الواحة كابيتال
WAHA CAPITAL

Rising to the Challenge

2019
ANNUAL REPORT

Financial Highlights

9.3bn Total assets (AED)	243.2m Total income (AED)	3.3bn Total assets under management (AED)
-616.3m Net loss attributable to owners (AED)	-19.3% Return on average equity FY 2019	-0.335 Loss per share (AED)

Our Investments

Waha Capital manages a diverse portfolio of investments. Assets include stakes in a major MENA oil and gas services provider, industrial real estate at a strategic location in the UAE, and a fast-growing emerging markets fintech firm. The company also actively manages funds which are offered to third-party investors.

Asset Management total income (AED):

660.5m

Private Investments total loss (AED):

-417.4m

At a Glance

Established in 1997

Headquartered in Abu Dhabi, UAE

Diversified investments in direct assets and Public Markets

Prominent shareholders include Mamoura Diversified Global Holding PJSC (previously known as Mubadala Investment Company PJSC)

Offering funds to third-party investors

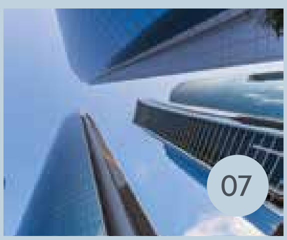
Operations in 2019

The focus in 2019 was to ensure further development of a high-performance company. This included planning for a new organizational structure to ensure efficient deployment of expertise as well as further investment in technology and cybersecurity, and placing a strong emphasis on building reputation and brand value.

Our Business Sectors

The company has actively implemented a strategy of geographical and sectoral diversification, while ensuring a high degree of liquidity on the balance sheet. This has involved investing significantly in the company's own funds, aligning interests closely with third-party investors, and pursuing growth and value realization at companies in the Private Investments portfolio.

Healthcare	Aviation	Industrial Real Estate
Public Markets	Business Sectors	Infrastructure Funds
Energy	Financial Services	Fintech



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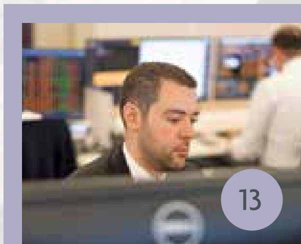
ABOUT WAHA CAPITAL



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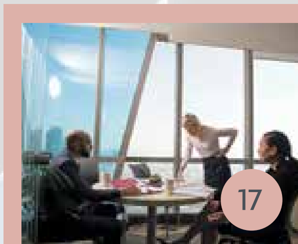
ASSET MANAGEMENT



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PRIVATE INVESTMENTS

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FINANCIAL STATEMENTS

About Waha Capital

Waha Capital is an Abu Dhabi-listed investment company that offers shareholders and third-party investors exposure to high-potential opportunities in diversified asset classes.

The company currently manages assets across several sectors including financial services, fintech, healthcare, energy, infrastructure, industrial real estate and public markets.

Waha Capital has built a strong capability in managing global and regional credit and equity portfolios, which has enhanced the diversification and liquidity of the company's balance sheet.

Having established an excellent track record of outperformance, the company now offers attractive investment opportunities to third-party investors, through its public markets funds, which include the Waha MENA Equities Fund and the Waha CEEMEA Fixed Income Fund.

Through its Private Investments unit, Waha Capital has established a strong investment track record in deploying capital across various sectors and geographies, actively managing a diverse portfolio and successfully monetising its investments.

Its Private Investments include stakes in emerging market fintech service provider Channel VAS, oil and gas services firms Petronash, NASDAQ-listed National Energy Services Reunited Corp, and light-industrial property developer Waha Land.

Waha Capital's investment teams are singularly focused on deploying capital efficiently, where they see they can add value, in order to deliver sustainable and attractive returns to shareholders and investment partners.

The management team has extensive experience operating in the regional market, with expertise honed at leading international blue-chip corporations and financial institutions. Waha Capital also benefits from a roster of prominent local shareholders that includes Mubadala Investment Company.

While Waha Capital manages investments internationally, the company remains deeply rooted in Abu Dhabi's economy and operates at the centre of influential business networks in the United Arab Emirates and the wider Middle East region.

Our Milestones

2008
Co-founds and acquires 25% Stake in Dunia Finance

2009
Completes USD 1.2 billion capital raising mandate for third party

2009
Acquires a 50% stake in AerVenture

2010
Commences construction on ALMARKAZ development project

2010
Acquires a 20% stake in AerCap

2011
Completes AED 1.9 billion capital raising mandate for third party

2011
Arranges a USD 505 million term and revolving credit facility

2012
Completes first phase of ALMARKAZ light industrial real estate development

How We Run Our Business

Waha Capital deploys expert investment teams and global networks to create significant value for shareholders and third-party investors.

2012
Increases stake in AerCap to 26.3%

2013
Completes the construction of 90,000 sqm of industrial units at ALMARKAZ

2013
Invests in healthcare sector through Anglo Arabian Healthcare (AAH)

2014
Disposes stake in AerLift

2014
Secures new USD 750 million Credit Facility with 13 local and international banks

2014
Acquires a 20.56% stake in National Petroleum Services (NPS)

2014
Sells 3 million shares in AerCap and completed two hedging and financing transactions on remaining shares (26.8 million shares)

2015
Launches Waha Capital Asset Management

2015
Executes share buyback program of 4.84% of share capital

2015
Achieves full occupancy in ALMARKAZ existing industrial units

2016
Waha Land signs AED 426 million financing deal and begins Stage 2 of the ALMARKAZ development

2016
Secures new USD 500 million revolving credit facilities

2016
Concludes share buyback program for total funds of AED 267.2 million

2016
Extends Aercap collar hedges on 22.9 million shares with progressive maturities over 2018-2020 period

2017
Acquires a significant minority stake in Dubai fintech firm Channel VAS

2017
Divests Proficiency Healthcare Diagnostics (PHD) to Al Borg Medical Laboratories

2018
Completes divestment of stake in National Petroleum Services for cash and equity in NASDAQ-listed National Energy Services Reunited (NESR) Corp

2018
Acquires significant minority stake in oil and gas services firm Petronash

2019
Appoints Mr. Waleed Al Mokarrab Al Muhairi as Chairman and Mr. Amr AlMenhali as Chief Executive Officer

2019
Divests remaining stake in AerCap

Chairman’s Message

A new growth strategy for returns in the short and long term

I am pleased to report that Waha Capital adopted a robust strategy for growth under a new Board and Chief Executive Officer in 2019, and aligned internal resources to ensure the success of initiatives to create further value in both its Asset Management and Private Investments divisions.

This readjustment will better equip Waha Capital to consolidate our portfolio, as we actively seek to increase shareholder returns in the short and long term.

The company has progressively diversified its investments, balancing direct exposure to growth firms with a liquid capital markets business. This diversification is a source of resilience at a time when global economic and market forces have impacted the performance of certain assets.

In particular, the Asset Management business has continued to expand and has produced strong returns for Waha Capital and third-party investors. Total assets under management (AUM) reached AED3.3 billion at the end of 2019, an increase of 32% from a year earlier.

The company will continue to build on this strong track record, leveraging its position to achieve further growth in AUM.

Meanwhile, the Private Investments business is taking an active approach to value creation across its portfolio of direct investments, through a strategy of optimization and growth to create maximum value.

The company is very much part of an emerging economic story, which is being shaped by the Government of Abu Dhabi’s commitment to rapid socio-economic development.

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 take this opportunity to commend the hard work and commitment of Waha Capital’s employees, senior management, and Board of Directors.

Waleed Al Mokarrab Al Muhairi
Chairman

> The company has progressively diversified its investments, balancing direct exposure to growth firms with a liquid capital markets business.

CEO’s Message

“As a leading emerging markets asset manager, we will continue to widen our product offering and increase our assets under management.”

Leveraging our strengths and expertise to create value

Following the key changes to the Board and Executive Management, Waha Capital has displayed resilience in the context of a slowing global economy and has launched a turnaround strategy to deliver sustainable growth.

The company adopted a robust strategy in 2019 to leverage its strengths and expertise to create value across its diversified portfolio of investments.

This strategy has enabled the Asset Management business to continue its successful growth trajectory, and Waha Capital remains committed to leveraging its strong international networks to attract third-party assets, particularly from global institutional investors.

With an excellent track record of generating superior returns, our flagship funds have consistently outperformed the market. The Waha CEEMEA Credit Fund achieved a cumulative return of over 180% between inception in 2012 and the end of 2019, while the Waha MENA Equity Fund has provided a total return of 175% since inception in 2014.

Waha Capital is building a reputation as a leading emerging markets asset manager, and we will continue to widen our product offering and increase our assets under management (AUM) significantly.

On the Private Investments side, we completed the phased exit of AerCap in 2019, and the company is implementing a strategy to optimize our portfolio, in order to reallocate resources to new growth opportunities.

The Private Investments team will focus on areas where we have well-developed expertise, business networks and in-depth knowledge of macro-economic and sector fundamentals. We will target investments in businesses with strong governance and high visibility in recurring income.

Waha Capital is deeply engrained in Abu Dhabi's corporate fabric, particularly through our close relationship with major shareholder Mamoura Diversified Global Holding PJSC (Mubadala), which is a valued source of stability and opportunity.

As we look forward to our next phase of growth, I would like to express appreciation to all the employees of Waha Capital for their hard work and dedication and thank the Board of Directors for their support and valued guidance.

Amr AlMenhali
Chief Executive Officer

Asset Management

Public Markets

The Asset Management team has built a nine-year track record investing through cycles in emerging market credit, with a particular focus on Central and Eastern Europe, the Middle East and Africa (CEEMEA), and equities in the Middle East and North Africa (MENA) region. The ambition is to continue to grow the business in the coming years. With that in mind, the business aims to launch a new Islamic Income Fund in mid-2020, that will invest in a combination of equity and Sukuks that are Sharia compliant.

The investment team has achieved an excellent, sustained track record of delivering attractive risk-adjusted returns with consistent outperformance since inception of the Funds. The business has been able to generate over USD 315 million of capital growth for Waha Capital and its third-party investors since inception in 2012.

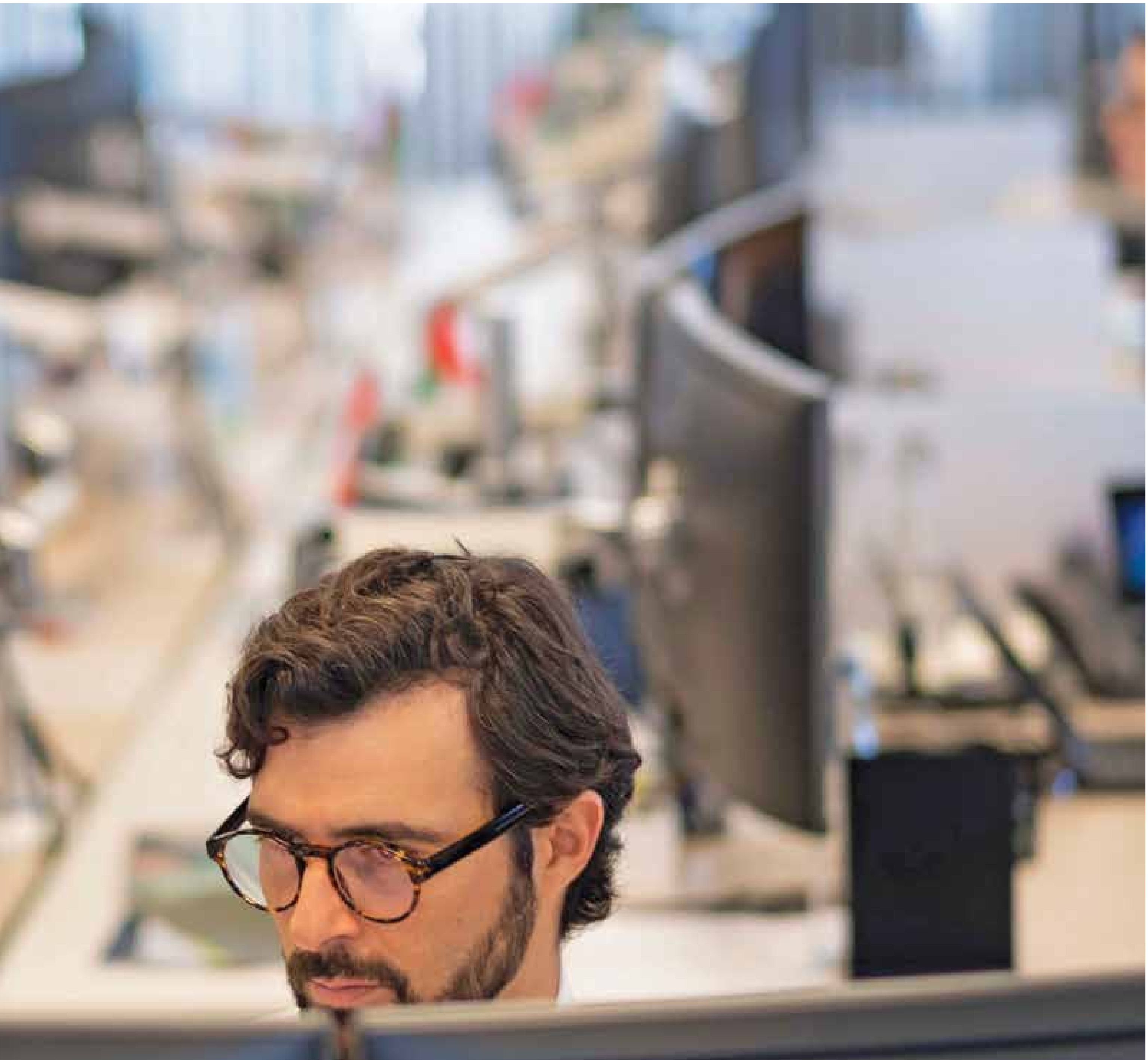
In 2019, the outperformance of the Funds continued despite global market volatility. Headlining the risk sentiment drivers included the U.S.-China trade dispute, oil price fluctuations, Fed Policy Pivot, and Brexit negotiations.

The Waha CEEMEA Credit Fund Sp produced a total return of 19.57% in 2019, bringing its cumulative return since inception in 2012 to 180.9%. The Waha MENA Equity Fund Sp generated a total return of 24.3%, contributing a cumulative return of 175.2% since inception in 2014. Meanwhile, the MENA Value Fund Sp returned 25.3% in 2019.

The business continues to make an important contribution to Waha Capital's financial performance, generating a net income of AED 408.7 million in 2019.

The team brings together a highly skilled investment team who has a proven track record investing in emerging capital markets. A rigorous risk management process is followed in order to minimise risk and maximise returns in the managed portfolios.

Waha Capital has built a premiere asset management business that has been able to grow the AUM of the business above USD 880 million.



408.7m
Financial performance, generating a net income (AED)

315m
Capital growth for Waha Capital and its third-party investors (USD)

880m
Total AUM (USD)

Asset Management

Operations in 2019

Waha CEEMEA Credit Fund SP (Previously named Waha CEEMEA Fixed Income Fund)

The open-ended Waha CEEMEA Credit Fund SP produced a total return of 19.57% in 2019, with a Sharpe Ratio of 2.8x over the past 3 years. The Fund has compounded at a rate of return of 14.0% since 2012. Investments are focused primarily on US dollar-denominated sovereign, corporate, and financial bonds issued in CEEMEA. Adopting a total return investment strategy, the Fund Manager remains focused on a long/short relative value investment mandate. Investment themes and opportunities are identified primarily through both macroeconomic analysis at the global, regional and sovereign level. This is complemented with a rigorous in-house risk governance framework, adopted to minimise risk and maximise returns.

Waha MENA Equity Fund SP

The Waha MENA Equity Fund SP gave a total return of 24.3% in 2019, compared to a 12.5% return for its benchmark index. The Fund has compounded at a rate of return of 18.5% since inception in 2014. Focusing on equity investments encompassing the MENA region, the Fund's total return investment strategy is similar to the CEEMEA Credit Fund SP, combining a 'top-down' view identifying broad investment themes with thorough 'bottom-up' analysis at the individual security level. The security selection exercise involves in-house fundamental research and a rigorous risk governance framework, leverage of sell-side research, and relationships with companies in MENA in order to develop internal views on value and/or growth prospects for a particular equity security.

Waha MENA Value Fund SP

The Waha MENA Value Fund SP produced a return of 25.34% in 2019 and 56.1 % since inception in 2015. It seeks long-term capital appreciation with an estimated holding period of three years. Stocks are picked through carefully and diligently selected investment ideas across MENA that fit into the Value Investment Philosophy of the fund. Stocks are selected based on five investment criteria designed to maximise upside potential while minimising downside risk: i) Quality and sustainability of the business, ii) Effective capital allocation, iii) Balance sheet strength, iv) Management quality and alignment of interest and v) Margin of safety.

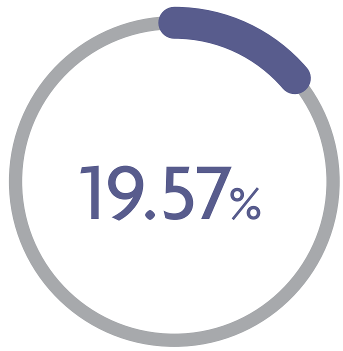
Waha Islamic Income Fund SP

Waha Capital will focus on setting up a new Shariah compliant platform across both Fixed income and Equities in 2020.

This will help Waha Capital respond to the growing demand of Shariah compliant investment products by first starting a new dedicated Income fund then establishing a whole Shariah compliant offering around it.

The new fund will leverage on the firm's highly regarded research capabilities in CEEMEA credit and MENA equities in order to produce the kind of Income levels the Shariah compliant investor base has been keen to achieve over the last few years.

