

WAHA CAPITAL

# Annual Report 2023

## Unlocking Value, Delivering Growth

For the year ended 31 December 2023



# Table of Contents

<b>About Waha Capital</b>	4
<b>Financial Highlights</b>	6
<b>Operating Highlights</b>	8
<b>Chairman's Statement</b>	10
<b>Managing Director's Statement</b>	12
<b>Waha Investment</b>	14
Overview of Waha Investment	16
Waha Emerging Markets Credit Fund	17
Waha MENA Equity Fund	18
Waha Islamic Income Fund	18
Interview with Mohamed El Jamal, CEO/CIO for Waha Investment	19
<b>Private Investments</b>	22
Overview of the business	23
Interview with Hitesh Gupta, Head of Private Investments	24
<b>Waha Land</b>	26
Overview of the business	27
Interview with Hazem Al Nowais, CEO of Waha Land	28
<b>Our Company</b>	30
<b>Our People</b>	32
Environment, Sustainability and Governance (ESG)	33
Risk Management	34
Corporate Governance	36
Board of Directors	38
Executive Management	41
<b>Financial statements</b>	44
Chairman's Report	45

# About Waha Capital

Waha Capital is an Abu Dhabi-listed investment management company that leverages its emerging markets expertise, business networks and research capabilities to deliver attractive returns to shareholders and investors in its funds.

Founded in 1997, Waha Capital is one of the Emirate's leading private sector investment houses, providing a world-class platform for investment and growth. The Company has a long-established track record of investing in public and private markets, deploying proprietary capital in alignment with the interests of its third-party investors.

The Waha Investment business offers sophisticated investors actively managed emerging markets credit and equities funds, via a disciplined approach to investment and implementing distinctive strategies to deliver consistent market-leading returns.

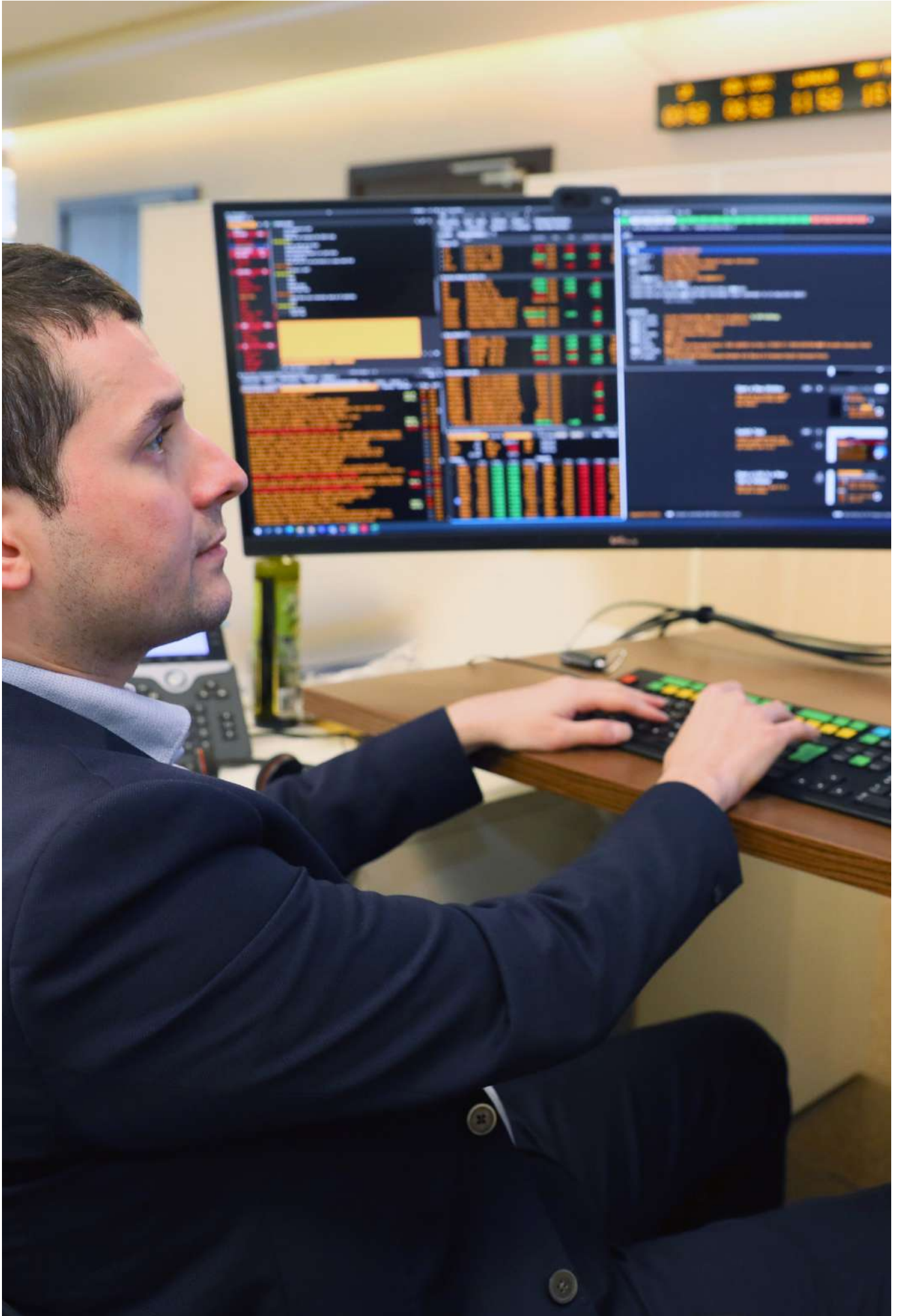
The Private Investments business pursues a multi-asset investment approach focused on direct investments, with the flexibility to deploy capital across diverse sectors

and geographies. The business leverages extensive international business networks to source deals and form co-investment partnerships.

