been higher/lower by 50 basis points, the Group's finance cost would have been higher/lower, therefore the profit for the year would have been lower/higher by AED 43,264 thousand (2019: AED 43,717 thousand).

In the normal course of business, the Group enters into interest rate swaps, where appropriate, to hedge against the net interest rate exposure of the Group's investments in listed fixed income securities and the corresponding borrowings through repurchase agreements, except where the interest rate exposure is deemed to be immaterial or acceptable in relation to the cost of entering into a hedge. At the end of the reporting period, the net carrying amount of the interest rate swaps was immaterial.

(iii) Equity and fixed income price risk

Equity and fixed income price risk arises from investments in equity and fixed income securities. Management of the Group monitors the mix of securities in its investment portfolio based on respective benchmark market indices to reduce the exposure on account of share prices (refer to note 28 (e) for sensitivity analysis).

Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, retained earnings and reserves. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders in order to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

In respect of the capital market segment, the amount of net assets attributable to shareholders can change significantly on a weekly basis, as the Funds are subject to weekly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Funds' performance. The Group's objective when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Funds.

The Group's leverage ratio reported to the Group's lenders of the Revolving Corporate facility ("RCF") as at 31 December 2020 is presented below. The Group was in compliance of the requirement of this ratio to be a maximum of 0.65 times

	2020 **AED '000**	2019 AED '000
Issued share capital	**1,944,515**	1,944,515
Retained earnings and Reserves	**1,354,076**	1,135,698
Less: proposed dividends	**(110,311)**	-
Net worth (as defined under the RCF agreement)	**3,188,280**	3,080,213
Debt (defined as "Borrowings" under the RCF agreement)	**1,353,995**	1,058,961
Debt / Debt and Net Worth	**0.30**	0.26

e) Fair values

a. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. As at 31 December, the Group held the following financial assets and liabilities at fair value:

	2020 AED '000	2019 AED '000	**Fair value hierarchy**
Financial assets at fair value through profit or loss			
Listed equity securities	**1,366,559**	1,753,759	Level 1
Other investment in equity securities	**963**	963	Level 3
Convertible preference shares	**220,680**	-	Level 3
Listed fixed income securities	**4,422,913**	4,043,900	Level 1
Reverse repurchase contracts	**49,484**	210,908	Level 2
Derivative assets	**68,282**	41,901	Level 2
Unquoted fund	**34,162**	34,017	Level 3
Financial liabilities at fair value through profit or loss			
Derivative liabilities	**(29,907)**	(38,949)	Level 2

	Valuation technique	**Sensitivity Analysis**
Financial assets at fair value through profit or loss		
Listed equity securities	Quoted bid prices in an active market	+/- 5% change in quoted bid prices, impacts fair value by AED 68,328 thousand
Other investment in equity securities	Valuation is based on Net Asset Values (NAV)	+/- 5% change in NAV, impacts fair value by AED 48 thousand
Convertible preference shares	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares	+/- 5% change in quoted bid prices, impacts fair value by AED 11,034 thousand
Listed fixed income securities	Quoted bid prices in an active market	+/- 5% change in quoted bid prices, impacts fair value by AED 221,146 thousand
Reverse repurchase contracts	The valuation is based on broker quotes	+/- 5% change in broker quotes impacts fair value by AED 2,474 thousand
Derivative assets	The valuation is based on broker quotes	+/- 5% change in broker quotes impacts fair value by AED 3,414 thousand
Unquoted fund	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager	+/- 5% change in NAV, impacts fair value by AED 1,708 thousand
Financial liabilities at fair value through profit or loss		
Derivative liabilities	The valuation is based on broker quotes	+/- 5% change in broker quotes impacts fair value by AED 1,495 thousand

	2020 AED '000			
Financial assets	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL				
Investment in equity securities	**1,366,559**	**1,366,559**	**-**	**-**
Other investment in equity securities	**963**	**-**	**-**	**963**
Convertible preference shares	**220,680**	**-**	**-**	**220,680**
Investment in fixed income securities	**4,422,913**	**4,422,913**	**-**	**-**
Derivative assets	**68,282**	**-**	**68,282**	**-**
Reverse repurchase contracts	**49,484**	**-**	**49,484**	**-**
Unquoted fund	**34,162**	**-**	**-**	**34,162**
Total	**6,163,043**	**5,789,472**	**117,766**	**255,805**

Financial liabilities	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at FVTPL				
Derivative liabilities	**(29,907)**	**-**	**(29,907)**	**-**
Total	**(29,907)**	**-**	**(29,907)**	**-**

There have been no transfers between levels 1 and 2 during the year.

	2019 AED '000			
Financial assets	Total	Level 1	Level 2	Level 3
Financial assets at FVTPL				
Investment in equity securities	1,753,759	1,753,759	-	-
Other investment in equity securities	963	-	-	963
Convertible preference shares				
Investment in fixed income securities	4,043,900	4,043,900	-	-
Derivative assets	41,901	-	41,901	-
Reverse repurchase contracts	210,908	-	210,908	-
Unquoted fund	34,017	-	-	34,017
Total	6,085,448	5,797,659	252,809	34,980

Financial liabilities	Total	Level 1	Level 2	Level 3
Financial liabilities at FVTPL				
Derivative liabilities	(38,949)	-	(38,949)	-
Total	(38,949)	-	(38,949)	-

There have been no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value movements

	2020 AED '000	2019 AED '000
At 1 January	**34,980**	271,596
Additions	**180,222**	-
Increase / (decrease) in fair value through profit or loss	**40,603**	(236,616)
	255,805	34,980

b. Fair values of financial assets and liabilities measured at amortised cost

The fair values of financial assets and liabilities approximate their carrying amounts.

Company Information

Board of Directors

Chairman
Waleed Al Mokarrab Al Muhairi

Vice-Chairman
Ahmed Ali Khalfan Al Mutawa Al Dhaheri

Directors
Carlos Obeid
Rashed Darwish Al Ketbi
Nader Al Hammadi
Rasheed Ali Al Omaira
Mohamed Hussain Al Nowais

Chief Executive Officer
Ahmed Khalifa Al Mehairi

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PO Box 28922
Etihad Towers
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Abu Dhabi U.A.E.
Tel: +971 (0)2 667 7343
Email: info@wahacapital.ae

Auditor
Ernst & Young
P.O. Box 136
27th Floor, Nation Tower 2
Abu Dhabi Corniche
Abu Dhabi
United Arab Emirates

Shareholders enquiries
All enquiries concerning shareholdings including notification of change of address, loss of a share certificate or dividend payments should be made to the Company's registrar.

Investor relations enquiries
All investor relation enquiries can be directed to the Company's investor relations team at the Company's Head Office.

Online Communications
Financial results, events and corporate reports are all stored in the investor relations section of our website:
www.wahacapital.com/investor-relations

Market disclosures can also be found on the ADX website: **www.adx.ae**

2020 Annual Report and Accounts:
www.wahacapital.com/investor-relations/financial-reports

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