Waha CEEMEA credit fund SP produced a total return

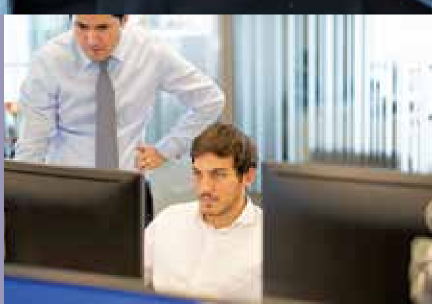


24.3%

Waha MENA Equity Fund SP gave a total return

25.34%

Waha MENA Value Fund SP produced a return

Private Investments

Overview

The Private Investments business holds Waha Capital's direct investments in diverse sectors, including healthcare, financial services and fintech, energy, industrial real estate and infrastructure.

The business has a long-term investment horizon, with a preference for joint control or significant minority stakes in stable, cash-generating businesses with world-class management. It focuses on achieving a stable return on equity and cash yield, targeting investments with the potential for strong long-term returns.

Waha Capital's Private Investments division reported total loss of AED 417.4 million in 2019.

Aviation

AERCAP HOLDINGS N.V.

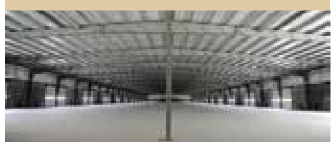
Successfully completed divestment of remaining stake in AerCap through sale of 17 million shares during 2019

Fintech

CHANNEL VAS

Holds a 19.7% stake in Channel VAS, which is present in over 29 countries, across 4 continents and has grown rapidly to provide over USD 2.0 billion in nano loans in 2019, up approximately 32% from the previous year

Industrial Real Estate



WAHA LAND

Wholly-owned subsidiary Waha Land owns and operates ALMARKAZ, an 6km² integrated mixed-use industrial development with Grade "A" industrial and logistics facilities and first-class infrastructure in Abu Dhabi

Infrastructure

MENA INFRASTRUCTURE FUND

Holds a limited partner stake in fund manager MENA Infrastructure, and a general partner stake in MENA Infrastructure Fund I, which has invested USD 223.6 million in four projects across MENA out of a total capital commitment of AED 1.1 billion (USD 300 million)

-417.4m

Total loss (AED)

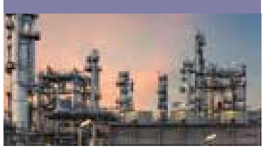
AED

Healthcare

ANGLO ARABIAN HEALTHCARE

Owns a 97.1% stake in a UAE healthcare provider, Anglo Arabian Healthcare (AAH), that focuses on operating a hospital, and network of clinics and pharmacies

Energy



PETRONASH HOLDINGS

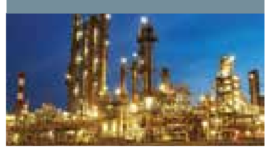
Holds a 32.1% stake in a UAE-based Petronash, a leading provider of modular wellsite packages, chemical injection systems and wellhead control system to oil and gas industry

Energy

NATIONAL ENERGY SERVICES REUNITED (NESR) CORP

Owns a 6.3% stake in NASDAQ-listed NESR Corp, a leading provider of oilfield services in the Middle East

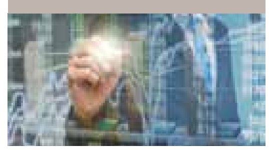
Energy



SDX ENERGY

Owns a 19.5% stake in SDX Energy, a company engaged in the exploration and production of oil and gas, predominantly in the North Africa region

Financial Services



DEEM FINANCE

Retains a 26% stake in Deem Finance, a consumer finance company in the UAE, regulated by the UAE Central Bank

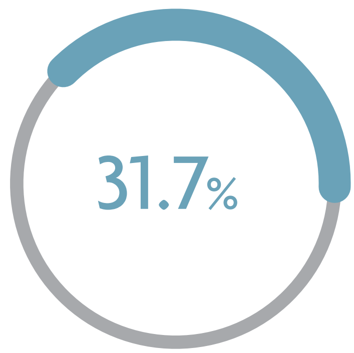
Private Investments

AerCap Holdings N.V. (AerCap)

Waha Capital completed the divestment of its final remaining stake in AerCap through the sale in the fourth quarter of 2019 of 17 million shares at an average price of USD 53.93 per share, generating net cash of AED 933 million.

Since Waha Capital became a major shareholder in AerCap in 2010, the investment has generated an internal rate of return (IRR) of 31.7% and a return on invested capital at a multiple of 2.6 times.

Waha Capital internal rate of return (IRR)



933m

Net cash generated (AED)

53.93

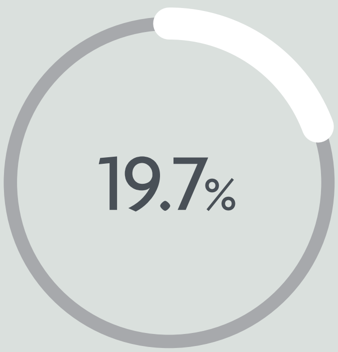
Average price per share (USD)

Private Investments

Channel VAS

Waha Capital owns a 19.7% stake in Channel VAS – a Dubai-based fintech provider of airtime credit services, mobile financial services (such as handset loans and micro cash loans), as well as value added services.

Waha Capital's stake in Channel VAS



242.7m

Revenue (AED)

170.8m

Carrying value of the investment as at 31 December 2019 (AED)

The company is present in over 29 countries, across 4 continents and has grown rapidly to provide over USD 2.0 billion in nano loans in the fiscal year 2019, up approximately 32% from the previous year. With access to over 500 million subscribers, Channel VAS is well positioned to build market share in a USD 69 billion global airtime credit industry.

In addition to airtime credit, Channel VAS is innovating customer monetization for mobile network operators, by advancing larger ticket cash loans and handset loans to mobile subscribers in partnership with licensed financial institutions in relevant local jurisdictions.

The company is pursuing a strategy to extend its global presence in the Airtime Credit Services segment while it nurtures new complementary business models under the Mobile Financial Services segment to accelerate future growth.

Finally, Channel VAS is led by a management team that has successfully built and exited large emerging market companies in the fields of IT, Logistics and Telecommunications.

Highlights:

In the financial year ended 31 December 2019, Channel VAS reported the following:

- Revenue of AED 242.7 million in 2019, compared to AED 199.6 million in 2018
- Paid dividends of AED 120.6 million, of which AED 15.6 million pertained to financial year 2018, compared to FY 2018 when the Company paid AED 92.8 million in dividends of which AED 24.2 million pertained to financial year 2017.

Carrying value of Channel VAS was AED 170.8 million as at 31 December 2019.

Private Investments

Waha Land

Waha Land was established as a wholly owned subsidiary of Waha Capital to construct and manage master developments in Abu Dhabi including infrastructure, mixed use industrial warehousing and logistics projects.

Most notably, the company is currently engaged in developing ALMARKAZ, an integrated mixed-use industrial development with Grade "A" industrial and logistics facilities and first-class infrastructure. The project is located in Al Dhafra, approximately 35 km from central Abu Dhabi, and is well located to access the multi-modal industrial and logistics infrastructure (land, sea, air, and future rail) of the UAE. The ALMARKAZ development is on a 6 km² area of land, which was granted by the Government of Abu Dhabi.

Phase 1 of the project occupies 25% of the total land area (1.5 km²) and is being developed in stages. Stage 1 involved the construction of roads and services infrastructure for Phase 1 and 90,000 m² of warehouses and small industrial units (SIU's). The SIU's are leased to a range of tenants from diverse industry segments including the SME sector with tenants representing industries such as plastic processing, steel fabrication, food and beverage preparation, oil & gas services, defense and logistics.

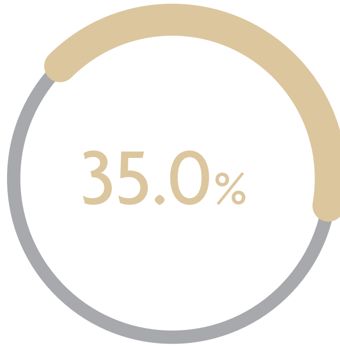
Stage 2A, provides an additional 92,500 m² of warehouses and SIU's, and was completed in 2018. It has already seen an influx of tenants moving in to commence operations from the units.

Looking ahead, the company is focused on growing and diversifying its tenant base, developing new products and services for its existing and prospective tenants, and providing exceptional services with the ultimate aim of meeting the industrial unit needs of UAE companies.

Highlights:

- Construction of Stage 2a SIUs is complete (92,500 m²), continued focus on ramp-up with occupancy at 35% at the end of 2019
- Waha Land generated rental revenue and other income of AED 31.3 million in 2019, compared to AED 32.7 million recorded in 2018
- Carrying value of investment property of AED 717 million

Stage 2a occupancy at the end of 2019



31.3m

Rental revenue and other income (AED)

717m

Carrying value of investment property (AED)

Private Investments

Mena Infrastructure

MENA Infrastructure Fund was launched in 2007 as a private equity fund that invests in infrastructure development projects and assets across MENA with a total capital commitment of AED 1.1 billion (USD 300 million) from its Limited Partners (LP).

Approximate dividend yield delivered since inception

5.37%

34.0m

Carrying value of the investments as at 31 December 2019 (AED)

Waha Capital invested AED 167 million (USD 45.5 million) for its limited partnership stake of 17.9% and general partnership stake of 33.3%, and has received AED 165.6 million in distributions. The fund has delivered a dividend yield of approximately 5.37% since inception.

The fund has invested USD 223.6 million in four projects, and has exited two of these investments. It currently holds two assets:

a. Qurayyah Independent Power Project (IPP): Owns and operates a 3.9GW gas-fired IPP in Saudi Arabia in partnership with Saudi Electricity Company, ACWA Power and Samsung C&T. The fund's ownership in the project is 15%.

b. Sohar Power Company: Owns and operates a 585MW of combined-cycle gas-fired power generation and 150,000m^3 of water desalination capacity in Oman. The fund's ownership in the project is 20%.

Highlights:

- Currently manages the USD 300 million MENA Infrastructure Fund 1
- Successfully exited two assets and actively working on divesting remaining portfolio
- Carrying value of the investment (LP) is AED 34.0 million

Private Investments

Anglo Arabian Healthcare

Waha Capital owns 97.1% stake in a UAE healthcare provider, Anglo Arabian Healthcare (AAH), which focuses on owning and operating hospitals, clinics and pharmacies.

The group was established to deliver healthcare services throughout the UAE, and today is one of the largest healthcare provider networks in the country. AAH currently owns and operates 27 business assets, employs more than 900 people and serves over 800,000 registered outpatients. Operating assets consist of 17 clinics, 7 pharmacies, 1 diagnostics centre, 1 medical education provider and 1 hospital. The hospital, based in the emirate of Ajman, was a significant milestone in the development of AAH and has an inpatient capacity of approximately 10,000 per annum.

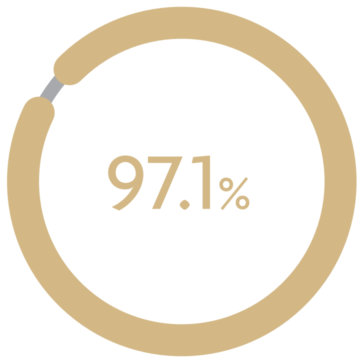
The company deploys a 'buy and build' strategy, supplementing acquisitions with strategic greenfield projects to ensure optimal patient flows and service coverage. This strategy includes pursuing an opportunistic mix of greenfield projects and acquisitions, and implementing a hub-and-spoke model across primary care, secondary care and diagnostics to retain patient revenue within the group. Brands within the Anglo Arabian Healthcare network include Amina Hospitals, Ibin Sina Medical Centre, Health Bay, Sharjah Corniche Medical Centre, Oras Medical Centre and Orchid IVF Centre.

AAH is well-positioned to capitalize on regulatory and healthcare trends which have been implemented in recent years in the UAE, including the potential introduction of mandatory insurance in the Northern Emirates, and increased demand for specialty services.

During the year ended December 2019, AAH achieved the following:

- Consolidated revenue of AED 297.7 million (2018: AED 261.0 million)
- Consolidated revenue is comprised of AED 78.3 million from laboratory services(2018: AED 59.2 million), AED 174.9 million from patient fees (2018: AED 163.0 million) and AED 44.5 million from sale of pharmaceuticals (2018: AED 38.8 million)
- Shareholders' equity base attributable to owners of AED 164.8 million as at 31 December 2019 compared to AED 199.8 million as at 31 December 2018
- The carrying value of AAH was AED 157.2 million as at 31 December 2019

Waha Capital ownership



297.7m

Consolidated revenue (AED)

157.2m

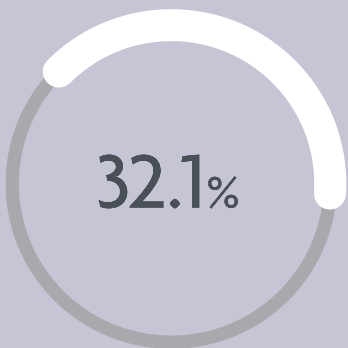
Carrying value of the investments as at 31 December 2019 (AED)

Private Investments

Petronash

Waha Capital acquired a significant minority stake in Dubai-based Petronash Holdings in 2018. Waha Capital has options to further increase its stake up to 50%.

Waha Capital's stake in Petronash



78.2m

Revenue (USD)

97.4m

Carrying value of the investment as at 31 December 2019 (AED)

Petronash is a leading provider of modular wellsite packages, chemical injection systems and wellhead control systems to the oil and gas industry. The company delivers services across the whole spectrum of oil and gas production and refining in 35 countries across four continents. Petronash employs approximately 1,000 people worldwide, including more than 200 Engineers and R&D Personnel It has manufacturing facilities in Dubai, Dammam, a centralized engineering hub in India, and is creating research and development centres in Chennai that will drive further innovation to expand service and product lines and widen the customer base.

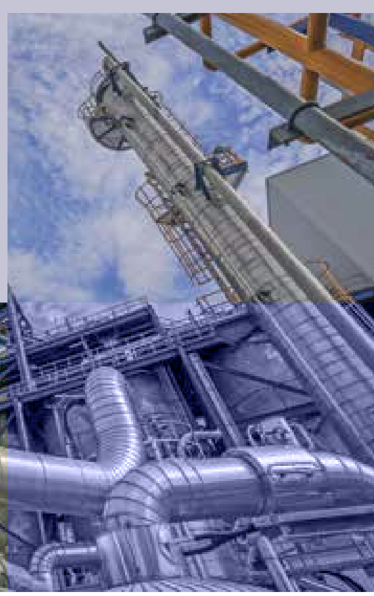
2019 was a challenging year for the oil and gas industry, which led to customers delaying delivery of a number of projects from Petronash. However, towards the end of the year, positive signs were emerging, with several projects resuming.

The company remains well placed to take advantage of a cyclical rise in investment in the energy sector, and Waha Capital remains is supporting the management team in its strategy to diversify its customer base and expand its product portfolio.

During the year ended 31 December 2019, the Petronash Group Limited reported revenue of USD 78.2 million compared to USD 77.2 million in 2018

Highlights:

- The carrying value of Petronash was AED 97.4 million as at 31 December 2019.



Private Investments

National Energy Services Reunited (NESR) Corp

Waha Capital acquired its stake in NESR in 2018 as part of the consideration on its exit of NPS Holdings Limited.

As part of the transaction, NESR also acquired Oman-based Gulf Energy SAOC, forming the first listed oilfield services firm in the Middle East and North Africa region.

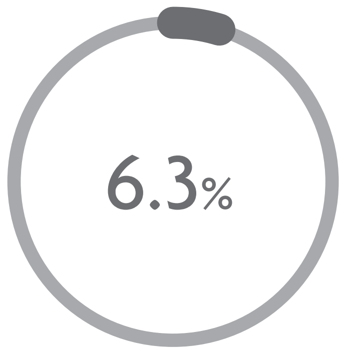
Waha Capital currently owns 6.3% of the company, following the disposal of NPS Holdings to NESR and the subsequent receipt of earn-out shares in the first quarter of 2019.

Highlights:
In the nine-month period of 2019 ending 30 September 2019, NESR Corp reported the following:

- Revenue of USD 473.2 million, comprising USD 284.6 million from production services and USD 188.6 million from drilling & evaluation services
- Adjusted EBITDA of USD 134.1 million and net income of USD 35.6 million
- Cash flows of USD 45.3 million generated from operating activities, cash flows of USD 90.0 million utilized in investing activities and cash flows of USD 62.9 million generated from financing activities
- Net book value of property, plant and equipment of USD 383.5 million as at 30 September 2019

The carrying value of NESR Corp was AED 176.4 million as at 31 December 2019.