The Waha Land business develops and leases industrial and logistics facilities at ALMARKAZ in Abu Dhabi's Al Dhafra region, strategically leveraging the UAE's expanding industrial infrastructure, to grow its institutional-grade assets and contribute to portfolio diversification and long-term value creation.

Counting Mubadala Investment Company as an anchor shareholder, Waha Capital is at the forefront of Abu Dhabi's increasingly dynamic and entrepreneurial ecosystem, creating long-term value for shareholders, fund investors, employees, and communities.





# Financial Highlights



Waha Investment Net Profit

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**AED 639 million**

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Private Investments Net Loss

---

**AED 50 million**

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Net Profit

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**AED 440 million**

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Earnings Per Share

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**AED 0.234**

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Total Assets Under  
Management (AUM)  
(as at 31 December 2023)

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**AED 10.5 billion**

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Waha Investment Assets  
Under Management (AUM)  
(as at 31 December 2023)

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**AED 8.8 billion**

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Private Investments Assets  
Under Management (AUM)  
(as at 31 December 2023)

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**AED 876 million**

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Waha Land Assets Under  
Management (AUM)  
(as at 31 December 2023)

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**AED 882 million**

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Dividend Per Share

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**AED 10 fils** (including 1.5 fils per share special dividend)

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# Operating Highlights



Appointment of  
Mohamed Al Nowais,  
Managing Director

## TOP 50 HEDGE FUND

Waha MENA Equity Fund  
ranked 10th top hedge  
fund globally by Global  
Investment Report

## CSR

Corporate, Social  
Responsibility (CSR)

Commitment to launch an  
undergraduate scholarship  
programmeme

## WAHA INVESTMENT

Surpasses US\$2  
billion in Assets Under  
Management (AUM)



# Operating Highlights

Appointment of  
BHM Capital as  
liquidity provider

Abu Dhabi  
Sustainable  
Finance Declaration  
– signatory

**AED 10.5  
BILLION**

Waha Capital –  
surpasses AED 10.5  
billion in Assets Under  
Management (AUM)

**AWARD**

Waha EM Credit Fund won  
'Best Absolute Return Long/  
Short Emerging Markets Credit  
Fund' by Wealth & Finance  
International Fund Awards

**AED 3.1 BILLION**

Third-party capital raised

# Chairman's Statement



Waleed Al Mokarrab Al Muhairi  
Chairman

"Waha Capital is well-positioned for further growth, benefiting from a stable operating environment, a robust balance sheet and a governance framework that instills confidence among shareholders and third-party investors alike."

I am pleased to present Waha Capital's annual report and accounts for the year ending 31 December 2023.

Waha Capital delivered strong financial performance in 2023, delivering net profit attributable to shareholders of AED 440 million, which represents a return on average equity of 12.1%. Despite a challenging macroeconomic and geopolitical environment, the company's corporate strategy continues to demonstrate its value, with all three of its business verticals contributing to its overall performance in 2023.

The Waha Investment business, which includes three flagship funds, maintained its multi-year track record of growth and attracted AED 3.1 billion of new third-party capital during the year. This was reflected in increased fee income, supporting the company's objective of diversifying revenue streams.

In parallel, the Private Investments business, comprising the Core and Global Opportunities portfolio, assessed a range of investment opportunities while focusing on maximizing the value of mature assets. The business continues to provide strategic diversification to the company's balance sheet and maintains the flexibility to deploy capital globally across sectors and asset classes.

Waha Land delivered stable returns in 2023, providing a steady rental yield while actively developing and expanding high-

quality logistics real estate at the ALMARKAZ project.

Overall, the company's robust financial and operational performance in 2023 has established a stable platform for future growth and success, a testament to its flexible strategic approach and strong team.

Waha Capital's core businesses are well-positioned to capitalise on opportunities that may emerge in 2024. The company has a robust balance sheet and has embedded a best-practice governance framework, providing a stable platform for growth. In addition, by integrating environmental, social, and governance (ESG) principles into its corporate strategy, Waha Capital is ensuring that sustainability considerations are fully incorporated into the investment decision-making process.

The company remains committed to strengthening its position as the asset manager of choice in Abu Dhabi and recognises that its own growth and development contributes to the overall advancement of the UAE's financial services sector.

Lastly, I would like to thank our shareholders for their unwavering support. The Board of Directors and senior management team remain focused on creating value for them through a pragmatic approach that can deliver consistent, long-term growth.

# Managing Director's Statement



Mohamed Hussain Al Nowais  
Managing Director

"The company's 28% year-on-year increase in profits and its ability to boost total assets under management to AED 10.5 billion at the end of 2023 from AED 6.5 billion in the prior year reflects the strength of our business model amid a challenging global economic landscape."

I am pleased to report that Waha Capital continued to deliver a robust financial performance in 2023. Waha Capital's net profit of AED 440 million in 2023 represents a return on average equity of 12.1%. The company's 28% year-on-year increase in profits and its ability to boost total assets under management to AED 10.5 billion at the end of 2023 from AED 6.5 billion in the prior year reflects the strength of our business model amid a challenging global economic landscape.