Waha Capital ownership

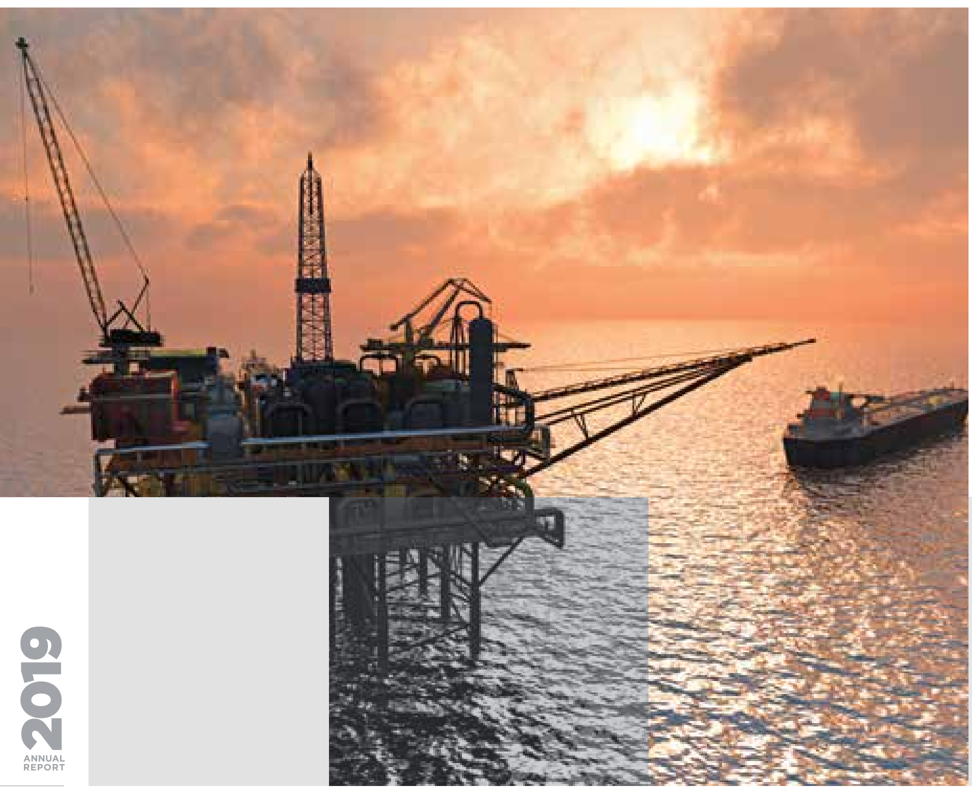


473.2m

Revenue YTD 30 September 2019 (USD)

383.5m

Net book value of property, plant and equipment as at 30 September 2019 (USD)

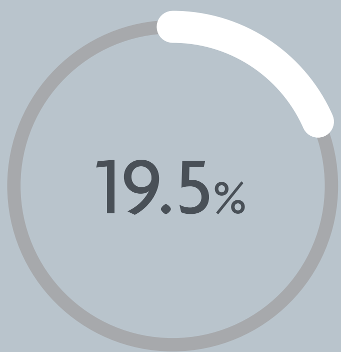


Private Investments

SDX Energy

SDX is a North Africa focused, exploration and production company, listed on the AIM market of the London Stock Exchange.

Waha Capital ownership



38.0m

YTD 30 September 2019 (USD)

42.5m

Carrying value of the investment as at 31 December 2019 (AED)

SDX has a balanced portfolio of production, development and exploration assets across Egypt and Morocco. The company was established in October 2015 through the merger of Toronto Stock Exchange-listed Sea Dragon Energy and privately-owned Madison PetroGas. The operating environment in North Africa continues to present considerable opportunities for the firm, in which Waha Capital owns a 19.5% stake.

SDX Energy benefits from a portfolio of high margin producing assets, combined with high impact exploration prospects in Egypt and Morocco.

Highlights:
In the nine-month period of 2019 ending 30 September 2019, SDX energy reported the following:

- Net revenue of USD 38.0 million
- Gross Profit of USD 27.5 million
- Operating cash flow before capex of USD 18.0 million
- Low-cost existing production base with operational expenditure at approximately USD 11/boe2

The carrying value of SDX Energy was AED 42.5 million as at 31 December 2019.

Private Investments

Deem Finance (formerly Dunia Finance)

Waha Capital owns a 26% stake in Deem Finance and a 25% stake in Dunia Services (together “Deem Group”).

Deem Finance, formerly Dunia Finance, is a finance company regulated by the Central Bank of the UAE and offers a range of financial solutions including personal loans, credit cards, guarantees and deposits to its customers in the UAE.

The shareholders of Deem Finance have backed a turn-around strategy of the business initiated in the first quarter of 2019. The plan focuses on expanding the product suite and diversifying revenues, enhancing risk taking capabilities and driving efficiencies through digitalization, which is currently being delivered by a new management team.

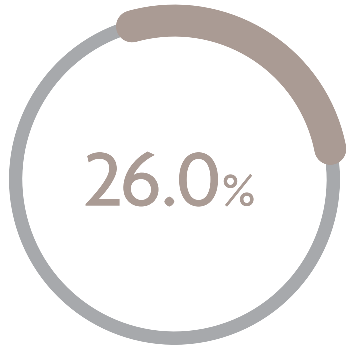
After receiving approximately 50% of invested capital in cumulative dividends, Waha Capital supported the turn-around plan with a capital injection of AED 87.5m in 2019, which was primarily required to cover a one-off provision requirement with the introduction of IFRS 9 accounting standards in 2018.

Highlights:
In the financial year ended 31 December 2019, Deem Finance reported the following:

- Net Interest Income of AED 210.9 million, compared to AED 423.3m in 2018
- Net customer receivables of AED 955.6 million, which was prudently normalized compared to AED 1,211.1 million in the corresponding period ended 31 December 2018
- Customer deposits of AED 952.7 million, compared to AED 1,127.9 million in 2018
- Cash balance of AED 355.1 million, compared to AED 339.1 million in 2018
- Shareholder equity of AED 263.3 million as at 31 December 2019, compared to AED 49.5 million as at 31 December 2018

Dunia Services FZ LLC was established in 2012 under the Dubai Technology and Media Free Zone Authority. The company offers a range of services, including strategy and management consulting and knowledge and business process outsourcing services. Its financial institutions clients include commercial banks, finance companies, insurance companies, and Deem Finance. During the financial year ended 31 December 2019, Dunia Services recorded revenues of AED 56.2 million.

Waha Capital ownership



210.9m

Net Interest Income (AED)

355.1m

Cash balance as at 31 December 2019 (AED)

Organisation and Culture

Our Guiding Principles

At the heart of the organisation's brand is its guiding principle: 'Collaborate. Excel. Deliver.' This principle lies behind the company's approach to its business, which allows Waha Capital to make clear, concise and confident decisions.

Our Vision
Our aim is to be the premier investment company in the Middle East, setting the highest standards in investment expertise, professionalism and corporate governance.

Our Mission
- To build and maintain long-term shareholder value
- To promote sound financial management
- To provide quality financial products and services
- To foster a culture that attracts, empowers and rewards

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-calibre employees and incentivises 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 to all stakeholders.

We adhere to the following shared values:

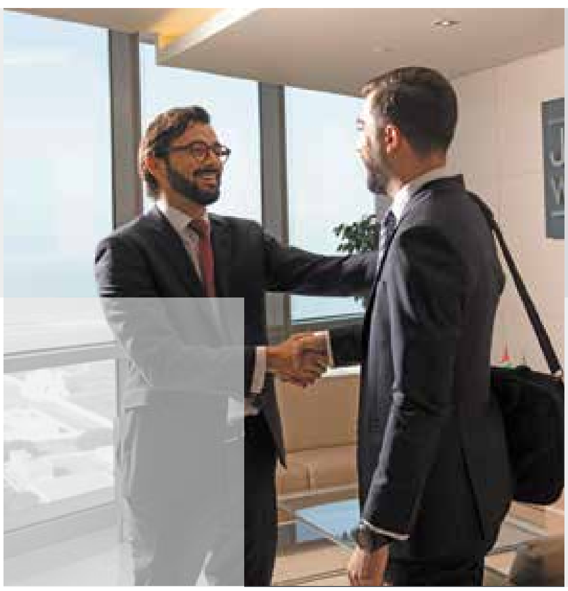
Passion
Passion is the burning force that keeps us going no matter what happens. We have self-confidence and a firm belief in abilities.

Respect
We respect all people and the free exchange of ideas.

Integrity
We work in an open, honest, ethical, courteous and caring way.

Directness
We are direct and to the point, conveying information in a manner that is easily understood by all. We make dealing with us and our products and services as easy as possible.

Excellence
We are committed to achieving the highest standards in everything we do.



Corporate Social Responsibility

Community Development

Waha Capital is committed to promoting the socio-economic development of communities where the company is active, particularly in its key home market of Abu Dhabi.

One of the company's key aims is to contribute to the Emirate's economic diversification strategy, creating value for key stakeholders, including investors, employees, and partners. This goal drives Waha Capital's growth strategy, and the company's ambition to be a leading proponent of Abu Dhabi's evolution into a vibrant economic centre with a thriving financial services sector.

Waha Capital recognizes that a crucial element of achieving sustainable growth is the nurturing of UAE national talent, and has made generous donations to the *Sandooq Al Watan* fund over the years, which invests in education and development.

While its core focus is on pushing forward a commercial agenda, Waha Capital has ensured that it contributes to external societal initiatives through a blend of sponsorship and active participation by employees. In recent years, the company has been a frequent contributor of humanitarian aid, including through the Red Crescent, has supported environmental education to support Abu Dhabi's sustainability aims, and has sponsored a programme that promotes talented UAE athletes.

Corporate social responsibility initiatives will continue to be aligned with Waha Capital's broad strategic goals, and the company will seek to collaborate closely with investee companies and other external partners to implement an effective long-term strategy.


WAHA CAPITAL
ADMAF

Risk Management

Risk management is an integral part of our operations and permeates through every level of the organization, in order to support and sustain the primary objective of creating long-term shareholder value by leveraging our expertise in managing investments, which necessarily involves undertaking financial risk.

The Board establishes the control environment, sets the risk appetite, and approves policies and delegates responsibilities under the company's risk management framework.

How Risk Management fits into the Waha Capital organisation

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

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

Waha Capital strongly believes in a disciplined approach to managing risk and has actively fostered an organization-wide culture of prudent risk management. All risk management reviews, decisions and actions are based on an approved enterprise-wide risk management strategy framework supported by:

- a documented risk management policy
- a comprehensive set of policies and procedures
- a risk governance structure incorporating sufficient built-in challenges, checks and balances
- adherence to Global International Performance Standards by performing GIPS audit every yearerence to Globalperforming GIPS audit every year.

Ultimate responsibility for setting risk appetite and the effective management of risk rests with the Board. This is managed through a number of senior executive committees, primarily the Investment Committee and the Risk Committee, which ensure that risk taking authority and policies are cascaded down from the Board to the appropriate business units.

Risk Management framework at Waha Capital

In order to support and sustain a strong culture of risk management, we have developed a robust risk framework that effectively supports appropriate risk awareness, behaviors and sound risk-based decision making. Our risk management framework recognizes that the long-term success of our company is contingent on our ability to effectively understand, accept and manage risk within our business.

Our risk management framework includes:

- a risk management policy which is communicated throughout the company and reviewed annually
- a standard set of key risk areas, categories and definitions
- a standardized and automated risk assessment and reporting tool, including standard risk assessment criteria, and the determination of our risk appetite
- consolidation of risk assessments for each business at the company level to identify organization-wide impacts and trends, which applies across our Public Markets and Private Investments businesses
- a periodic risk assessment, action planning and reporting cycle, which includes a review of current and emerging risks and their mitigation by the Board, Investment Committee and the Risk Committee
- reporting to the Board on any matters which have arisen from the review of risk management and internal control processes and any exceptions to these processes

Roles and responsibilities for risk management within Public Markets and Private Investments are clearly defined at each level - the Investment Committee, the Risk Committee and Risk Management departments. The Investment Committee approves investments and reviews periodic investment activity reports. These reports summarize all investment activity, clearly illustrate investment portfolio risk and return, evaluate compliance with the investment policy and all risk limits, and list exceptions to internal policy and regulatory requirements.

Risk Management *continued*

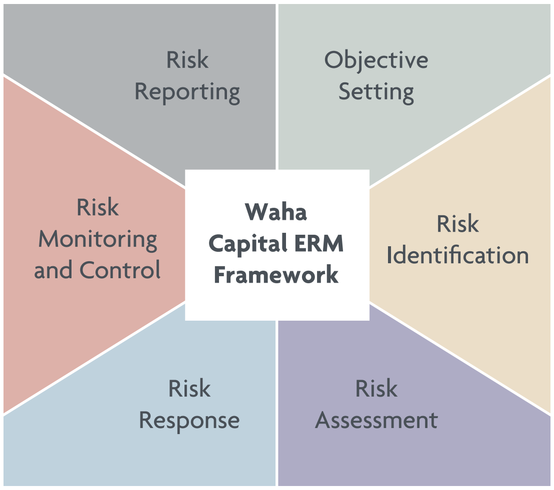
Dedicated Risk Management team is an integral part of our business

The Risk Management team at Waha Capital sits independently from the Private Investments and Public Markets teams, and constantly monitors and highlights the various types of risks that the company is exposed to. The primary focus is the five key areas of risk that we face as a business:

Risk Categories	Financial Risk	Operational Risk	Strategic Risk	Compliance Risk	Hazard Risk
Risk Sub-Categories	Market Risk	Human Capital	Reputation	Regulatory Changes	Social and Political Unrest
	Credit Risk	Technology	Competition	Licences and Permits	Accidents
	Liquidity Risk	Legal	Partnership		Natural Calamities
	Capital Management	Corporate Governance			
Risk Elements	Interest Rates Risk	Key Men Risk	Loss of Strategic Shareholders	SCA Regulatory Changes	Interruption of Business Operations
	FX Risk	Lack/Loss of Talent	Lack of Investment Opportunities	Lack of Necessary Licences	Injury/Illness to Employees
	Equity Price Risk	Outsourcing	Poor Marketability	Non-Satisfactory Central Bank Audit	Earthquake
	Funding	Individual Development Plans	Failure to Secure Investors	Non-Satisfactory Internal or External Audit	Fire
		Lack of Adequate Policies and Procedures		Lack of Adequate KYC/AML Processes	
		Outdated Systems and Softwares			
		Litigation/Lawsuits			
		Fraud			

Private Investments

We employ a highly developed Enterprise Risk Management (ERM) framework to establish the oversight, control and discipline to our Private Investment assets, to drive continuous improvement of an entity's risk management capabilities in a changing operating environment. This framework allows us to monitor and manage our long-term and short-term risks, report them, and ensure that we are compensated appropriately for the risk undertaken.



Benefits of Implementing ERM to Waha Capital	
Help align risk appetite with strategy	Build confidence amongst investors
Enhance corporate governance	Identify and manage enterprise-wide risks
Enhance risk response decisions	Respond to changing business environment
Manage Risks and Seize Opportunities	

The Waha Capital Enterprise Risk Management framework consists of:

1. Objective setting
- Understand objectives and strategies as they pertain to the risk profile of the business
- Identify key stakeholders and "key performance indicators" (KPIs)
- Determine risk appetite level

2. Risk identification
- Identify internal and external factors affecting achievement of objectives
- Distinguish between risks and opportunities
- Determine identified risks' tolerance levels and record risks within a risk register to help better align with strategy

3. Risk assessment
- Analyze risks, at the inherent and residual levels, by determining their likelihood and impact
- Determine risk scores by placing the identified risks on the risk matrix

4. Risk response
- Identify risk responses if the severity level is higher than the established risk tolerance level
- Determine the effectiveness of the risk responses

5. Risk monitoring and control
- Develop "key risk indicators" (KRIs) that act as early warning signals
- Develop policies and controls to ensure that risk responses are effectively carried out

6. Risk reporting
- Identify and capture relevant information in the form of risk reports, scorecards and dashboards
- Analyze the nature of risks, their trend and how they are managed

Risk Management *continued*

Illustrative Enterprise Risk Management for a PI and IM-PE Investment

Risk Identification Techniques
Questionnaires and Checklists
Workshops and Brainstorming
Inspection and Audits
Flowcharts and Dependency Analysis
SWOT Analysis

Risk Tolerance Levels

Risk Tolerance Level	Description
1	Low
2	Modest
3	Moderate
4	High

Likelihood and impact scores assigned to the risks can be based on either qualitative or quantitative criteria, or both. The cell where the likelihood and impact scores intersect on the matrix represents the "risk score" for the identified risk

Likelihood and Impact Scores

Likelihood	Description	Impact	Description
1	Remote	1	Insignificant
2	Less Likely	2	Minor
3	Possible	3	Moderate
4	Good Chance	4	High
5	Probable	5	Very High
6	Highly Probable	6	Severe

Risk Score

Severity Level	Equivalent Risk Score
Low	‹11
Modest	11 to 21
Moderate	21 to 30
High	›30

Risk Matrix

Likelihood Score							
Highly Probable	6	16	22	27	31	34	36
Probable	5	11	17	23	28	32	35
Good Chance	4	7	12	18	24	29	33
Possible	3	4	8	13	19	25	30
Less Likely	2	2	5	9	14	20	26
Remote	1	1	3	6	10	15	21
		1	1	3	4	5	6
		Insignificant	Minor	Moderate	High	Very High	Severe
		Impact Score					

Determining a Risk Score

An identified risk with a good chance of occurrence (likelihood score: 4) combined with a severe impact (impact score: 6) is identified as a high severity risk (red zone, risk score: 33)

Risk Management in Public Markets

The Public Markets business faces a fundamentally different variety of risks to the Private Investments business. While Private Investments assets tend to be multi-year investments, Public Markets investments are generally significantly shorter in tenure, and are therefore more significantly vulnerable to market volatility. We employ an extremely disciplined approach to risk management of the Public Markets portfolios which are monitored on a continuous basis by the Risk Management team.

Role of the Investment Committee

- The Investment Committee approves investments proposed by the portfolio managers
- The Investment Committee reviews investment activity reports produced by the Risk Management team on a weekly basis (daily during periods of high volatility)
- These reports (i) summarise all investment activity, (ii) clearly illustrate investment portfolio risk and return, (iii) evaluate the portfolio managers' compliance with the investment policy and all risk limits, and (iv) list exceptions to internal policy and regulatory requirements
- The Investment Committee ensures compliance with internal policies and regulatory requirements

Role of the Risk Committee

- The Risk Committee exists to approve and amend new risk policies and meets when required
- The Risk Committee defines responsibilities of different parties in implementing the risk policy
- New policies or amendments are proposed by the risk manager after detailed discussions with the Risk Committee and Portfolio Management team members
- The implementation of approved risk polices is monitored on a daily basis by the Risk Management team
- Any breach of the Risk Management policy is reported following the action plan detailed in the related policy

Investment approval process

After a detailed fundamental analysis of the target investable market, the portfolio managers propose a list of investments to the Risk Committee for approval. Most new investments require the portfolio managers to submit a detailed investment paper to the Risk Committee for approval.