Even amid the formidable global headwinds of high inflation, a sharp rise in benchmark interest rates and geopolitical uncertainty, the funds of our capital markets business, Waha Investment, continued to outperform benchmarks by substantial margins. Additionally, our wholly-owned subsidiary, Waha Land, delivered steady income, and the Private Investments business remained solid despite negative impact from heightened market volatility.

Waha Investment recorded a net profit of AED 639 million in 2023, a notable 138% increase from AED 268 million last year. The asset management business achieved a steep increase in fee income attributable to AED 3.1 billion in new third-party commitments from regional and global investors, which brought its total assets under management to AED 8.8 billion as of 31 December 2023 from AED 4.8 billion a year earlier.

The success in attracting third-party capital was driven by the exceptional multi-year track record of our funds. In 2023, our highly experienced investment teams produced total returns of 9.5% for the Emerging Credit Market Fund, 24.3% for the MENA Equity Fund, and 9.93% for the Islamic Income Fund. The MENA Equity Fund and the Islamic Income Fund surpassed reference index returns of 10.6% and 5.53% respectively.

Notably, our flagship Waha MENA Equity Fund has ascended to the top echelons of the fund management universe, ranking among the world's top 10 hedge funds according to the Global Investment Report for 2023. Furthermore, the Waha Emerging Markets Credit Fund was honoured with the title of "Best Absolute Return Long/Short Emerging Markets Credit Fund" for 2023 by the Wealth & Finance International Fund Awards.

The Private Investments business navigated a complex market environment in 2023. The business reported a net loss of AED 50 million in 2023, compared to a net profit of AED 158 million in 2022, largely due to fair value adjustments for certain assets. The business continued to prudently deploy funds through its "Global Opportunities" multi-asset investment strategy, with the portfolio valued at AED 441 million as of 31 December 2023.

Meanwhile, Waha Land, our wholly-owned subsidiary engaged in light industrial and logistics real estate development in Abu Dhabi, recorded a net profit of AED 44 million in 2023 compared to a net profit of AED 35 million in 2022. Through the development and management of the ALMARKAZ project, the business has created a valuable asset that is thriving in the context of the UAE's strong economy and growing intra-regional trade links.

Looking forward, I am confident that Waha Capital will continue to develop rapidly as an emerging markets specialist investment manager in the coming years. Our aim is to build fee income further by significantly scaling up third-party assets under management and to broaden our innovative fund offering.

As we grow and develop the business, we remain laser-focused on delivering attractive returns for our shareholders. I would like to thank you for your trust and support as we continue this exciting journey.

## Overview

# Waha Investment

## Overview of the business and fund performance

2023 Net Profit

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**AED 639 million**

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Assets Under Management (as at 31 December 2023)

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**AED 8.8 billion**

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## Capital growth (on proprietary funds invested by Waha Capital) since 2012:

### Fund

**Waha Emerging Markets Credit Fund**

**Total net return since inception (since 2012)**

**204.8%**

**JPMorgan EMBI Global Diversified Index (since 2012)**

**52.7%**

### Fund

**Waha MENA Equity Fund**

**Total net return since inception (since 2014)**

**374.1%**

**S&P Pan Arab Composite Index (since 2014)**

**70.9%**

### Fund

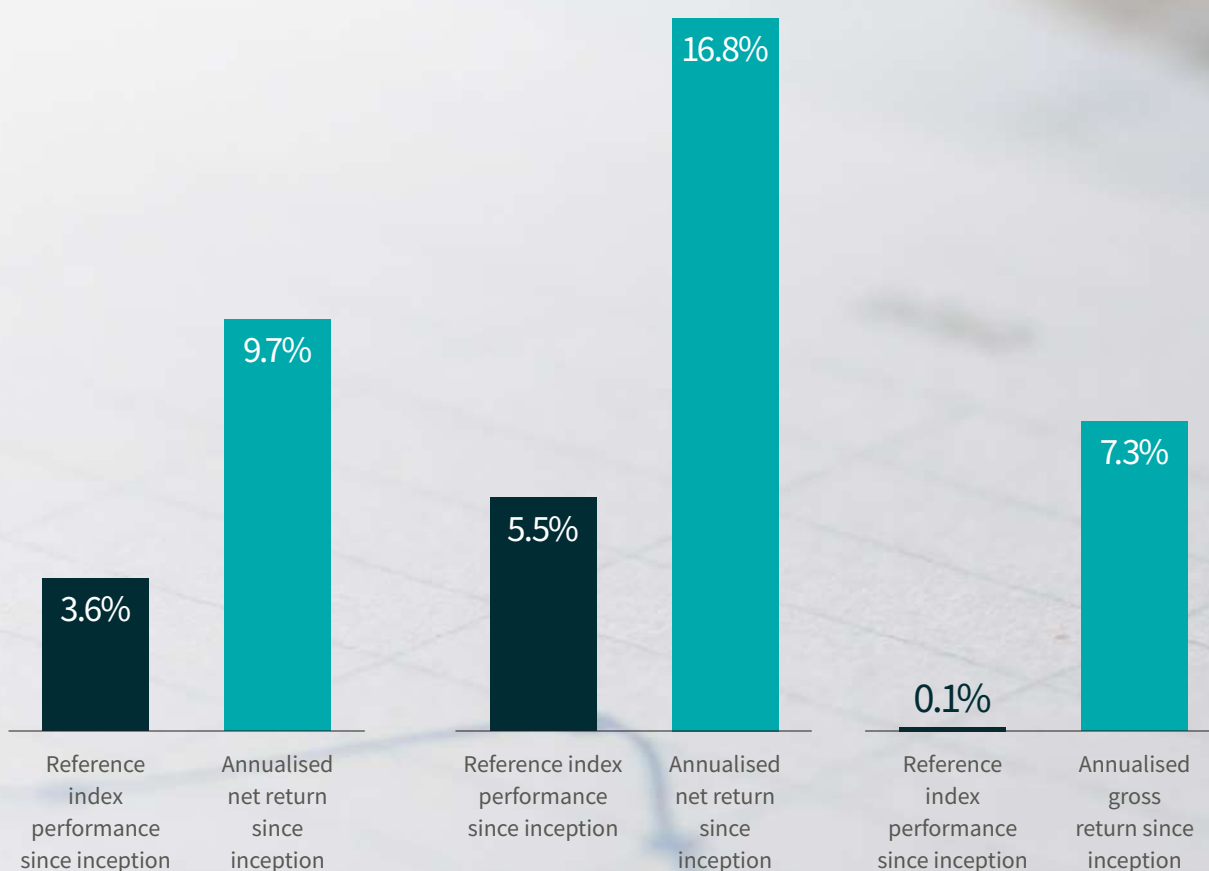
**Waha Islamic Income Fund**

**Total gross return since inception (since 2020)**

**26.47%**

**Dow Jones Sukuk Index (since 2020)**

**0.19%**



\*Note that Waha Capital's funds follow absolute return strategies and are not constrained by benchmarks

# Overview of Waha Investment

Waha Capital’s public markets division, operated by Waha Investment, the wholly-owned asset management subsidiary of the company, includes three flagship funds:



Waha EM  
Credit Fund



Waha MENA  
Equity Fund



Waha Islamic  
Income Fund

Waha Investment is an emerging markets specialist asset manager, offering a blend of long-short and long-only strategies through the Waha EM Credit Fund, Waha MENA Equity Fund and Waha Islamic

All funds follow a three-pronged investment approach:

Income Fund. The business has over a decade of track record of consistent performance and measurable alpha generation. Every fund has produced a positive return in every calendar year since inception.

1

A top-down  
assessment of the  
macroeconomic  
environment

2

A bottom-up  
analysis of  
corporate  
fundamentals

3

A propriety analytical  
valuation framework  
that puts these into  
perspective

With US\$2.4 billion of assets under management (AUM), the Waha Investment business offers professional investors access to actively managed emerging markets credit and equities funds, via a disciplined approach to investment and implementing distinctive strategies to deliver consistent, market-leading returns.

The business is led by Waha Investment's Chief Investment Officer and CEO, Mohamed El Jamal, who has been at the helm for over a decade and is responsible for building on a strong multi-year track record of outperformance for its flagship funds.

Waha Investment recorded a net profit of AED 639 million in 2023. This robust performance is a testament to the exceptional performance of our flagship funds that continued their track record and delivered solid returns. The Waha MENA Equity Fund and Waha Islamic Income Fund demonstrated strong

outperformance, exceeding their benchmarks by healthy margins over a 12-month period.

The business performed strongly in every quarter of 2023 despite increased volatility in global credit and equity markets that was driven by heightened macroeconomic uncertainty. The exceptional multi-year track record of the asset management business has continued to attract major global institutional investors, with third-party commitments totalling US\$853 million in 2023.

Waha Investment continuously aims to broaden its product offering and deploy the team's talent to create new strategies to fulfil unmet demand in the market while pursuing a marketing strategy targeted at individual and institutional investors domestically and internationally who seek high performance and strong risk management.

## Waha Emerging Markets Credit Fund - Established in 2012

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Total Return  
in 2023

**9.5%**

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Total Return  
Since Inception

**204.8%**

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Annualised Rate  
of Return

**9.7%**

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As one of our flagship funds, the Waha Emerging Markets Credit Fund is unique from other credit funds due to an actively managed long/short investment strategy, which aims to benefit from market dislocations while containing downside risk. With a primary focus on emerging markets, the Fund strategically invests in Emerging Market corporate and sovereign credits. Utilising a long/short strategy, the Fund integrates macro research and bottom-up analysis, enhanced by a valuation overlay, to construct a portfolio of relative value trades.

Managed by a seasoned team of senior investment professionals, each with significant experience at renowned international financial institutions, the Waha EM Credit Fund brings a wealth of expertise to its active management approach, contributing to its ability to navigate and capitalise on opportunities within the dynamic landscape of Emerging Markets credit.

### Awards & Recognition:

The Waha EM Credit Fund's outstanding performance has garnered international acclaim, notably securing the esteemed title of "Best Absolute Return Long/Short Emerging Markets Credit Fund 2023 (CEEMEA)" at the Wealth & Finance International Fund Awards 2023. This prestigious accolade, alongside other notable awards, reinforces the Fund's commitment to excellence and its ability to deliver superior value in the dynamic landscape of Emerging Markets credit.

## Waha MENA Equity Fund - Established in 2014

Total Return in 2023	Total Return Since Inception	Annualised Rate of Return
24.3%	374.1%	16.8%

The Waha MENA Equity Fund adopts a diversified investment strategy by investing in a varied portfolio of publicly listed companies across the MENA regional equity markets. Employing an absolute return strategy, the Fund combines a fundamental bottom-up approach with a macro and technical overlay. While maintaining a long bias, the Fund also possesses the flexibility to engage in short-side investments to enhance returns.