Risk management tools

Risks are managed through the use of several tools, including:

- Stop loss policies - The stop loss policy relates to a pre-determined loss exposure limit. If the loss on a security position or a sub-portfolio exceeds pre-set loss limit set by the Risk Committee, the breach will be flagged to the committee members to take the appropriate action.
- VaR limits - The VaR is usually used to quantify the level of financial risk within an investment portfolio over a specific time frame. The VaR policy is implemented at the portfolio level and sub-portfolio level, and gives an indication of the expected losses over a specified period of time, taking into account the current composition.
- Macro hedging policies - A number of limits are set to monitor the concentration risk of the portfolio. These limits are fixed and any breach has to be addressed with the Risk Management team. Various hedging tools are used to mitigate the risk as per Investment Committee approvals.
- Interest rate hedging policies – Interest rate movements represent a major risk to fixed income investments even if the primarily criteria for bond selection is positive views on credit. The management of IR risk is therefore required to appropriately position the portfolio.
- FX hedging policies – Similar to interest rate hedges, we employ FX hedges for non-USD bonds as required to achieve the right risk/return profile of the portfolio.
- Limits framework – Limits such as concentration limits by issuer, sector, geography and rating wise re also set to ensure diversification.
- Stress Testing – Stress testing of the fund is performed for various market sell off events to see the impact on the portfolio.

Monitoring of the policy

Securities are monitored daily by the Risk Management team. If any of the limits are breached, a notification is automatically sent to the Risk Committee, and the portfolio manager has to propose corrective actions. The Risk Management team produces a portfolio overview report, which allows the management to track the portfolio performance and positions on a weekly basis and even daily during times of stress. Continuous independent review of the portfolio of securities is a key component of our risk management culture, which we believe aids in delivering long-term shareholder value.

Corporate Governance

Commitment to Strong Corporate Governance

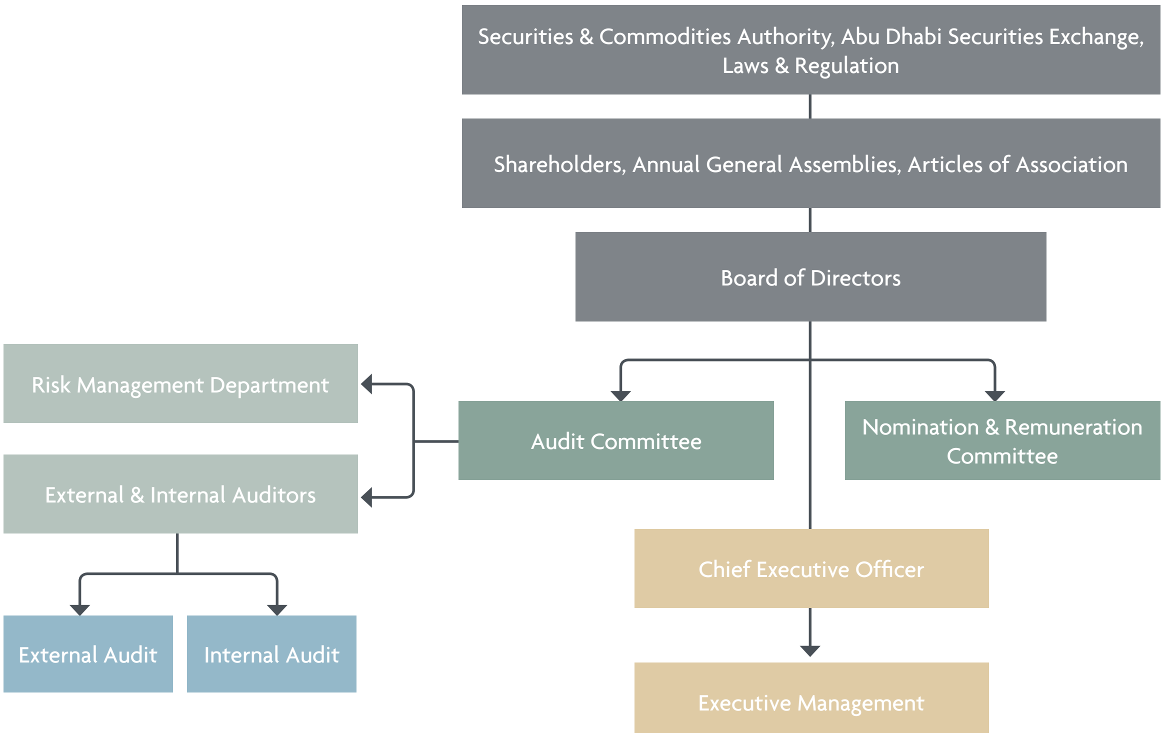
Waha Capital's commitment to a robust corporate governance framework is essential for its long-term prosperity. This lies at the centre of its mission to create value for its shareholders and provide them and the wider market with confidence that company affairs are being managed in a fair, responsible and transparent manner.

Accordingly, Waha Capital has implemented a comprehensive corporate governance framework, which is modelled on international best practice and complies with the requirements of the Emirates Securities and Commodities Authority (ESCA) and the Abu Dhabi Securities Exchange (ADX). This framework addresses the following key topics:

- Responsibilities of the Board and individual Directors;
- Terms of reference for each of the company's two Board Committees;
- Appropriate delegation of authority to Management;
- The Company's relationship with its shareholders;
- Internal controls, and compliance functions;
- Rules relating to the appointment of external auditors;
- The Company's Code of Conduct; and
- Share dealing policy applicable to Directors and employees.

We continue to monitor and update our corporate governance framework to ensure that it keeps abreast of regulatory changes, changes to or business and prevailing corporate governance concepts.

Further information on our corporate governance framework and practices is set out in our Corporate Governance Report for 2019, which is available on our website: **www.wahacapital.com**



Waha Capital's corporate governance framework is headed by the Board of Directors. The Board is ultimately responsible for ensuring that the Company complies with its legal and regulatory obligations, the Company's Memorandum and Articles of Association, and its duties to shareholders, creating and delivering sustainable value through the proper management of the company's business. The Board is assisted in this process internally by the Board Committees, the Internal Control Department, the Compliance Officer, the Risk Management Department and day-to-day by members of the Executive Management.

Board

With the exception of Mr. Waleed Al Mokarrab Al Muhairi and Mr. Nader Al Hammadi (both of whom were appointed in March 2019), the current Board of Directors was elected by the Company's shareholders in the Company's 2018 Annual General Meeting held on 25 March 2018. Accordingly, all of the Directors' terms of office will expire upon the Company's Annual General Meeting in 2021.

To ensure their continued independence, Directors are required to disclose the nature of their positions with other organisations, including companies and public institutions, and indicate the set term of each position, when they first join the Company, and when their positions change.

Board Committees

The Company has established the Audit Committee and the Nomination and Remuneration Committee with formal Terms of Reference (charters), which set out its responsibilities, composition and operating and reporting frameworks.

Each Committee reports regularly to the Board about their activities and the exercise of their powers, which includes updating the Board at each Board meeting of all decisions and resolutions passed by the Committees since the last Board meeting.

Annually, each Committee evaluates its workings under its relevant Terms of Reference, with a view to improving the workings of the relevant Committee or its relationship with the Board and the Board follows up the operations of the Committees to ensure that they are adhering to their Terms of Reference.

Audit Committee

The duties and responsibilities of the Audit Committee according to its approved Terms of Reference are consistent with the governance rules set forth in the Corporate Governance Code. In particular, the Audit Committee has the following key duties and responsibilities:

- overseeing the integrity of and reviewing the Company's financial statements and annual and quarterly reports;
- developing and applying the policy for contracting with external auditors, and following up and overseeing the qualifications, independence and performance of the external auditor;
- overseeing the qualifications, independence and performance of the Company's internal audit and compliance staff, and approving the annual audit plan prepared by the internal auditors;
- reviewing the external and internal auditor's management letters, reports and recommendations, and management responses, and overseeing the implementation of action steps recommended by the Audit Committee;
- reviewing the Company's financial control, internal control and risk management systems;
- overseeing the scope of the Company's compliance with its Code of Conduct and its various legal and regulatory obligations; and
- reviewing or investigating any allegations of fraud or theft which are brought to the Audit Committee's attention, which are made by or against employees or Directors and making appropriate recommendations to the Board.

Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee according to its approved Terms of Reference are consistent with the governance rules set forth in the Corporate Governance Code. In particular, the Nomination and Remuneration Committee has the following key duties and responsibilities:

- organising and following up the Board nomination procedures in line with the requirements of applicable laws and regulations and of the Corporate Governance Code, in addition to determining the Company's needs for qualified staff at the level of senior management and the basis for their selection;
- verifying the ongoing independence of independent Board members;
- reviewing and approving, in consultation with the Chairman of the Board and/or the Chief Executive Officer, the terms and conditions of the service contracts of Executive Directors and senior management employees;
- reviewing at least annually the remuneration (comprising basic salary, other allowances, and any performance-related element of salary or bonus) of the Company's employees including the senior management team, and remuneration proposed to be paid to the Board directors; and
- where appropriate, preparing a succession plan for the Board and its Committees, the Chief Executive Officer, and key members of Management.

Corporate Governance *continued*

Internal Controls Department

Waha Capital's internal control and supervisory system is established to ensure that the Board and Management are able to achieve their business objectives in a prudent manner, safeguarding the interests of the Company's shareholders and other stakeholders, whilst at the same time minimising key risks such as fraud, unauthorised business activity, misleading financial statements, uninformed risk-taking, or breach of legal or contractual obligations.

As per the approved Waha Capital Corporate Governance Manual, the Board is responsible for ensuring that the Company applies adequate internal control systems. The Board is also responsible for performing an annual review of the effectiveness of the Company's internal control system and the scope of the Company's compliance with that system.

Under a delegated authority, Management is also responsible for ensuring that adequate internal controls (both financial and operational) are in place and applied to safeguard and manage the assets of the Company in an effective and efficient manner.

In this role, Mr. Khalid Meah reports to the Audit Committee, and enjoys operational independence from Management.

Internal Audit

During 2019, the Internal Audit department carried out internal audits of the Company's Waha Land and Anglo Arabian Healthcare subsidiaries. The findings of the audits were presented to the Company's Audit Committee upon completion and recommendations were adopted for implementation by the respective departments. The Internal Audit Department is satisfied that there have not been any significant deviations of the established internal controls during the course of 2019.

In November 2019, the Company appointed Mr. Khalid Meah as the Head of Internal Audit. Mr. Meah is an audit and risk professional with over 16 years' experience from top-tier institutions in the UK and the UAE. Mr. Meah holds a bachelor degree in History & Politics from the University of London and a Masters in Management from Loughborough University. Additionally, he holds professional certifications including the International Diploma in Governance, Risk and Compliance (Int.Dip GRC).

External Audit

Ernst & Young ("EY") were appointed as Waha Capital's External Auditor at the 2019 Annual General Meeting held on 24 March 2019.

Waha Capital adopts a policy on External Auditors' independence by which the External Auditor may not, while assuming the auditing of the Company'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 ESCA, may not be rendered by the External Auditor.

The external audit fees of EY for the year 2019 amounted to AED 600,000 being for auditing services provided to Waha Capital and some of its subsidiaries.

Compliance

The role of the Compliance Officer is to verify compliance by the Company and its officers and employees with the applicable legal and regulatory requirements (including the resolutions issued by ESCA and ADX), the Company's internal policies and procedures, and commitments made to third parties (including the Company's lenders and counterparties). The Compliance Officer reports to the Audit Committee/Board on key matters of non-compliance.

In November 2019, the Company appointed Ms. Danielle Penton as the Head of Compliance. Ms. Penton is responsible for developing, implementing and overseeing best practice compliance programs across the firm. Ms. Penton has nearly a decade of experience building compliance programs within US investment firms. Prior to joining Waha Capital, Ms. Penton worked at top-tier investment companies and asset managers in the US and was responsible for the development and implementation of the compliance policies and procedures and devised the firms' AML programs. Ms. Penton holds a Masters of Global Management, International Business from the Thunderbird School of Global Management and a BA from the University of Oklahoma.

Disclosure Practices

The Company is committed to complying with all of its disclosure obligations, including to ESCA, the ADX and to shareholders, so that trading in its shares can take place in an informed market. In 2019, the Company made regular disclosures to ESCA and ADX, including in relation to its quarterly and annual financial statements, its upcoming Board meetings and decisions, the 2019 dividend, its key investor relations materials, and key transactions and financings entered into by the Company.

Share Dealing Policy

The Company has adopted a policy on Directors' and employees' dealing in the Company's securities, for the purpose of ensuring that the Company's Directors and employees (and their closely related individuals) do not deal or trade in securities issued by the Company or its subsidiary or sister companies based on undisclosed confidential information or in circumstances of conflict. The following represents the key aspects of the Share Dealing Policy:

- No director or employee of the Company (or any subsidiary or other company controlled by Waha) may deal in Company securities whilst they are in possession of any information that could affect the price of these securities, where such information has not been disclosed to ADX.
- Trading may not take place during any black-out period, as follows:
    a. ten working days prior to the announcement of any significant information which affects the share price by way of a rise or fall, unless the information was a result of sudden adventitious events;
    b. from 15 March until the company's first quarter financial statements are disclosed to the ADX;
    c. from 15 June until the company's first half financial statements are disclosed to the ADX;
    d. from 15 September until the company's third quarter financial statements are disclosed to the ADX; and
    e. from 15 December until the company's full year audited financial statements are disclosed to the ADX,
- Directors who are not in possession of such information as referred to above, and who are not proposing to trade in any black-out period, may only deal in the securities of the Company, provided they give notification of any trading to the Chairman (or, in his absence, the Vice-Chairman), whilst employees who are not in such possession may only do so with the prior written consent of the Chief Executive Officer (or, in his absence, the Company Secretary), which consent will normally only be given in the first two weeks after the quarterly or annual results are released to the ADX.

Policy Implementation Measures

The Board and the individual Directors as well as Company management understand their obligations with respect to disclosure requirements in connection with their dealings in Waha Capital securities and are regularly informed of key dates. The Company has also given to ADX an updated list of Company insiders, to facilitate the ADX's monitoring of the Company's compliance with all applicable share dealing laws.

The Company also has an Insider Trading Committee currently comprises of the following members:

- Ms. Sana Khater – Chief Financial Officer;
- Mr. Peter Howley – General Counsel & Company Secretary; and
- Ms. Danielle Penton – Head of Compliance.

The duties of this Committee are to administer the Company's Share Dealing Policy, and to regularly monitor trading in the Company's shares to reduce the risk of any unauthorized trading by the Company's Directors and employees. In 2019, the Committee did not receive any application by any Director or employee to trade in the shares of the Company.

Directors' Remuneration

The Company's General Assembly determines the remuneration of the Board directors on an annual basis. According to the new Commercial Companies Law (Federal Law No. 2 of 2015), the Director's remuneration cannot exceed 10% of the net profits of the Company, after deducting 10% of the net profits to the statutory reserve.

The Nomination and Remuneration Committee is also required to review, at least annually, the remuneration proposed to be paid to Directors, whether in their capacity as members of the Board or of Board Committees, and make recommendations to the Board as considered appropriate.

In 2019, the Directors were paid AED 9 million (in aggregate) in respect of the 2018 financial year. The Directors' fees for the 2019 financial year will be decided at the Company's Annual General Meeting for 2020.

No allowances were paid to Directors for their attendance of meetings of the Board or Board Committees in 2020.

Furthermore, as per the Company's Policy, Directors will not be entitled to participate in any share option plan (or other form of long term incentive plan) of the Company.

Memorandum and Articles of Association

The Company's Memorandum and Articles of Association is available for viewing at the company's website: www.wahacapital.com

Board of Directors

Waleed Al Mokarrab Al Muhairi
Chairman

Waleed Al Mokarrab Al Muhairi is the Chairman of Waha Capital.

In addition, Mr. Al Muhairi is 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 while ensuring that the company's four platforms are coordinating efficiently.

He is also Chief Executive Officer of the Alternative Investments & Infrastructure platform and leads Mubadala's healthcare, real estate & infrastructure, and capital investment portfolios.

Mr. Al Muhairi is a member of Mubadala's Investment Committee, which is mandated with developing the company's investment policies, establishing investment guidelines and reviewing all proposed projects and investments to ensure they are in line with business objectives.

He currently serves as Chairman of Cleveland Clinic Abu Dhabi and is a Member of the Board of Trustees of Cleveland Clinic in the United States. He is also the Vice Chairman of Aldar Properties and a board member of Abu Dhabi Global Market, Emirates Investment Authority, Tamouh Investments, First Abu Dhabi Bank (FAB) and InvestCorp, Bahrain.

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. Past 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, USA.

Ahmed Ali Khalfan Al Mutawa 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 degree in Accounting from Seattle Pacific University Washington, USA.

Carlos Obeid
Director

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

Mr. Carlos is also a member of Mubadala's Investment Committee. The committee is mandated to develop the organization's investment policies, establish investment guidelines and review all proposed projects and investments to ensure they are in line with Mubadala's business objective.

In addition to his position as Chief Financial Officer, Mr. Carlos is a member of the board of directors of several Mubadala group and other operational businesses. He currently serves as the Chairman of the board of Directors of Mubadala Infrastructure Partners Ltd. He is also a board member in Waha Capital PJSC, Cleveland Clinic Abu Dhabi LLC, Global Foundries Inc and Abu Dhabi Commercial Bank PJSC

Before joining Mubadala, Carlos worked with the UAE Offsets Programme 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's in Business Administration from INSEAD in Fontainebleau, France.

Rashed Darwish Al Ketbi
Director

Mr. Al Ketbi is the current Chairman of the Board of the RDK Group. He is also 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 degree from Indiana University and a Master of Business Administration from the University Of St. Louis University of Management, USA.

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, Decovision, Tamouh Investments and International Holdings Company. He also holds board positions at several private companies including Royal Jet, Maximus Air and Abu Dhabi Airports.

In 2017, he was announced as a member of the Aviation Sector Development Committee. HE Al Hammadi has previously held senior positions at Abu Dhabi Aircraft Technologies (ADAT), the largest third party provider of Commercial Aviation Services in the Middle East. In 1996, he joined Presidential Flight, held several Key Management positions, and was appointed Managing Director and CEO in 2014.