This actively managed Fund relies on a robust investment approach, characterised by the investment team's strong research capabilities and extensive experience in the MENA equity markets. The Fund's consistent performance is a testament to its dynamic strategy, providing investors with a well-rounded option for participation in the MENA equity markets.

### Awards & Recognition

The Waha MENA Equity Fund, renowned for its exceptional performance, achieved remarkable recognition, ranking 10th among the top 50 hedge funds globally in the Global Investment Report. This significant accomplishment, coupled with other notable awards over the years, underscores the Fund's commitment to excellence and its ability to deliver impressive results in the MENA regional equity markets.

## Waha Islamic Income Fund - Established in 2020

Total Return in 2023	Total Return Since Inception	Annualised Rate of Return
9.93%	26.47%	7.30%

\*Waha Islamic Income Fund returns are gross of fees.

The Waha Islamic Income Fund, our first Shari'a-compliant product offering, was launched in 2020 and draws upon a decade-long track record of successful investments in sukuks and equities. This Fund provides exposure to sukuks and Shari'a-compliant equities through a well-balanced portfolio, aiming to achieve high income and capital appreciation. Unlike single-asset Islamic offerings, the Fund employs a multi-asset strategy designed to enhance resilience across economic cycles.

Given the limited universe of Shari'a-compliant sukuks and equities, the Fund's blended and dynamic portfolio ensures flexibility. This approach helps avoid being compelled into investing in "expensive" instruments due to a lack of alternatives, enabling the Fund to navigate diverse macroeconomic conditions more effectively.

The Waha Islamic Income Fund is actively managed, utilising both internal macro and micro analysis to identify optimal investment opportunities within the Shari'a-compliant universe. The Fund's strategy combines capital appreciation and income yield, offering a robust investment option for those seeking a balanced and resilient approach to Islamic finance.

# Interview

with Mohamed El Jamal, CEO/CIO  
for Waha Investment

"We also continued to grow assets under management, which were up more than 80% year-on-year, reaching US\$2.4 billion, with an ever-increasing share of third-party capital from a variety of regions."



## How did Waha Investment perform in 2023?

Last year was a tale of two halves, with a first half where the US looked set to drag the global economy into recession as regional banks started falling one after the other. But the Fed's quick response with more than US\$400 billion of financing support and the Treasury's fiscal stimulus, equivalent to 8% of GDP, supported a massive comeback during the second half as Big Tech led the S&P 500 up 24% for the year, a touch off all-time highs. The yield on 10-year treasuries ended the year around 3.9%, roughly unchanged from the end of 2022. However, it was a volatile year for 10-year treasury yields, which fell at the beginning of the year to 3.25%, pricing for a recession, and then spiked to 5% for the first time in 16 years as a healthy jobs market prompted the Fed to keep raising rates. Towards the end of the year, the rate drifted lower amid increasing expectations for rate cuts.

The Waha Investment team sought to capitalise on these developments to deliver some of the best returns for their investors, with most of the funds solidly outperforming their benchmark, sometimes by a significant margin. The MENA Equity Fund returned 24.3% versus 10.6% for the S&P Pan Arab Composite Index, the Emerging Markets Credit Fund returned 9.5% versus 11.1% for the JPMorgan EMBI Global Diversified Index, and the Islamic Income Fund was up 9.93% (gross of fees) vs 5.53% for the Dow Jones Sukuk Index.

In 2023, the Waha Investment team continued to win even more accolades, with the MENA Equity Fund featuring in the list of the top 10 hedge funds in the world and the Waha EM Credit Fund winning "Best Absolute Return Long/Short Emerging Markets Credit Fund" award at the Wealth and Finance International Fund Awards 2023.

We also continued to grow assets under management, which were up more than 80% year-on-year, reaching US\$2.4 billion, with an ever-increasing share of third-party capital from a variety of regions. As we predicted last year, we believe now more than ever that we are at an inflection point for our business, with the size of the funds, the length of our track record, and, in particular, our performance during tough market conditions all likely to help us accelerate third-party capital raising. To this end, we have made an additional hire in our business development team, enabling us to broaden our investor base and add new partners to our platform.

With regard to our performance, we will never stress enough how important it is to us that we adhere to the investment philosophy that has served us so well over all these years. Our investment teams have again demonstrated an exceptional ability to pursue their convictions in a disciplined manner, enabling us to achieve downside protection in turbulent times, as seen this year, and upside participation during more benign market conditions.

The key theme of the year was undoubtedly the US response to the SVB and the regional banking crisis, which has helped shape the end of the rate hiking cycle but also put a floor on risk assets, especially via the strong fiscal support. This, in turn, has allowed US equities to lead the rally in risk assets, and once the Fed switched to a more dovish stance, credit and emerging markets followed suit.

Regional equity markets followed the lead of developed markets in 2023, i.e. a slow Q1 because of the SVB crisis followed by a great recovery in Q2 until mid-Q3, when markets gave back all of the

year's gains before roaring into year-end. Our investment teams navigated each of these episodes in the best possible way, ending the year with one of the best performances ever, both in absolute and relative terms.

## What were the key drivers for your success in bringing in third-party assets? What profile of investors did you attract, and what are your marketing plans for 2024?

Our ability to consistently deliver high-quality returns over a long period of time has been paramount in our success in attracting third-party investors. It was the first pillar we were able to build on in order to invest in and retain the best talent; whether in portfolio management, business development, risk, compliance, finance, or operations. Without the high quality of our human resources, our business could not have attracted the type of high-quality investors our funds were able to draw in 2023, whether these were sovereign wealth funds, pension funds, insurance companies, private banks, family offices or high net worth individuals. The goal is to build on this momentum in 2024 with an ever broader, more global marketing effort.