He graduated from Embry Riddle Aeronautical University in Florida, USA in 1990 and holds a Bachelor of Science in Aviation Electronics (Avionics). He Post-graduated 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 Al Omaira
Board member

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 the Chief Executive Officer of Abu Dhabi National Company for Building Materials (Bildco), an Abu Dhabi Securities Exchange listed company and have 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. He has led his family business Omaira Group of Companies and manages the daily business and assets, ensuring it 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 Chairman and Managing Director of Tama Investment & Development LLC. Previously he was an Investment Associate at Abu Dhabi Investment Authority (ADIA). Also, Al Nowais worked briefly with J.P. Morgan in New York, USA, as an Investment Banking Analyst and worked with Al Nowais Investment Company in Abu Dhabi as a Business Analyst.

Mr. Nowais is currently the Executive Director of Al Nowais Investments focused on AMEA Power, a subsidiary of the holding group.

He also completed multiple internships with international financial institutions including HSBC in Abu Dhabi and Citi Bank in London, UK.

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

Executive Management

Amr AlMenhali
Chief Executive Officer

Amr AlMenhali joined Waha Capital as Chief Executive Officer in September 2019.

With a solid track record and over 20 years of experience across a number of executive positions in the financial services industry, including as CEO of a leading UAE bank, Mr. AlMenhali has built strong leadership skills and expertise in strategy, finance, risk, credit and corporate governance.

Throughout his career, Mr. AlMenhali has led several strategic transformation projects, developing high performance businesses to achieve sustainable growth.

He is currently an Independent Director of GFH Financial Group, in addition to being a Board member of several international public companies, including SDX Energy (AIM listed), NESR (NASDAQ listed) and Deem Finance as well as being Chairman of Waha Investment PrJSC, Waha Land LLC and Anglo Arabian Healthcare LLC.

He was previously a Board member of the UAE Banks Federation and Abu Dhabi Finance.

Mr. AlMenhali holds a Bachelor in Business Administration (Honours) and is an alumnus of Harvard Business School's General Management Program.

Simon Reeves
Chief Financial Officer

Simon 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.

Simon 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.

Simon Reeves was appointed CFO in Q1 2020. Sana Khater was Waha Capital's CFO throughout 2019.

Hazem Saeed Al Nowais
Chief Executive Officer,
Waha Land

Mr. Al Nowais is CEO of Waha Land, the real estate arm of Waha Capital, managing its industrial development, ALMARKAZ. With 23 years of experience in construction, design management and real estate development, Mr. Al Nowais has held senior positions with organizations including Aldar Properties, the Abu Dhabi Public Works Department and the Abu Dhabi Marine Operating Company.

Mr. Al Nowais holds a Bachelor's and a Master's degree in Architecture from the Savannah College of Art and Design in Savannah, Georgia, USA. He received the Sheikh Rashid Award for Academic Excellence in 1997, and is a member of the Tau Sigma Delta National Honor Society in Architecture and Applied Arts (USA).

Mohamad El Jamal
Chief Investment Officer,
Capital Markets

Mohamed El Jamal is responsible for Waha Capital's investments in capital markets and the company's fund offering to third-party investors.

Mohamed joined Waha Capital in 2010, since then, he has been instrumental in setting-up and developing Waha's asset management platform. He is the lead portfolio manager of the flagship funds – Waha CEEMEA Credit Fund and the Waha Mena Equity Fund – both of which have a long term track record of outperformance and have attracted a compelling mix of regional and international investors.

Mr El Jamal has more than 15 years of professional experience investing across capital structure, including public equities and bonds, private senior and subordinated debt. Prior to joining Waha Capital, he worked for Société Générale Corporate & Investment Banking in London focusing on equity and debt financing transactions with an aggregate size in excess of USD 10 billion covering transport, defense, healthcare, oil & gas, waste and utilities industries.

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




Peter Howley
General Counsel &
Company Secretary

Mr. Howley leads the Waha Capital group legal team. Mr. Howley is responsible for the company's legal and regulatory affairs, corporate governance and company secretarial functions. Mr. Howley has significant executive management experience through Directorships at portfolio companies, membership on Investment Committees and Company Secretarial roles. Mr. Howley has advised entities across the value-chain from start-ups to FTSE and NYSE listed companies and national governments, including in the oil & gas, healthcare, aviation, energy, infrastructure, telecommunications and financial services sectors.

Mr. Howley has served at Waha Capital for over 7 years. Prior to joining Waha Capital Mr. Howley worked for a leading international law firm in London where he led transactions in Europe, the US and in emerging markets, with experience including complex cross border transactions, private and public mergers and acquisitions, joint ventures, projects and government advisory mandates, investment fund structuring, capital markets transactions and compliance and corporate governance frameworks.

Mr. Howley is a member of the UAE General Counsel Forum and is qualified as a solicitor in England and Wales and is licensed to practice by the Solicitors Regulatory Authority of England and Wales. He holds a degree of Bachelor of Laws with European Law from the University of Leeds.

Khalid Meah
Head of Internal Audit

Khalid Meah is Head of Internal Audit at Waha Capital. He is responsible for providing independent audit reports to the Board of Directors and Management on the effectiveness of the Internal Control environment. He is a seasoned auditor with over 16 years of experience in audit and risk management across top tier institutions in the UAE and the UK.

Before joining Waha Capital, Khalid held senior Internal Audit roles at First Abu Dhabi Bank (FAB). Prior to that, he held audit and risk roles at leading banks in London, including Lloyds Bank, Bank of America and UBS.

Khalid holds a BA (Hons) History & Politics from Queen Mary, University of London and a Master's in Management from Loughborough University. Additionally, he holds professional certifications, including the International Diploma in Governance, Risk and Compliance (Int.Dip GRC), and Certified Anti-Money Laundering Specialist (CAMS).

Hilary Rowe
Head of Human Resources &
Administration

As Head of Human Resources & Administration at Waha Capital, Hilary is responsible for overseeing the Human Capital and Administration for the firm and its Assets.

Hilary has over 20 years of Human Resource management experience in investment banking and asset management. Prior to joining the company, Hilary worked at a number of leading global firms in both the UK and the GCC.

Hilary 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. Hilary also holds an Executive Master's in Leadership Development and Executive Coaching from Hult-Ashridge Business School, UK.

Omar Khaled
Head of Marketing &
Corporate Communications

Omar is Head of Marketing & Corporate Communications at Waha Capital. He is a seasoned marketing & communications expert with over a decade of experience in some of the leading firms in the UAE.

In his role at Waha Capital, Omar is responsible for maintaining the company's corporate identity and brand image. He is also responsible for overseeing communication with the media and relevant stakeholders, as well as managing the company's various marketing activities.

Prior to joining Waha Capital, Omar held a number of managerial and executive roles at several leading Abu Dhabi-based firms including Etihad Rail, Etihad Rail DB and Al Qudra Holding.

Omar was born and raised in the UAE. He holds a bachelor's degree in Business Administration from the University of Southern California (USC) in the US.

Financial Statements
for the year ended 31 December 2019

الواحة كابيتال
WAHA CAPITAL

AL WAHA CAPITAL

Chairman's Report

Dear Shareholders,

I am pleased to present Waha Capital's 2019 financial results. In light of the developments that took place in 2019 including the appointment of a new Board and a new executive management team, a turnaround strategy was put in place focusing on both our Asset Management and Private Investments divisions. This readjustment will better equip us to grow our footprint locally and abroad, as we actively seek to increase shareholder value, equity and returns in the short and long term.

Waha Capital's Asset Management division performed solidly last year as our flagship funds continued to outperform benchmarks by surmounting numerous challenges that arose due to international trade conflicts and slowing rates of economic growth. The Waha CEEMEA Credit Fund achieved a cumulative return of over 180% since inception until the end of 2019 while the Waha MENA Equity Fund notched up a return of 175% since its creation in 2014. Total AUM for the company's Asset Management division grew by 32% to reach AED 3.3 billion in 2019 from AED 2.5 billion in 2018.

A reassessment, however, of our Private Investments division in 2019 led us to record one off impairments on some of our investments due to difficult market conditions and a slowdown of certain sectors. Consequently, the company registered a loss of AED 616.3 million in 2019.

The new management team put in place last year has the full support of the Board, and Waha Capital remains a beacon for private sector development in the region and an integral part of Abu Dhabi's emerging economic story. The implementation of the Emirate's AED 50 billion stimulus plan has accelerated in recent months with new infrastructure contract awards, and the Government of Abu Dhabi has also stepped up efforts to attract investments into technology and innovation.

Thanks to the significant progress we have made in readjusting our business, I am confident that the company is well positioned to thrive in an ever-evolving industry, and is primed for a 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 take this opportunity to commend the hard work and commitment of Waha Capital's employees, senior management, and Board of Directors.

Waleed Al Mokarrab Al Muhairi
Chairman

Independent Auditor's Report

The Shareholders
Al Waha Capital PJSC
Abu Dhabi
United Arab Emirates

Report on the Audit of the Consolidated Financial Statements of Al Waha Capital PJSC

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 2019, 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 2019, 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 Ethics Standards Board for Accountants' *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.

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 February 2019.

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.

Assessment of control, joint control and significant influence on investments

The appropriate classification and accounting of the Group's investments or involvement in other entities requires significant management judgement, in particular in regard to assessing control, joint control or significant influence with respect to:

- the Group's decision making rights over the investee/s relevant activities;
- the legal structure of the transaction; and
- the existence of other material rights and/or obligations.

There is a risk that management may have not fully considered all rules, facts and circumstances in assessing whether the Group has control, joint control or significant influence on its investment/s or involvement in other entities, which may have significant consequences on the consolidated financial statements and on its disclosures.

As part of our audit procedures, we have:

- Obtained an understanding of the design and implementation of key controls around the application of the accounting standards and evaluated the significant judgements that management exercised in determining whether the Group controls, has significant influence or jointly controls portfolio companies, funds, and other entities;
- Inspected legal documents supporting key judgments made by management in determining whether the Group controls, jointly controls or has significant influence over an investee e.g., power over relevant activities;
- Reviewed management's assessment on continuing control, joint control or significant influence on any investee following a change in ownership or contract terms; and
- Assessed compliance with accounting standards.

Impairment of equity accounted associates and joint ventures

As disclosed in note 12 to the consolidated financial statements, investments in equity-accounted associates and joint ventures amounted to AED 525 million (6% of total assets) as at 31 December 2019.

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 9 to the consolidated financial statements, the Group's investment properties amounted to AED 717 million representing 8% of total assets as at 31 December 2019.

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.

Other information *continued*

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, related safeguards.

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 13 to the consolidated financial statements and include purchases and investment made by the Group during the year ended December 31, 2019;

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 2019, 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 2019; and

viii. during the year, the Group made no social contributions.

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

25 February 2020
Abu Dhabi, United Arab Emirates

Consolidated Statement of Financial Position

As at 31 December

	Note	2019 AED '000	2018 AED '000
ASSETS			
Property and equipment, net	8	57,573	72,695
Right-of-use assets	20	129,140	-
Investment property	9	717,140	753,566
Goodwill and intangible assets	10	85,695	107,719
Investments in finance leases		-	2,903
Loan investments	11	232,963	232,963
Investments in equity-accounted associates and joint ventures	12	524,552	4,200,967
Financial investments	13	6,085,448	5,418,628
Inventories		12,751	9,728
Trade and other receivables	14	701,640	443,270
Cash and bank balances	15	800,344	428,970
Total assets		9,347,246	11,671,409
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,944,515	1,944,515
Treasury shares	16	(267,184)	(267,184)
Retained earnings		648,650	1,407,829
Reserves		487,048	494,002
Equity attributable to the Owners of the Company		2,813,029	3,579,162
Non-controlling interests	5.2	1,345,715	970,768
Total equity		4,158,744	4,549,930
Liabilities			
Borrowings	17	4,443,657	6,463,768
End of service benefit provision		29,900	33,969
Derivative liabilities	18	38,949	36,304
Lease liabilities	20	136,510	-
Trade and other liabilities	19	539,486	587,438
Total liabilities		5,188,502	7,121,479
Total equity and liabilities		9,347,246	11,671,409

These consolidated financial statements were authorised for issue by the Board of Directors on 24 February 2020 and signed on their behalf by:

Waleed Al Mokarrab Al Muhairi
Chairman

Amr AlMenhali
Chief Executive Officer

Sana Khater
Chief Financial Officer

The notes numbered 1 to 30 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 49 to 52.

Consolidated Statement of Profit or Loss

For the year ended 31 December

	Note	2019 AED '000	2018 AED '000
Revenue from sale of goods and services	21	**297,692**	261,344
Cost of sale of goods and services	21	**(238,372)**	(215,257)
Gross profit		**59,320**	46,087
Share of profit from equity-accounted associates and joint ventures, *net*	12	**234,066**	540,400
Impairment of equity-accounted associates and joint ventures	12	**(516,803)**	(294,695)
Gain on disposal of equity-accounted associates and joint ventures		**46,478**	56,393
Gain on disposal of asset classified as held for sale	7	-	109,438
Income from financial investments	22	**202,746**	128,579
Loss from investment property, *net*	9	**(24,415)**	(15,580)
Other income, *net*	23	**3,457**	23,651
Net operating income		**4,849**	594,273
General and administrative expenses	24	**(257,478)**	(274,772)
Finance cost, *net*	25	**(195,272)**	(155,671)
(Loss) /profit for the year		**(447,901)**	163,830
(Loss) /profit for the year attributable to:			
Owners of the Company		**(616,286)**	145,000
Non-controlling interests		**168,385**	18,830
(Loss) /profit for the year		**(447,901)**	163,830
Basic and diluted (loss) / earnings per share attributable to the Owners of the Company (AED)	16	**(0.335)**	0.079

The notes numbered 1 to 30 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 49 to 52.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December

	2019 AED '000	2018 AED '000
(Loss) /profit for the year	(447,901)	163,830
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)	340,243
Hedge reserve reclassification adjustments for amounts recognised in profit or loss (note 22)	270,028	144,448
Share of changes in other reserves of equity-accounted associates and joint ventures (note 12.2)	(61,674)	26,292
Release of share of other reserves of asset classified as held for sale	-	(976)
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal	38,854	(3,405)
Other comprehensive (loss) / income for the year	(6,954)	506,602
Total comprehensive (loss) / income for the year	(454,855)	670,432
Total comprehensive (loss) / income attributable to:		
Owners of the Company	(623,240)	651,602
Non-controlling interests	168,385	18,830
Total comprehensive (loss) / income for the year	(454,855)	670,432

The notes numbered 1 to 30 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 49 to 52.

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	Revaluation reserve AED '000	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
At 1 January 2018 (as reported)	1,944,515	(267,184)	1,725,713	472,491	4,337	(500,557)	966	(22,763)	3,380,281	789,569	4,169,850
Impact of adoption of new accounting standards	-	-	(100,666)	-	(4,337)	-	-	(4,337)	(105,003)	(3,818)	(108,821)
At 1 January 2018 (restated)	1,944,515	(267,184)	1,625,047	472,491	-	(500,557)	966	(27,100)	3,275,278	785,751	4,061,029
Profit for the year	-	-	145,000	-	-	-	-	-	145,000	18,830	163,830
Other comprehensive income	-	-	-	-	-	484,691	21,911	506,602	506,602	-	506,602
Total comprehensive income	-	-	145,000	-	-	484,691	21,911	506,602	651,602	18,830	670,432
Cash dividend (note 16)	-	-	(321,739)	-	-	-	-	-	(321,739)	-	(321,739)
Transfer to statutory reserve	-	-	(14,500)	14,500	-	-	-	14,500	-	-	-
Acquisition of non-controlling interests (note 5.2)	-	-	(25,979)	-	-	-	-	-	(25,979)	(16,463)	(42,442)
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-	-	-	-	-	-	192,423	192,423
Dividends paid to non-controlling interests (note 5.2)	-	-	-	-	-	-	-	-	-	(9,773)	(9,773)
At 31 December 2018	**1,944,515**	**(267,184)**	**1,407,829**	**486,991**	**-**	**(15,866)**	**22,877**	**494,002**	**3,579,162**	**970,768**	**4,549,930**
At 1 January 2019	1,944,515	(267,184)	1,407,829	486,991	-	(15,866)	22,877	494,002	3,579,162	970,768	4,549,930
(Loss) / profit for the year	-	-	(616,286)	-	-	-	-	-	(616,286)	168,385	(447,901)
Other comprehensive income / (loss)	-	-	-	-	-	15,866	(22,820)	(6,954)	(6,954)	-	(6,954)
Total comprehensive (loss) / income	-	-	(616,286)	-	-	15,866	(22,820)	(6,954)	(623,240)	168,385	(454,855)
Cash dividend (note 16)	-	-	(137,888)	-	-	-	-	-	(137,888)	-	(137,888)
Acquisition of non-controlling interests (note 5.2)	-	-	(5,005)	-	-	-	-	-	(5,005)	(2,445)	(7,450)
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-	-	-	-	-	-	209,007	209,007
At 31 December 2019	**1,944,515**	**(267,184)**	**648,650**	**486,991**	**-**	**-**	**57**	**487,048**	**2,813,029**	**1,345,715**	**4,158,744**

The notes numbered 1 to 30 are an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 49 to 52.