## What were the biggest challenges you faced in 2023 and how did you manage them?

Our biggest challenge last year was to cope with such a sudden change in fundamentals from looking at a potential repeat of 2008 to an environment of euphoria. Hence, with markets that were so volatile and fundamentals that were changing so rapidly, our core focus, as always, was to manage and protect our clients' investments. Yet, with a strong, hardworking, and united team, we were able to improve several aspects of the business, exceeding our fund-raising targets and enhancing operational processes, setting us up for an even better 2024.

## What are the key themes that will impact emerging markets in 2024?

We expect the themes that emerged in the latter half of 2023 to continue to play out over most of 2024. Inflation has been declining globally and is quickly normalising, perhaps not to levels seen pre-Covid but at least to levels that we have been familiar with in the last 30 years or so. That, in turn, is allowing the Fed to set the stage for the end, or at least partial reversal, of its tight monetary stance. The challenge is how aggressive can they be and will they be able to fend off a sharp deceleration of the US and global economies. For now, capital markets have put all their faith in the Fed being able to pull off a soft landing of the economy. Should we see signs of the Fed not being able to support a soft landing, we shall adjust our views accordingly.

Regionally, the macro backdrop across the GCC remains robust, characterised by consistent macro balances, growth, and inflation. Oil prices in the US\$70 to US\$80 a barrel range remain supportive and will continue to underpin growth, liquidity, and government spending. Whilst we believe the underlying fundamentals of



the oil market are strong over the medium term, and with some potential for a boost thanks to the US refilling its strategic reserves sooner or later, commodity prices may take a hit should global economic growth data turn more negative.

While US equities are not as cheap as they were at the start of 2023, other areas, including emerging market equities and fixed-income, remain attractive. For instance, the JPM Emerging Market Bond Index still yields close to 8%, a significantly more attractive valuation than in previous years. As outlined this time last year, history has shown that forward returns from this starting point for long-only funds are superior over the subsequent 12 to 24 months. Yet, with major central banks in the developed world still running a restrictive monetary policy this year through higher real rates and ongoing quantitative tightening, we are even more cautious of the fact that volatility is likely to remain high.

In this environment, we believe that investors will need to sharpen their pencils; fundamental analysis will be key in both credit and equities, as we observe how sovereigns and corporates cope with the new normal of higher debt servicing costs and inflationary

pressures in a recessionary environment. We also continue to believe that in this volatile environment, actively managed strategies, such as the ones we manage here at Waha Investment, will be a safer alternative to buy-and-hold over the medium term.

### **What are your current business priorities? Are you looking to introduce any new products?**

We continue to aim to cement our position as a leading emerging markets asset manager based out of Abu Dhabi. As 2024 is likely to be another difficult year to navigate risk-wise, our first objective will be to deliver market-leading returns for our investors, as we have consistently achieved over the last decade.

We will continue to enhance the institutional quality of our business and invest in our people, processes, and technology in a way that is commensurate with the growth of our assets. Our ultimate goal is to further diversify our client base and increase the proportion of third-party capital invested in our funds by strengthening our relationships with institutions and developing a partnered distribution network for our funds.



## Overview

# Private Investments

## Overview of Private Investments business

2023 Net Loss

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**AED 50 million**

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Assets Under Management (as at 31 December 2023)

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**AED 876 million**

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## Overview of the business

The Private Investments business continues to pursue a multi-asset investment approach, with flexibility to deploy capital across diverse sectors, capital structures, asset classes and geographies. Led by Head of Private Investments Hitesh Gupta, along with a team of investment experts, the business provides shareholders and institutional investors with global diversification opportunities beyond traditional capital markets exposure. The team leverage their deep knowledge of regional and international markets and use of their networks to source deals and form co-investment partnerships.

### Global Opportunities

With the Global Opportunities Portfolio, Waha Capital targets investments within the global alternatives space that have high risk-adjusted returns. This broad and flexible mandate enables the Company to invest across geographies, industries, capital structures and asset classes in an opportunistic manner. When executing this global strategy, Waha Capital actively seeks to partner with other institutional investors and domain experts that will best support their investment requirements.

In 2023, the Private Investments team prudently assessed a robust deal pipeline through its Global Opportunities Portfolio, with the portfolio's assets under management standing at AED 441 million at the end of the year.

### Core Portfolio

The Core Portfolio provides Waha Capital exposure to private investments in the MENA region that generate stable recurring cash flows with strong returns on equity. The portfolio aims to take controlling or significant minority stakes in businesses in the MENA region with established track records, strong management teams, and robust governance frameworks.

Waha Health, the holding company for Waha Capital's healthcare assets, is a key asset within the Core Portfolio. The Private Investment business continued to make progress in the implementation of its growth strategy across Waha Health.

In 2023, the team maintained its commitment to overseeing and expanding portfolio assets.

### Legacy Portfolio

Waha Capital's existing mature investments have been allocated to the Legacy Portfolio with the aim of maximising shareholder value and generating cash proceeds that can be redeployed to a pipeline of new opportunities.

The Legacy Portfolio was valued at AED 383 million as of 31 December 2023 and the Private Investments team continues to evaluate opportunities to monetise mature assets and crystallise value for shareholders.

# Interview

with Hitesh Gupta, Head  
of Private Investments

"In 2023, we continued to demonstrate our well-earned reputation as a dynamic, nimble, and sophisticated investor in the global marketplace. Our active sourcing and origination strategy has led to continued credibility and a strong deal flow."



## How did the Private Investments Business perform in 2023?

Last year saw the Private Investments business and team stabilise and continue to deliver on its objective of maximising shareholder value by (a) growing the businesses in our Core Portfolio, (b) managing the prudent monetisation of the Legacy Portfolio, and (c) continued management and deployment into the Global Opportunities Portfolio.

In our Core Portfolio, following the founding of Waha Health in 2022, we continued to provide strategic guidance and leadership in 2023 to our premium healthcare assets – HealthBay and Orchid IVF. The two underlying businesses have seen continued progress in both operational as well as financial performance. Waha Health, with its solid management team, is positioned for growth and we continue to explore potential opportunities for organic and inorganic growth.

The underlying businesses in the Legacy Portfolio continued to perform well in 2023, following a swathe of full and partial monetisation in 2022. Several initiatives were undertaken in 2023 to position the assets in the portfolio for monetisation whilst not leaving money on the table. These initiatives are well-advanced and are expected to generate cash inflows in the near term.

The Global Opportunities strategy, launched in the fourth quarter of 2021, is designed to capitalise on dislocations and mispricings in asset classes globally and invest in these opportunistic situations, usually in partnership with other institutional investors who are domain experts. In 2023, we continued to demonstrate our well-earned reputation as a dynamic, nimble, and sophisticated investor in the global marketplace. Our active sourcing and origination strategy has led to continued credibility and a strong deal flow.

## What were the challenges the business faced in 2023 and how have you addressed them?

The global macroeconomic environment continued to remain challenging during 2023, with stubbornly high inflation for parts of the year, as well as continued tightening monetary conditions. This has led to increased volatility in asset prices globally. Specifically, in the private markets, this has led to decreased valuations, reduced listings and sluggish deal volumes, leading to a high bid-offer spread in the private markets.

Having a seasoned, diverse, and talented team has helped us navigate this uncertain environment. For the Legacy Portfolio, this has often meant dissecting strong underlying performance from depressed valuations and finding creative pathways to exit with a small-time lag. For new deployment of capital, this has meant discipline and patience to only invest in strong underlying situations when the bid-ask spread has normalised.

## What trends do you see in the asset classes you are looking at, and what new opportunities do you see for the business? Are you looking to introduce any new offerings?

The current investment landscape provides great opportunities to an opportunistic investor like us. Volatility in asset prices continues to provide attractive investment opportunities for us. The substantial reduction in liquidity in the financial system has led to, and continues to lead to, forced sellers of good assets – which forms the foundation of global opportunistic mandates like our Global Opportunities strategy.

The AI revolution that the world witnessed in 2023 is creating new investment opportunities across the value chain, from data centres all the way to consumer offerings. We are looking at opportunistic investments in this space as part of our broader global cross-sector approach.

## Overview

# Waha Land

2023 Net Profit

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**AED 44 million**

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Asset Value (as at 31 December 2023)

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**AED 882 million**

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## Overview of the business

Waha Land is a wholly-owned subsidiary of Waha Capital. The industrial real estate subsidiary has invested significantly over several years to develop and lease the ALMARKAZ project in the emirate of Abu Dhabi, an integrated mixed-use industrial development with Grade “A” industrial and logistics facilities and first-class infrastructure.

ALMARKAZ is strategically positioned in Al Dhafra, 35km west of Abu Dhabi, taking full advantage of its prime location to capitalise on easy access to the UAE’s expanding industrial and logistics infrastructure. This includes major land, sea, air, and rail routes. In line with Waha Land's long-term strategy to develop, lease, and monetise land and built assets at ALMARKAZ, its location positions it as a key player in the region's industrial and logistics landscape.

The project is designed to unfold across four distinct phases, each comprising multiple stages. Phase 1, accounting for a quarter of the total land area (1.5 km<sup>2</sup>), is strategically divided into three Stages. Within Stage 1 and Stage 2A, approximately 180,000 m<sup>2</sup> of versatile industrial/logistics units have been completed successfully. This development includes indispensable infrastructure such as roads, utilities, and telecom. At present, these units stand almost fully occupied,

accommodating a diverse mix of over 85 tenants, ranging from local to international entities spanning industries such as Oil & Gas, Manufacturing, Defence, Logistics, IT, Contracting, and F&B.

The recent expansion into Stage 2B, contributing an additional 75,000 m<sup>2</sup> of premium industrial/logistics leasable space to the portfolio, achieved completion in Q4 2023. Leasing activities for this newly expanded space have already commenced. This expansion aligns with Waha Land's foundational philosophy, underscored by a consistent and disciplined investment approach. Our aim is to develop institutional-grade assets that are not only adaptable to various uses but also capable of accommodating tenants from a wide array of industry segments.

Waha Land's growth strategy is sharply focused on expanding the leasable portfolio, pioneering new products, and services tailored for the dynamic UAE industrial/logistics market. Concurrently, the team actively explore opportunities to optimise value by strategically re-cycling capital from existing stabilised assets through judicious partnerships and instruments for monetisation.



# Interview

with Hazem Al Nowais,  
Waha Land CEO



"Our business model is centred on delivering a high-quality real estate product within a niche segment of the Abu Dhabi real estate market, and we are committed to achieving consistent results in line with the the market segment."