Consolidated Statement of Cash Flows

For the year ended 31 December

	Note	2019 AED '000	2018 AED '000
Cash flows from operating activities			
(Loss) / profit for the year		(447,901)	163,830
Adjustments for:			
Depreciation on property and equipment, net	8	19,584	20,298
Depreciation on right-of-use assets	20	17,604	-
Finance cost, *net*	25	195,272	155,671
Charge for employees' end of service benefits		3,876	7,960
Gain on valuation of financial assets at fair value through profit or loss		(484,332)	(273,027)
Loss on reclassification of hedge reserve on maturity	22	270,028	144,448
Share of profit from equity-accounted associates and joint ventures, *net*	12	(234,066)	(540,400)
Impairment of equity-accounted associates and joint ventures	12	516,803	294,695
Gain on disposal of equity-accounted associates and joint ventures		(46,478)	(56,393)
Gain on disposal of asset classified as held for sale	7	-	(109,438)
Decrease in fair value of investment property	9	49,919	40,792
Dividend from equity-accounted associates and joint ventures	12	24,211	25,731
Amortisation and impairment of intangible assets	10	20,839	8,640
Write off of intangible assets	10	1,347	-
Reversal of provision against slow moving inventories	23	-	(52)
Provision for expected credit losses	24	11,997	8,158
Investment in asset held for sale and equity-accounted joint venture	12	(99,446)	(292,490)
Investments in financial assets at FVTPL		(433,967)	(1,301,196)
Loans obtained for financial assets at FVTPL	17	600,801	1,094,174
Finance cost paid on loans obtained against financial assets at FVTPL		(61,279)	(43,492)
Interest paid on lease liabilities	20	(10,507)	-
Proceeds on disposal of asset held for sale	7	-	245,518
Proceeds on disposal of associates and joint ventures, net		3,389,447	1,884,528
Changes in working capital:			
Change in inventories		(3,023)	(776)
Change in trade and other receivables		(282,479)	(33,544)
Change in trade and other liabilities		73,092	20,145
Net cash generated from operations		3,091,342	1,463,780
Employees' end of service benefits paid		(7,945)	(6,601)
Net cash generated from operating activities		3,083,397	1,457,179
Cash flows from investing activities			
Purchase of intangibles, net	10	(162)	(1,204)
Payments made for development of investment property	9	(13,493)	(35,692)
Purchase of property and equipment, net	8	(4,462)	(10,459)
Proceeds from finance leases		2,960	7,494
Wakala deposit redeemed		-	25,000
Wakala deposit placed		(35,000)	-
Interest received		7,714	6,754
Net cash used in investing activities		(42,443)	(8,107)
Cash flows from financing activities			
Finance cost paid on borrowings		(97,455)	(76,085)
Principal paid on lease liabilities		(7,413)	-
Loans repaid	17	(3,053,345)	(1,724,733)
Loans obtained	17	389,969	458,339
Dividends paid	16	(137,888)	(321,739)
Contributions by non-controlling interest holders, net		209,007	192,423
Acquisition of non-controlling interests		(7,450)	(36,932)
Distributions paid to non-controlling interest holders		-	(1,738)
Net cash used in from financing activities		(2,704,575)	(1,510,465)
Net increase / (decrease) in cash and cash equivalents		336,379	(61,393)
Cash and cash equivalents at 1 January		429,080	490,473
Cash and cash equivalents at 31 December	15	765,459	429,080

The notes numbered 1 to 30 are an integral part of these consolidated financial statements.

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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 aviation leasing, financial services, capital markets, maritime, 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. Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the current period consolidated financial statements (note 30).

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 2019, as follows:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2015 - 2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23	1 January 2019
Amendment to IFRS 9 *Financial Instruments* regarding prepayment features with negative compensation	1 January 2019
IFRIC 23 *Uncertainty over income tax treatments*	1 January 2019
Amendments to *IAS 28 Investments in Associates and Joint Ventures* regarding application of IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture	1 January 2019
Amendments to IAS 19 *Employee Benefits* Plan Amendment, Curtailment or Settlement	1 January 2019

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.

2 Basis of preparation *continued*

(d) New and revised IFRS *continued*

(ii) *New and revised IFRSs adopted with material effect on the consolidated financial statements*

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. The Group elected to apply the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Group has various lease contracts, where prior to the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. The leased asset was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under 'Accounts receivable and prepayments' and 'Accounts payable and accruals' respectively. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of IFRS 16 as at 1 January 2019 is as follows:

	AED'000
Assets	
Right-of-use assets	200,546
Prepayments	(2,821)
	197,725
Liabilities	
Lease liabilities	**197,725**

Operating lease commitments can be reconciled to lease liabilities as at 1 January 2019 as follows:

	AED'000
Operating lease commitments as at 31 December 2018	422,340
Incremental borrowing rate as at 1 January 2019	5.00% - 7.02%
Discounted operating lease commitments as at 1 January 2019	198,295
Adjustment of commitments relating to leases of low value assets	(570)
Lease liabilities as at 1 January 2019	**197,725**

(iii) *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 IFRS 3 *Business Combinations* regarding definition of business	1 January 2020
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 regarding references to the conceptual framework in IFRS Standards	1 January 2020
Amendment to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* regarding definition of material	1 January 2020
Amendment to IFRS 9, IAS 39 and IFRS 7 regarding interest rate benchmark reform	1 January 2020
IFRS 17 Insurance Contracts	1 January 2021

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.

3 Significant accounting policies *continued*

(a) Basis of consolidation *continued*

(ii) Business combinations *continued*

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.

3 Significant accounting policies *continued*

(d) Investment property *continued*

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.

3 Significant accounting policies *continued*

(i) Financial instruments *continued*
(ii) Financial assets *continued*
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 23).

(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 13.

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.

3 Significant accounting policies *continued*

(i) Financial instruments *continued*

(ix) Derivative financial instruments *continued*

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 13 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.

3 Significant accounting policies *continued*

(i) Financial instruments *continued*

(xi) Impairment of financial assets *continued*

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.

3 Significant accounting policies *continued*

(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 49,919 thousand was recognised in the current year (2018: decrease of AED 40,792 thousand). The fair valuation methodology of the investment properties are disclosed in note 9.

(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 investments in Aercap, NESR and Petronash were tested for impairment following the evidence of a prolonged period of their share price trading at reducing multiple, among other relevant factors. 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 Aercap was determined considering successive settlements of the Group's equity price collars in Aercap shares when due, at an estimated exit multiple with a discount rate equivalent to the Group's cost of capital.

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).

Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of AED 516,803 thousand was recognised (2018: AED 294,695 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 10.

(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 2019, provision for expected credit losses on trade receivables amounting to AED 265,497 thousand (2018: AED 111,453 thousand) amounted to AED 44,231 thousand (2018: AED 36,391 thousand) and provision for expected credit losses on other receivables amounting to AED 19,404 thousand (2018: AED 64,657 thousand) amounted to AED 4,266 thousand (2018: AED nil). 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 29.

(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) Significant influence over National Energy Services Reunited Corp ("NESR")
On 25th October 2018, the Group reassessed its significant influence in NESR based on developments in the Group's arrangements with management and board of directors during Q4 2018. Based on these developments, the Group concluded that it now has the ability to demonstrate significant influence to participate in the financial and operating policy decisions of the investee. Accordingly, investment in NESR was reclassified from FVTPL financial asset to equity accounted associate (refer note 12).

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 20).

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.

Subsidiary	Country of incorporation	Principal activity	Group's shareholding 2019	2018
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%**	95.2%
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 (note 12).

[2] Holding Company carrying an investment in Channel VAS (note 12).

[3] Holding Company carrying special purpose vehicles for investments in SDX Energy Inc., NESR Corp and Petronash Global Limited (note 12 and 13).

[4] Waha Investment Management Company SPC owns 99.8% of Waha MENA Value Fund SP (2018: 99.8%), 49.8% of Waha MENA Equity Fund SP (2018: 52.0%), and 58.9% of Waha CEEMEA Credit Fund SP (2018: 66.0%).

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.

	2019 AED '000	2018 AED '000
Statement of financial position		
Total assets - current	**6,656,456**	5,103,094
Total liabilities - current	**(3,355,375)**	(2,601,814)
Non-controlling interests[1]	**(1,352,927)**	(961,634)
Equity attributable to the Owners of the Company	**1,948,154**	1,539,646

[1] Movement in non-controlling interests include a) net investments into Waha MENA Equity Fund SP of AED 44,282 thousand (2018: AED 142,471 thousand); b) net investments into Waha CEEMEA Credit Fund SP of AED 118,377 thousand (2018: AED 36,958 thousand) c) net investments into Waha MENA Value Fund SP of AED 44,126 thousand (2018: redemption of AED 1,598 thousand).

Movement in equity attributable to the Owners of the Company include a) redemptions of AED 25,746 thousand from Waha MENA Equity Fund SP (2018: investments of AED 66,204 thousand) and the Group's ownership decreased from 52.0% to 49.8%; b) redemptions of AED 18,390 thousand (2018: investments of AED 44,136 thousand) from Waha CEEMEA Credit Fund SP and the Group's ownership decreased from 66.0% to 58.9%; c) investments of AED 44,136 thousand into Waha MENA Value Fund SP (2018: AED nil) and the Group's ownership did not change from 99.8%.

	Year ended 31 December 2019 AED '000	Year ended 31 December 2018 AED '000
Statement of profit or loss		
Income from financial investments	663,252	192,682
Expenses	(70,601)	(52,338)
Profit for the year	592,651	140,344
Profit attributable to Owners of the Company	408,145	103,944
Profit attributable to the non-controlling interests	184,506	36,400
Profit for the year	592,651	140,344
Statement of cash flows		
Net cash inflow / (outflow) from operating activities	15,419	(226,898)
Net cash inflow from financing activities	207,150	290,297
Net cash inflow	222,569	63,399

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 (2018: 70%), 60% in Ibn Sina Medical Centre LLC and Oras Medical Center LLC (2018: 60%), 100% in AAH Services FZ LLC (2018: 100%), 73% in Amina Hospital LLC (2018: 73%) and 80% in IVF Investment LLC (2018: 80%).

During 2018, the Group, through its healthcare subsidiary – AAH – acquired an additional stake of 13.2% in Amina Hospital LLC, which increased AAH's beneficial ownership from 60.0% to 73.2%, for a purchase consideration equivalent to the carrying value of loan advanced to a minority shareholder which matured on 31 December 2018. Accordingly, the date of maturity of loan is considered as the acquisition date for business combination purposes:

	AED '000
Consideration transferred	
Principal loan to a minority shareholder	12,522
Accrued interest on loan to a minority shareholder	5,290
	17,812
Net assets at acquisition date	
Intangible assets	202
Plant, machinery and equipment	18,477
Due from related parties	2,281
Trade and other receivables	35,414
Inventory	4,184
Cash	844
Mudaraba loan from a related party	(55,998)
Employees' end of service provision	(2,632)
Trade and other payables	(25,246)
Due to related parties	(15,733)
	(38,207)
Additional shareholdings acquired	13.2%
Net assets acquired	(5,043)
Loss on acquisition	(22,855)

Any gain or loss incurred on acquisition or disposal of partial stake in a consolidated subsidiary is recorded directly into retained earnings.

5 Composition of the Group *continued*

5.2 Details of subsidiaries with material non-controlling interests *continued*

5.2b Anglo Arabian Healthcare Investments LLC *continued*

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

	2019 AED '000	2018 AED '000
Statement of financial position		
Non-current assets	262,710	179,633
Current assets	116,458	106,084
Total liabilities	(229,011)	(86,569)
Non-controlling interests [1]	14,688	625
Equity attributable to the Owners of the Company	164,845	199,773

[1] Movement in non-controlling interests include contributions of non-controlling interest holders' share of investment amounting to AED 2,222 thousand (2018: AED 9,549 thousand).

	Year ended 31 December 2019 AED '000	Year ended 31 December 2018 AED '000
Statement of profit or loss		
Revenue	297,692	261,011
Expenses	(348,848)	(316,820)
Loss for the year	(51,156)	(55,809)
Loss attributable to Owners of the Company	(34,928)	(33,293)
Loss attributable to the non-controlling interests	(16,228)	(22,516)
Loss for the year	(51,156)	(55,809)
Statement of cash flows		
Net cash outflow from operating activities	(17,683)	(43,404)
Net cash inflow / (outflow) from investing activities	35,582	(9,621)
Net cash outflow from financing activities	(14,778)	(98,180)
Net cash inflow / (outflow)	3,121	(151,205)

6 Operating segments

Private Investments

The Private Investments segment holds all of the Group's proprietary investments in diversified industries including aviation leasing, maritime, 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:

	Private Investments AED '000	Asset Management Capital Markets AED '000	Corporate AED '000	Consolidated AED '000
2019				
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)
(Loss) / profit for the year	(851,495)	575,740	(172,146)	(447,901)
Other comprehensive loss	(6,954)	-	-	(6,954)
2018				
Revenue from sale of goods and services	261,344	-	-	261,344
Cost of sales	(215,257)	-	-	(215,257)
Share of profit from equity-accounted associates and joint ventures, *net*	540,400	-	-	540,400
Impairment of equity-accounted associates and joint ventures	(294,695)	-	-	(294,695)
Gain on disposal of equity-accounted associates and joint ventures	56,393	-	-	56,393
Gain on disposal of an asset classified as held for sale	109,438	-	-	109,438
(Loss) / income from financial investments	(103,574)	232,153	-	128,579
Other income, *net*	23,235	410	6	23,651
Loss from investment property, *net*	(15,580)	-	-	(15,580)
General and administrative expenses – parent	(13,752)	(16,578)	(99,222)	(129,552)
General and administrative expenses – subsidiaries	(136,357)	(8,863)	-	(145,220)
Finance cost, *net*	(43,762)	(42,109)	(69,800)	(155,671)
Profit / (loss) for the year	167,833	165,013	(169,016)	163,830
Other comprehensive income	506,602	-	-	506,602

6 Operating segments *continued*

Segment income reported above represents income generated from external customers. There was no inter-segment income during the year (2018: 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 23,621 thousand (2018: AED 28,632 thousand) which arose from the Group's largest customer. No single customer contributed 10% or more to the Group's revenue for 2019 while only two customers contributed 10% or more to the Group's revenue for 2018.

During the year, the Group recognised an impairment loss of AED 516,803 thousand (2018: AED 294,695 thousand) on investments in equity accounted investees, and a fair value loss of AED 49,919 thousand (2018: AED 40,792 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 172,283 thousand (2018: AED 169,022 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		
	Private Investments AED '000	Capital Markets AED '000	Corporate AED '000	Consolidated AED '000
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
2018				
Investment in equity-accounted associates and joint ventures	4,200,967	-	-	4,200,967
Other assets	1,792,026	5,475,239	203,177	7,470,442
Segment assets	5,992,993	5,475,239	203,177	11,671,409
Segment liabilities	2,949,714	2,939,021	1,232,744	7,121,479
Capital expenditures	47,115	34	1,505	48,654
Depreciation and amortisation	27,288	49	1,766	29,103

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 562,556 thousand (2018: AED 203,177 thousand)
- All liabilities are allocated to operating segments other than corporate liabilities of AED 1,013,304 thousand (2018: 1,232,744 thousand)

7 Asset classified as held for sale

	2018 AED '000
As at 1 January	219,480
Investment in equity-accounted associate reclassified as held for sale	-
Additions	1,725
Disposal	(221,205)
	-

On 12 November 2017, the Group agreed to sell the entire investment in NPS Holdings Limited for a combination of cash and 5.8% equity stake in a NASDAQ-listed entity, National Energy Services Reunited Corp. (NESR), in two stages. As a result, the investment was reclassified as held for sale. The first stage exit, representing 4.68% was completed and a gain on partial disposal amounting to AED 50,207 thousand was recognised during Q4 2017.

During 2018, the Group completed the second stage exit of the remaining 15.94% stake and recognised a gain on disposal amounting to AED 109,438 thousand, calculated as follows:

	2018 AED '000
Cash consideration	130,640
Equity shares consideration[1]	181,687
Earn-out consideration	17,340
Total consideration	329,667
Share of other reserves	976
Carrying amount of investment disposed	(221,205)
Gain on disposal	**109,438**

[1] On 6th June 2018, as part of the disposal proceeds, the Group received 4.8 million shares, equivalent to 5.8% stake in NESR. Upon initial recognition, the investment in NESR was classified as financial investment at $10/share and measured at FVTPL.

Subsequently, on 25th October 2018, the Group reassessed its significant influence in NESR based on developments in the Group's arrangements with management and board of directors during Q4 2018. Based on these developments, the Group concluded that it now has the ability to demonstrate significant influence to participate in the financial and operating policy decisions of the investee. Accordingly, investment in NESR was reclassified from FVTPL financial asset to equity accounted associate (refer note 12).

8 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 2018	23,299	33,114	75,965	2,414	23,564	158,356
Additions	2,513	3,833	4,204	1,119	-	11,669
Transfers	21,509	-	1,963	-	(23,472)	-
Disposals	(706)	(114)	(1,284)	(733)	-	(2,837)
At 31 December 2018	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**
Accumulated depreciation and impairment						
At 1 January 2018	19,456	20,517	33,439	2,410	-	75,822
Charge for the year[1]	3,808	4,906	10,684	900	-	20,298
Disposals	(252)	(20)	(818)	(537)	-	(1,627)
Balance at 31 December 2018	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**
Net carrying amount						
At 31 December 2019	**18,739**	**8,444**	**30,197**	**150**	**43**	**57,573**
As at 31 December 2018	23,603	11,430	37,543	27	92	72,695

[1] Depreciation expense of AED 9,118 thousand is included in "Cost of sales of goods and services" (2018: AED 7,840 thousand) and AED 10,465 thousand is included in "General and Administrative expenses" (2018: AED 12,458 thousand).

9 Investment property

	2019 AED '000	2018 AED '000
At 1 January	**753,566**	758,666
Additions	**13,493**	35,692
Fair value loss	**(49,919)**	(40,792)
At 31 December	**717,140**	753,566

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 balance sheet as at reporting date.

Additions to investment property represents value of the work certified relating to the development of planned small industrial units, which included borrowing costs amounting to AED nil (2018: AED 5,707 thousand).

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 2019, was performed 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. 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% – 11%. The Comparable method and Residual Value Method were used to derive the fair value of land plots where the sales price ranged from AED 32 to AED 36 per sq ft.

Based on the revaluation, a fair value decrease of AED 49,919 thousand was recognised in the current year (2018: decrease of AED 40,792 thousand).

Loss from investment property, net

	2019 AED '000	2018 AED '000
Rental income	**28,751**	29,986
Operating costs	**(3,247)**	(4,774)
Fair value loss	**(49,919)**	(40,792)
	(24,415)	(15,580)

10 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 2018	84,185	28,344	25,589	9,290	147,408
Adjustment	-	-	-	1,505	1,505
Additions	-	-	-	2,037	2,037
Write-offs	-	-	-	(2,338)	(2,338)
At 31 December 2018	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**
Accumulated amortisation and impairment					
At 1 January 2018	-	10,346	15,780	6,127	32,253
Adjustments	-	-	-	68	68
Amortisation	-	2,772	5,118	880	8,770
Write-offs	-	-	-	(198)	(198)
Balance at 31 December 2018	-	13,118	20,898	6,877	40,893
Amortisation	-	2,489	4,691	922	8,102
Impairment	-	12,737	-	-	12,737
At 31 December 2019	**-**	**28,344**	**25,589**	**7,799**	**61,732**
Net carrying amount					
At 31 December 2019	**84,185**	**-**	**-**	**1,510**	**85,695**
At 31 December 2018	84,185	15,226	4,691	3,617	107,719

[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:

	2019 AED '000	2018 AED '000
Affordable care	**41,423**	41,423
Premium care	**42,762**	42,762
	84,185	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 (2018: 13% to 14% per annum) for Affordable care and 11% to 12% per annum (2018: 13% to 14% 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% (2018: 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.

11 Loan investments

	2019 AED '000	2018 AED '000
Loan to an equity accounted investee[1]	**12,283**	12,283
Loan portfolio[2]	**220,680**	220,680
	232,963	232,963

[1] The equity accounted investee is based in the Middle East region. The loan is a stage 3 asset and has a net balance of AED 12,283 thousand (gross balance of AED 33,609 thousand and ECLs of AED 21,326 thousand) (refer note 26).

[2] Loan portfolio is based outside UAE, carries an interest of 3.93% per annum and matures beyond one year. The loan portfolio is a stage 1 asset.

12 Investments in associates and joint ventures

	2019 AED '000	2018 AED '000
Carrying amount		
Equity-accounted associates	**176,400**	3,550,187
Equity-accounted joint ventures	**348,152**	650,780
Total equity-accounted associates and joint-ventures	**524,552**	4,200,967
Associate carried at FVTPL (note 13)	**42,511**	66,333

12.1 Details of material associates

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

			Beneficial shareholding	
Associate	Principal activity	Country of incorporation	2019	2018
AerCap Holdings NV ("AerCap")[1]	Aircraft leasing	Netherlands	-	12.00%
SDX Energy Inc. ("SDX")	Oil and gas services	Canada	**19.50%**	19.50%
NESR Corp[2]	Oil and gas services	United States	**6.33%**	5.80%

[1] Investment in Aercap Holdings NV is carried under equity accounting method.

During the year, the Group disposed its entire holding of 17.1 million shares equivalent to 12.00% stake in its equity accounted associate investment in Aercap Holdings N.V. ("Aercap") for a consideration of AED 3,385,142 thousand, resulting in the recognition of gain on disposal of AED 43,094 thousand in the consolidated statement of profit or loss.

[2] On 25th October 2018, the Group reassessed its significant influence in NESR based on developments in the Group's arrangements with management and board of directors during Q4 2018. Based on these developments, the Group concluded that it now has the ability to demonstrate significant influence to participate in the financial and operating policy decisions of the investee. Accordingly, investment in NESR was reclassified from FVTPL financial asset to equity accounted associate. The fair value on the date of reclassification, amounted to AED 188,773 thousand. The quoted value of the investment in NESR was AED 185,184 thousand as at reporting date.

During the year, NESR Corp issued additional shares to the Group amounting AED 17,340 thousand upon meeting certain earn-out criteria. Consequent to issuance of earn-out shares, the Group's ownership increased from 5.80% to 6.29%. Furthermore, the Group acquired from its co-investors a shareholding amounting to AED 1,033 thousand (2018: AED nil). Consequently, the Group's ownership in NESR Corp has increased from 6.29% to 6.33%.

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.

	AerCap [1]		SDX Energy Inc.[1]		NESR Corp [1]	
	2019 AED '000	2018 AED '000	**2019 AED '000**	2018 AED '000	**2019 AED '000**	2018 AED '000
Statement of financial position						
Current assets	**21,524,531**	23,139,390	**137,793**	172,517	**1,398,445**	1,102,094
Non-current assets	**138,648,742**	135,782,999	**375,443**	335,441	**4,000,185**	3,838,596
Current liabilities	**18,483,793**	17,730,586	**66,781**	64,350	**689,136**	820,488
Non-current liabilities	**107,704,794**	108,528,904	**20,520**	16,816	**1,468,618**	1,063,817
Non-controlling interests	**239,346**	193,338	**-**	-	**-**	246
Statement of profit or loss						
Revenue	**13,536,467**	17,654,326	**139,617**	197,431	**1,740,463**	1,282,114
Profit for the year	**3,138,371**	3,735,377	**(85)**	412	**131,084**	129,256
Other comprehensive (loss)/income for the year	**(391,027)**	(59,208)	**-**	-	**(70)**	-
Total comprehensive income/(loss) for the year	**2,747,344**	3,676,168	**(85)**	412	**131,014**	129,256
Group's share of contingencies	**-**	126,670	**-**	-	**32,292**	11,029
Group's share of commitments	**-**	8,086,976	**7,961**	2,725	**3,655**	5,525

[1] The 2019 amounts disclosed above pertain to the nine-month period ended and as of 30 September 2019. The 2018 amounts disclosed pertain to the twelve-month period ended and as of 31 December 2018.

The Group has recognised its share of profits from investment in Aercap based on the financial results of nine-month period ended 30 September 2019, as most recent financial information available before disposal.

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	
	2019 AED '000	2018 AED '000
Net assets of the associate	**3,240,876**	3,056,385
Proportion of the Group's ownership interest	**6.33%**	5.80%
Group's share of net assets of the associate	**205,147**	177,270
Goodwill	**-**	-
Impairment	**(42,523)**	-
Other adjustments	**13,776**	13,925
Carrying amount of associate	**176,400**	191,195

During the year, the Group recognised net share of loss of AED nil from associates that are not individually material (2018: loss of AED nil), the total carrying value of such investments amounting to AED nil (2018: AED nil).

12 Investments in associates and joint ventures *continued*

12.2 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 2019	Group's shareholding 2018
Deem Finance [1]	Banking	UAE	**26.00%**	25.00%
Channel VAS Investments Limited [2]	Fintech	UAE	**19.70%**	19.55%
Petronash Global Limited [3]	Oil and gas services	Cayman Islands	**32.09%**	31.50%

[1] Deem Finance (previously named "Dunia Finance") includes Deem Finance LLC (previously named "Dunia Finance LLC") and Dunia Services FZ-LLC. During the year, the Group injected AED 87,500 thousand in Deem Finance. Consequently, the Group's ownership in Deem Finance has increased from 25.00% to 26.00%.

[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 1,756 thousand (2018: AED 1,400 thousand). Consequently, the Group's ownership in Channel VAS has increased from 19.55% to 19.70%.

[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 2019, these options were valued at AED nil (2018: AED 213,200 thousand) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management (note 13).

During the year, the Group acquired from its co-investors a shareholding amounting to AED 8,199 thousand (2018: AED nil). Consequently, the Group's ownership in Petronash has increased from 31.50% to 32.09%.

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	
	2019 AED '000	2018 AED '000	2019 AED '000	2018 AED '000	2019 AED '000	2018 AED '000
Statement of financial position						
Current assets						
- cash and cash equivalents	355,051	339,084	53,866	32,356	68,002	43,584
- others	16,945	11,690	57,578	53,636	318,471	782,403
Non-current assets	990,884	1,229,678	46,273	34,682	1,234,519	1,599,738
Current liabilities						
- trade and other payables	51,814	79,207	68,139	18,569	101,975	89,156
- others	-	507	14,253	22,021	224,431	585,598
Non-current liabilities	1,047,774	1,451,237	3,978	6,625	440,943	378,283
Non-controlling interests	-	-	3,892	2,002	-	-
Statement of profit or loss						
Revenue	-	-	242,670	199,572	287,574	284,083
Expenses	-	-	98,358	53,820	309,012	186,401
Interest income	271,898	494,564	-	271	708	370
Interest expense	60,983	71,447	2,121	19,268	39,393	5,430
Depreciation and amortisation	7,582	7,022	11,244	7,278	58,119	20,263
(Loss)/profit before tax	(125,583)	(272,180)	130,947	119,477	(118,242)	77,691
Income tax expense	-	-	21,096	22,668	15,484	8,586
(Loss)/profit for the year	(125,583)	(272,180)	109,851	96,809	(133,274)	64,392
Statement of cash flows						
Dividends received during the year	-	-	23,386	17,894	-	-
Group's share of contingencies	91,648	88,123	11,662	16,339	9,871	12,777
Group's share of commitments	463	2,067	-	65	18,866	62,366

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	
	2019 AED '000	2018 AED '000	2019 AED '000	2018 AED '000	2019 AED '000	2018 AED '000
Net assets of the joint venture	263,292	49,501	67,455	71,457	853,641	1,372,688
Proportion of the Group's ownership interest	26.00%	25.00%	19.70%	19.55%	32.09%	31.50%
Group's share of net assets of the joint venture	68,456	12,375	13,289	13,970	273,933	432,397
Goodwill	-	6,405	80,434	80,434	-	-
Intangible assets	-	-	75,704	89,735	-	-
Impairment	-	-	-	-	(181,325)	-
Other adjustments	(479)	-	1,415	4,178	4,813	1,353
Carrying amount of joint venture	67,977	18,780	170,842	188,317	97,421	433,750

* Deem Finance (previously named "Dunia Finance").

12 Investments in associates and joint ventures *continued*

12.2 Details of material joint ventures *continued*

During the year, the Group recognised net share of profit of AED 1,795 thousand from joint ventures that are not individually material (2018: AED 1,523 thousand), the total carrying value of such investments amounting to AED 11,402 thousand (2018: AED 9,473 thousand).

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

	2019 AED '000	2018 AED '000
As at 1 January (as reported)	4,200,967	5,321,224
Impact of adoption of new accounting standards	-	(97,881)
As at 1 January (restated)	4,200,967	5,223,343
Investments in equity-accounted associates and joint ventures	116,786	412,128
Disposals	(3,303,194)	(1,869,543)
Share of profit, net	234,066	540,400
Impairment loss	(516,803)	(294,695)
Reclassified from financial investments	-	188,773
Share of equity reserves	(61,674)	26,292
Distributions received	(24,211)	(25,731)
Other adjustments	(121,385)	-
	524,552	4,200,967

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.

The Group's investments with a carrying amount of AED nil (2018: AED 3,358,992 thousand) are collateralised against the Group's borrowings (note 17).

Investment in equity-accounted associates and joint ventures domiciled outside UAE amount to AED 176,400 thousand (31 December 2018: AED 3,550,186 thousand).

The fair value of publicly listed equity-accounted associates and joint ventures based on quoted market price is AED 185,184 thousand (2018: AED 2,651,186 thousand), carried at AED 176,400 thousand (2018: AED 3,550,186 thousand).

13 Financial investments

	2019 AED '000	2018 AED '000
Financial assets at FVTOCI		
Equity price collar	-	254,124
Financial assets at fair value through profit or loss		
Unquoted fund	34,017	51,987
Derivative assets[1]	41,901	43,773
Options[2]	-	213,200
Reverse repurchase contracts, net[3]	210,908	105,486
Listed fixed income securities[4]	4,043,900	3,274,064
Listed equity securities[5]	1,726,466	1,465,909
Money market funds	27,293	3,676
Other investments	963	6,409
	6,085,448	5,418,628

Financial investments held outside the UAE amount to AED 5,083,560 thousand (31 December 2018: AED 4,326,297 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 29).

In the prior year, the Group carried equity price collars on its 17.12 million shares equivalent to 12.00% stake in AerCap, representing an investment of AED 391,413 thousand, at floor and cap prices in the range of US$ 34.74 – 39.38 and US$ 55.97 – 70.02 per share respectively. The equity price collars have been designated as cash flow hedging instruments, hedging the cash proceeds on a highly probable future sale of the shares, and accounted for as at fair value through other comprehensive income. During the year, the Group recognised a fair value loss of AED 254,162 thousand (2018: gain of AED 340,243 thousand) on mark-to-market of cash flow hedges through other comprehensive income.

During the year, 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 (2019: AED 144,448 thousand) was reclassified from other comprehensive income to profit or loss upon maturity (note 22).

[2] 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 (refer note 19) and is recycled into profit and loss account over the life of the Options. During the year, the Group recorded a fair value loss of 213,200 thousand in the statement of profit and loss account.

[3] Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,622,214 thousand and corresponding liabilities of AED 2,411,306 thousand (31 December 2018: reverse repurchase receivables of AED 2,458,347 thousand and corresponding liabilities of AED 2,352,861 thousand). The repurchase agreements are subject to a master netting agreement.

[4] Listed fixed income securities aggregating to AED 3,863,010 thousand (31 December 2018: AED 3,119,853 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

[5] Included in the listed equity securities is a 19.50% associate investment in SDX Energy Inc. carried at AED 42,511 thousand (31 December 2018: 19.50% stake carried at AED 66,333 thousand), as part of the Group's venture capital activities and measured at FVTPL.

Maturity profiles of derivative assets are as follows:

	2019 Notional '000	2019 Fair value AED '000	2018 Notional '000	2018 Fair value AED '000
Due within 1 year	3,198,931	17,451	173,502	175,033
Due between 1 to 3 years	7,187,364	2,961	631,145	90,139
More than 3 years	6,782,232	21,489	1,316,600	245,925
	17,168,527	41,901	2,121,247	511,097

14 Trade and other receivables

	2019 AED '000	2018 AED '000
Trade receivables	265,497	111,453
Allowance for expected credit losses on trade receivables	(44,231)	(36,391)
	221,266	75,062
Prepayments and advances	7,049	16,845
Accrued interest	140,811	120,172
Amounts set aside for prior year dividends	38,468	36,385
Deposits under lien	1,022	36,017
Margin accounts	277,886	94,132
Other receivables[1]	19,404	64,657
Allowance for expected credit losses on other receivables	(4,266)	-
	701,640	443,270

14 Trade and other receivables *continued*

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

	2019 AED '000	2018 AED '000
Middle East	**264,814**	101,941
Europe	**683**	9,512
	265,497	111,453

The ageing of trade receivables as at 31 December 2019 is:

	2019			2018		
	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	**164,345**	**2,758**	**5 - 25%**	29,811	-	-
Past due:						
Within 90 days	**29,829**	**1,914**	**5 - 35%**	28,900	5,254	5 - 35%
91 days - 180 days	**18,483**	**4,321**	**20 - 50%**	15,844	4,202	20 - 50%
181 days - 365 days	**17,753**	**7,615**	**30 - 75%**	12,087	5,133	30 - 75%
› 365 days	**35,087**	**27,623**	**55 - 100%**	24,811	21,802	55 - 100%
	265,497	**44,231**		111,453	36,391	

Movement in allowance for expected credit losses on trade receivables:

	2019 AED '000	2018 AED '000
Balance at the beginning of the year (as reported)	**36,391**	24,616
Adjustments on adoption of IFRS 9	**-**	3,805
Balance at the beginning of the year (as restated)	**36,391**	28,421
Expected credit losses recognised during the year	**7,731**	8,158
Write-off	**-**	(188)
Other adjustments	**109**	-
Balance at the end of the year	**44,231**	36,391

Movement in allowance for expected credit losses on other receivables:

	2019 AED '000	2018 AED '000
Balance at the beginning of the year	**-**	-
Expected credit losses recognised during the year	**4,266**	-
Balance at the end of the year	**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% (2018: 2.50%) per annum. All deposits under lien are placed with UAE banks.

15 Cash and bank balances

	2019 AED '000	2018 AED '000
Deposits held with banks	460,490	10,800
Cash at banks	339,475	417,656
Cash in hand	494	624
	800,459	429,080
Less: Allowance for expected credit losses	(115)	(110)
Cash and bank balances	800,344	428,970
Less: Wakala deposits with original maturities greater than 3 months	(35,000)	-
Add: Allowance for expected credit losses	115	110
Cash and cash equivalents	765,459	429,080

The interest rate on short term deposits ranged between 1.57% - 2.65% (2018: 1.60% - 2.13%) per annum. The profit rate on Wakala deposits ranged between 1.40% - 1.85% per annum. All short term deposits are placed with UAE banks.

16 Share capital and dividend

	2019 AED '000	2018 AED '000
Authorised and fully paid up capital:		
1,944,514,687 shares (2018: 1,944,514,687 shares) of AED 1 each	1,944,515	1,944,515

On 24 March 2019, the Company held its Annual General Meeting which, among other things, approved a cash dividend amounting to AED 137,888 thousand representing AED 0.075 per share (25 March 2018: cash dividend of AED 321,739 thousand representing AED 0.175 per share).

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 2019, the Company had bought 106,005,973 shares at AED 267,184 thousand.

The basic and diluted earnings per share for the year ended 31 December 2019 and 2018 has been calculated using the weighted average number of shares outstanding during the year after considering the effect of treasury shares.

	2019	2018
(Loss) / profit for the year attributable to Owners of the Company (AED '000)	(616,286)	145,000
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 (loss) / earnings per share attributable to the Owners of the Company (AED)	(0.335)	0.079

17 Borrowings

	31 December 2019 AED '000					31 December 2018 AED '000				
	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Funding against collared assets	-	-	-	-	-	1.09% to 1.97%	1,723,285	697,870	-	2,421,155
Secured term loans [1]	LIBOR+3% and 3m EIBOR +2.5%	919,877	66,957	72,127	1,058,961	LIBOR+3% and EIBOR +1.75%	1,135,496	122,456	-	1,257,952
Borrowings through repurchase agreements [2]	0.1%- 2.67%	3,156,635	-	-	3,156,635	0.05%-3.3%	2,555,834	-	-	2,555,834
Unsecured loans [3]	1m and 3m EIBOR +3.25% and 3.93%	6,938	443	220,680	228,061	EIBOR +3.25% and 3.93%	8,147	-	220,680	228,827
		4,083,450	67,400	292,807	4,443,657		5,422,762	820,326	220,680	6,463,768

[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 the current year, 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 2019, an amount of AED 886,398 thousand was drawn-down (2018: AED 1,124,732 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 220,680 thousand (2018: 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 13).

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

	2019 AED '000	2018 AED '000
At 1 January	6,463,768	6,584,012
Loans drawn-down	990,770	1,552,513
Loan arrangement and prepaid interest costs, net of amortisations	42,464	51,976
Loans repaid	(3,053,345)	(1,724,733)
	4,443,657	6,463,768

During the year, an amount of AED 238,335 thousand was net repayment of the Group's existing secured revolving loan facility, and AED 27,138 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 increased by AED 600,801 thousand.

Loans repaid during the current year include settlement of funding against collared assets amounting to AED 2,451,414 thousand, upon maturity of the corresponding equity price collars and disposal of remaining stake of Aercap (note 18).

18 Derivative liabilities

	2019 AED '000	2018 AED '000
Financial liabilities at FVTPL		
Other derivative liabilities	**38,949**	36,304
	38,949	36,304

Maturity profiles of derivative liabilities are as follows:

	2019 Notional 000	2019 Fair value AED '000	2018 Notional 000	2018 Fair value AED '000
Due within 1 year	**4,801,416**	**13,231**	5,009,245	6,052
Due between 1 to 3 years	**525,954**	**342**	9,531,905	14,063
More than 3 years	**9,011,100**	**25,376**	12,615,540	16,189
	14,338,470	**38,949**	27,156,690	36,304

19 Trade and other liabilities

	2019 AED '000	2018 AED '000
Trade payables	**207,127**	59,556
Interest accrued on borrowings	**113,860**	99,611
Dividends payable	**38,335**	39,098
Long term employee incentive plans accrual (note 28)	**18,082**	27,517
Deferred income	**52,391**	123,849
Other payables and accruals	**109,691**	237,807
	539,486	587,438

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.

20 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[1]	(59,399)	(59,399)
As at 31 December 2019	**129,140**	**136,510**

[1] During the year, management undertook a comprehensive assessment of their healthcare assets leases. Based on this assessment, management reduced the lease terms of their various leases on account of more favorable leases available in the market.

The following are the amounts recognised in profit or loss:

	2019 AED '000
Depreciation expense of right-of-use assets	17,604
Interest expense on lease liabilities	10,507
Expense relating to short-term leases	7,884
Total amount recognised in profit or loss	35,995

The total cash outflow for leases amount to AED 17,920 thousand (31 December 2018: AED nil).

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease payments between 1 to 15 years (2018: 1 to 15 years).

Rental income earned by the Group on its investment property is set out in note 9.

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

	2019 AED '000	2018 AED '000
Within one year	26,853	23,397
Between 2 and 5 years	64,395	62,143
More than 5 years	12,094	12,012
	103,342	**97,552**

21 Revenue from sale of goods and services

	2019 AED '000	2018 AED '000
Revenue	297,692	261,344
Cost of sale	(238,372)	(215,257)
Gross profit	59,320	46,087

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.

22 Income from financial investments

	2019 AED '000	2018 AED '000
Derivatives designated and effective as hedging instruments carried at fair value		
Equity price collar – Reclassification of hedge reserve on settlement	(270,028)	(144,448)
Financial assets at fair value through profit or loss		
Net loss from unquoted fund	(14,865)	(11,851)
Net (loss) / income from derivatives	(166,284)	106,173
Net income from listed fixed income securities	333,687	77,858
Net income from listed equity securities[1]	325,682	59,504
Others[2]	(5,446)	41,343
	202,746	128,579

[1] Included in the net income from listed equity securities is mark to market gain of AED nil (31 December 2018: 7,086 thousand) from NESR for the period the investment was classified as FVTPL financial asset (see note 12).

[2] Others include income from arranging, advising and administering capital financing on behalf of external clients.

23 Other income, net

	2019 AED '000	2018 AED '000
Reversal of provision against slow moving inventories	-	52
Others	3,457	23,599
	3,457	23,651

24 General and administrative expenses

	2019 AED '000			2018 AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	89,827	51,153	140,980	97,838	51,761	149,599
Legal and other professional expenses	9,537	17,383	26,920	3,132	15,178	18,310
Depreciation	3,658	10,550	14,208	990	11,468	12,458
Amortisation and write-off intangible assets	819	20,020	20,839	857	7,948	8,805
Marketing expenses	2,032	4,712	6,744	11,451	3,552	15,003
Provision for expected credit losses	-	11,997	11,997	-	8,158	8,158
Others	5,717	30,073	35,790	15,284	47,155	62,439
	111,590	145,888	257,478	129,552	145,220	274,772

25 Finance cost, net

	2019 AED '000	2018 AED '000
Interest on borrowings	188,994	166,994
Interest on lease liabilities (note 20)	10,507	-
Amortisation of loan arrangement costs	12,204	4,560
Interest income from loan investments at amortised cost	(8,662)	(8,662)
Interest earned on time deposits	(7,714)	(6,754)
Interest income from investments in finance leases	(57)	(467)
	195,272	155,671

26 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 an associate amounted to AED 12,283 thousand as at 31 December 2019 (2018: AED 12,283 thousand). The loan is a stage 3 asset and does not bear any interest. As at 31 December 2019, the loan has a gross balance of AED 33,610 thousand (2018: AED 33,610 thousand) and ECLs of AED 21,327 thousand (2018: AED 21,327 thousand).

During the year, the Company's Key Management Personnel redeemed a net amount of AED 3,797 thousand from Waha MENA Equity Fund SP (2018: the Company's Directors and Key Management Personnel redeemed a net amount of AED 136 thousand); the Company's Key Management Personnel redeemed a net amount of AED 10 thousand from Waha MENA Value Fund SP (2018: the Company's Directors and Key Management Personnel redeemed a net amount of AED 1,598 thousand); the Company's Key Management Personnel invested a net amount of AED 694 thousand from Waha CEEMEA Credit Fund SP under a co-investment plan (2018: the Company's Directors and Key Management Personnel redeemed a net amount AED 2,758 thousand).

	2019 AED '000	2018 AED '000
Key management personnel compensation		
Short term benefits	9,862	10,487
End of service and other long term benefits	4,470	13,093
	14,332	23,580

27 Commitments

Capital commitments

As at 31 December 2019, the Group has capital commitments of AED 890 thousand (2018: AED 3,736 thousand) with respect to AAH.

28 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.
- A carried interest plan, whereby the employees are granted points linked to the realised Internal Rate of Return set for the specifically identified investments, which vest progressively, subject to continued employment and the investment exit. A cash amount representing the value of vested points is paid upon completion of the service condition and exit of the underlying investments, provided certain minimum pre-established return hurdles are satisfied.

In addition, AAH has approved a separate long term incentive plan for its management team. Under this plan, the employees shall receive a cash amount based on the exit value of AAH, subject to the Group achieving certain financial targets, and the employees meeting the relevant service conditions.

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.

28 Employee compensation *continued*

Share linked plan *continued*

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

	2019	2018
Opening balance:		
- Grant date 31 December 2015	1,361,613	2,016,774
- Grant date 1 January 2016	1,919,015	3,839,983
- Grant date 31 December 2016	801,963	1,086,493
- Grant date 1 January 2017	927,679	3,230,718
- Grant date 31 December 2017	376,456	591,183
- Grant date 1 January 2018	3,158,845	5,241,583
- Grant date 31 December 2018	97,222	97,222
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)	(655,161)
- Grant date 1 January 2016	(1,699,821)	(1,920,968)
- Grant date 31 December 2016	(575,878)	(284,530)
- Grant date 1 January 2017	(402,099)	(2,303,039)
- Grant date 31 December 2017	(207,917)	(214,727)
- Grant date 1 January 2018	(2,614,124)	(2,082,738)
- Grant date 31 December 2018	(97,222)	-
- Grant date 1 January 2019	(1,437,063)	-
Closing balance	2,349,364	8,642,793

During the year, management has discontinued the RSU plans, accelerating vesting of all the outstanding units in 2019. 8,395,737 units were settled during the year and remaining units of 2,349,364 will be fully settled in 2020.

Investment profit participation and shared linked plans

The Group's Board of Directors has approved total grants under various incentive plans of AED 3,006 thousand for the current year (2018: AED 13,289 thousand). The total plan expenses recognised under "staff costs" in respect to the grants is as follows:

	2019 AED '000	2018 AED '000
Awards expenses for performance year	1,618	6,237
Amortisation of prior year awards	3,097	8,248
Total expense	4,715	14,485

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

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

	2019 AED '000	2018 AED '000
Opening balance	27,517	22,588
Expensed during the year	4,715	14,485
Payments during the year	(14,150)	(9,556)
Closing balance (note 19)	18,082	27,517

29 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 and Waha MENA Value 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.

29 Financial instruments *continued*

(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:

	2019 AED '000	2018 AED '000
Cash and bank balances[1]	799,850	428,346
Trade and other receivables[2]	694,591	426,425
Loan investment[3]	12,283	12,283
Finance leases	-	2,903
Financial investments at FVTPL	6,085,448	5,164,504
	7,592,172	6,034,461

[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 33,610 thousand and ECLs of AED 21,327, 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 estimated based on time value using a discounted cash flow approach.

(iv) Finance leases

The Group mitigates any credit risk associated with finance lease receivables as they are secured over the leased equipment.

(v) 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 2019 and 2018 are as follows:

	31 December 2019					31 December 2018				
	Current	Non-current				Current	Non-current			
	‹ 1 year AED '000	1-3 years AED '000	› 3 years AED '000	Unspecified AED '000	Total AED '000	‹ 1 year AED '000	1-3 years AED '000	› 3 years AED '000	Unspecified AED '000	Total AED '000
Assets										
Property and equipment, net	-	-	-	57,573	57,573	-	-	-	72,695	72,695
Right-of-use assets	14,782	26,015	88,343	-	129,140					
Investment property	-	-	-	717,140	717,140	-	-	-	753,566	753,566
Goodwill and intangible assets	-	-	-	85,695	85,695	-	-	-	107,719	107,719
Investments in finance leases	-	-	-	-	-	-	2,903	-	-	2,903
Loan investments	-	232,963	-	-	232,963	-	232,963	-	-	232,963
Investments in equity-accounted associates and joint ventures	-	-	-	524,552	524,552	-	-	-	4,200,967	4,200,967
Financial investments	5,850,089	27,224	208,135	-	6,085,448	4,977,102	92,528	348,998	-	5,418,628
Inventories	12,751	-	-	-	12,751	9,728	-	-	-	9,728
Trade and other receivables	619,918	81,722	-	-	701,640	370,203	73,067	-	-	443,270
Cash and bank balances	800,344	-	-	-	800,344	428,970	-	-	-	428,970
Total assets	7,297,884	367,924	296,478	1,384,960	9,347,246	5,786,003	401,461	348,998	5,134,947	11,671,409
Liabilities & equity										
Borrowings	4,083,450	67,400	292,807	-	4,443,657	5,422,762	820,326	220,680	-	6,463,768
End of service benefit provision	-	-	-	29,900	29,900	-	-	-	33,969	33,969
Derivative liabilities	13,231	342	25,376	-	38,949	6,052	14,063	16,189	-	36,304
Lease liabilities	8,540	17,165	110,805	-	136,510	-	-	-	-	-
Trade and other liabilities	457,758	81,728	-	-	539,486	390,522	73,067	123,849	-	587,438
Total equity	-	-	-	4,158,744	4,158,744	-	-	-	4,549,930	4,549,930
Total liabilities and equity	4,562,979	166,635	428,988	4,188,644	9,347,246	5,819,336	907,456	360,718	4,583,899	11,671,409

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.

	31 December 2019				31 December 2018			
	‹ 1 year AED '000	1-3 years AED '000	› 3 years AED '000	Total AED '000	‹ 1 year AED '000	1-3 years AED '000	› 3 years AED '000	Total AED '000
Liabilities								
Borrowings	4,138,722	73,362	300,723	4,512,807	5,592,401	843,224	220,680	6,656,305
Trade and other liabilities	457,759	81,728	-	539,487	390,522	73,067	123,849	587,438
Lease liabilities	21,982	43,650	281,396	347,028	-	-	-	-
Total liabilities	4,618,463	198,740	582,119	5,399,322	5,982,923	916,291	344,529	7,243,743

(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.

29 Financial instruments *continued*

(c) Market risks *continued*

(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:

	Assets AED'000	Liabilities AED'000	Net Exposure AED'000	Hedged AED'000	Effect on net equity for +/- 0.5% sensitivity AED'000
2019					
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**
2018					
Euro	372,475	(309,878)	62,597	73,804	+/- 56
Great British Pound	159,009	(16,958)	142,051	10,269	+/- 659
Kuwaiti Dinar	123,566	(1,261)	122,305	-	+/- 612
Egyptian Pound	142,107	(1,109)	140,998	-	+/- 705
Omani Riyal	7,660	-	7,660	-	+/- 38
Others	5,363	-	5,363	-	+/- 27
	810,180	(329,206)	480,974	84,073	+/- 1,985

(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 4,043,900 thousand at the end of the reporting period (2018: AED 3,274,064 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 881 thousand at the end of the reporting period (2018: AED 703 thousand).

Cash flow interest rate risk

- The Group had floating rate non-derivative borrowings of AED 4,043,033 thousand at the end of the reporting period (2018: AED 3,680,566 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 43,717 thousand (2018: AED 32,690 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 29 (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 2019 is presented below. The Group was in compliance of the requirement of this ratio to be a maximum of 0.65 times.

	2019 AED '000	2018 AED '000
Issued share capital	**1,944,515**	1,944,515
Retained earnings and Reserves	**1,135,698**	1,901,831
Less: proposed dividends	-	(137,888)
Net worth (as defined under the RCF agreement)	**3,080,213**	3,708,458
Debt (defined as "Borrowings" under the RCF agreement)	**1,058,961**	1,257,952
Debt / Debt and Net Worth	**0.26**	0.25

29 Financial instruments *continued*

(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:

	2019 AED '000	2018 AED '000	Fair value hierarchy	Valuation technique	Sensitivity Analysis
Financial assets at fair value through profit or loss					
(a) Listed equity securities	**1,726,466**	1,465,909	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 86,323 thousand
(b) Money market funds	**27,293**	3,676	Level 1	Valuation is based on quoted market prices in an active market, which represent the Net Assets Value (NAV) of shares held	± 5% change in NAV, impacts fair value by AED 1,365 thousand
(c) Other investment in equity securities	**963**	6,409	Level 3	Valuation is based on Net Asset Values (NAV)	± 5% change in NAV, impacts fair value by AED 48 thousand
(d) Listed fixed income securities	**4,043,900**	3,274,064	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 202,195 thousand
(e) Reverse repurchase contracts	**210,908**	105,486	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 10,545 thousand
(f) Derivative assets	**41,901**	43,773	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 2,095 thousand
(g) Options	**-**	213,200	Level 3	Black-Scholes model with company-specific data for EBITDA along with market observable inputs, mainly market volatilities, valuation multiples of comparable peers	± 5% change in EBITDA impacts fair value by AED nil
(h) Unquoted fund	**34,017**	51,987	Level 3	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 1,701 thousand
Derivatives designated and effective as hedging instruments carried at fair value					
(a) Equity price collar	**-**	254,124	Level 2	Black-Scholes model with market observable inputs, mainly share price and market volatilities of the underlying shares	± 10% change in share price would result in AED nil change in fair value, respectively
Financial liabilities at fair value through profit or loss					
(b) Derivative liabilities	**(38,949)**	(36,304)	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 1,947 thousand

	2019 AED '000				2018 AED '000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Financial assets at FVTPL								
Investment in equity securities	1,726,466	1,726,466	-	-	1,465,909	1,465,909	-	-
Other investment in equity securities	963	-	-	963	6,409	-	-	6,409
Investment in fixed income securities	4,043,900	4,043,900	-	-	3,274,064	3,274,064	-	-
Derivative assets	41,901	-	41,901	-	43,773	-	43,773	-
Money market funds	27,293	27,293	-	-	3,676	3,676	-	-
Options	-	-	-	-	213,200	-	-	213,200
Reverse repurchase contracts	210,908	-	210,908	-	105,486	-	105,486	-
Unquoted fund	34,017	-	-	34,017	51,987	-	-	51,987
Derivatives designated and effective as hedging instruments carried at fair value								
Equity price collar	-	-	-	-	254,124	-	254,124	-
Total	6,085,448	5,797,659	252,809	34,980	5,418,628	4,743,649	403,383	271,596
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(38,949)	-	(38,949)	-	(36,304)	-	(36,304)	-
Total	(38,949)	-	(38,949)	-	(36,304)	-	(36,304)	-

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

Reconciliation of Level 3 fair value movements

	2019 AED '000	2018 AED '000
At 1 January	271,596	70,075
Additions during the year	-	123,849
(Decrease) / increase in fair value through profit or loss	(236,616)	77,672
	34,980	271,596

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

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

30 Reclassifications

During the year, certain figures in the comparative period has been reclassified to align with the current period presentation, as follows:

AED '000	Original classification	Reclassification	As reclassified
Revenue from sale of goods and services	291,330	(29,986)	261,344
Cost of sale of goods and services	(220,031)	4,774	215,257
Loss from investment property, *net*	-	(15,580)	(15,580)
Impairment of investment property	(40,792)	40,792	-

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
Amr AlMenhali

Head Office

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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 contact, Basma Al Mehairi, 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

2019 Annual Report and Accounts: www.wahacapital.com/investor-relations/financial-reports

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