### **How has Waha Land performed in 2023?**

Our business model is centred on delivering a high-quality real estate product within a niche segment of the Abu Dhabi real estate market, and we are committed to achieving consistent results in line with the the market segment. In 2023, Waha Land's ALMARKAZ was granted a "Special Economic Zone" status, a recognition of our contribution to the Abu Dhabi economy by fostering trade, investments and employment. Our platform has successfully incubated over 100 companies, attracting hundreds of millions of dirhams in inward investments.

Regarding portfolio leasing statistics, both Stage 1 and Stage 2A assets are almost fully leased (95%+) and we have successfully completed the construction of the Stage 2B expansion.

### **How do you see the business evolving in the next 3-5 years?**

Our target is to scale up rapidly in the next three to five years, fully execute Phase 1, and make progress on the next phases of the development. This scale-up will allow us to diversify the range of products and delivery of services we offer. We anticipate that the industrial and warehousing real estate market will witness changes from the traditional products currently offered in the market to meet the demands of technological and geopolitical changes.

To adapt to these changes and refine our business and asset strategies, we are transitioning from a homogenous, organically expanding asset model to a multi-asset partnership model.

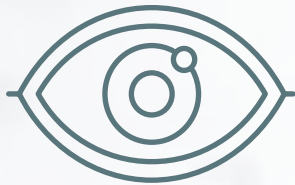
### **What are your business priorities for the coming year?**

In line with our long-term focus, completion of the asset life cycle process (develop-stabilise-monetise) will be an important milestone for the business. As we continue with our three-to-five-year plans, we are formulating a clearly thought-out and articulated asset strategy to lay the foundation for long-term growth. As part of that plan, we are prioritising the cultivation of developmental and organisational capabilities. On the developmental front, we will enhance our infrastructure assets and finalise plans to facilitate the rapid scale-up we aim to achieve.

### **How is the industrial real-estate market evolving in the UAE?**

We are living in both an exciting and challenging time for the global and local industrial real estate market. Aside from the technological shifts we witnessed in the sector, there are also rapid changes in the global political landscape. Those residing in the UAE are also affected by these global shifts. However, we are strategically positioned to capitalise on the opportunities through well-crafted policies and structural changes in our economy. This involves realigning our policy priorities in both the real and financial economies to adapt to a globalised world.

# Our Company

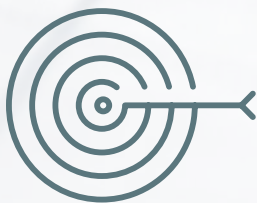


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## Our vision

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To be a leading global investment firm, harnessing our local expertise and award-winning strategies to deliver sustainable investor returns and maximise shareholder value.



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## Our mission

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To deliver steady returns consistently to shareholders and investment partners facilitated by an experienced team of investment professionals with in-depth market insights and a broad international network.



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## Our promise

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In line with best-in-class industry standards, we operate in alignment with robust corporate governance standards, as an ADX-listed investment management company. We continue to leverage on our business networks and research capabilities to deliver attractive returns to our shareholders and investors.



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## Our values

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As we operate in a fast-paced industry, the following shared values help us remain focused and enable us to create synergies together:

- **Performance-driven** – we work hard, and value hard work to achieve our goals
- **Collaboration** – we work together with each other, across all levels of the Company to ensure success
- **Accountability** – all of our actions are held to account by one another, as well as by our investors and shareholders
- **Ambition** – we have a strong determination to be the best in what we do
- **Integrity** – we operate following best-in-class industry standards to safeguard and continuously grow our investments



# Our People

Our people are at the core of the value that we create for our shareholders and investors. We believe that by attracting and retaining the best talent, we ensure the ongoing success of our businesses.

## Culture

Investment management is a people-centric business, and Waha Capital's success is dependent on the dedication and commitment of the company's employees.

Therefore, we recognise that our people are what will allow us to continue growing and succeeding over the Long-term.

At the core of every successful organisation are its people, who thrive, stay engaged, and develop within a robust, best-in-class organisation architecture and performance and rewards framework.

Recognising this, Waha Capital recently undertook a comprehensive job architecture project. This initiative included a thorough job evaluation analysis to assess the current roles within the organisation. The results of this exercise align Waha Capital's people and business with an effective, measurable, and performance-driven framework.

Our people and culture are the greatest assets to future-proof Waha Capital. We remain committed to making Waha Capital a great workplace, enabling our people to deliver results for our investors, shareholders, communities, and each other.

## Priorities for 2024

We remain dedicated to nurturing, retaining, and attracting top-tier talent while concurrently establishing clear objectives for our employees that align with both shareholder value creation and individual career growth. We also recognise that a diverse workforce is indispensable to our success, and advancing diversity, equity, and inclusion will be our key priority during 2024.



# Environment, Sustainability and Governance (ESG)

Waha Capital continued to make good progress in embedding Environment, Sustainability and Governance (ESG) policies into all of its business activities in 2023, in line with its commitment to advance its sustainability agenda and support the UAE's leading role in the region in addressing climate change.

During the year, Waha Capital adopted a comprehensive sustainability policy to ensure that the Company will continue to be fully aligned to core ESG tenets as it expands its business activities. The new sustainability policy will ensure that the Company continues to meet its ESG obligations by defining specific areas of focus and creating internal governance structures. It will also add more layers of accountability in the collection and management of ESG data, which will enhance transparency when it comes to sharing data with the public. In 2023, the Company also implemented a related sustainability programme focusing on developing a road map for future initiatives to strengthen Waha Capital's approach to corporate social responsibility and delivering ESG-related training and communication for the Company's employees.

Waha Capital also strengthened its commitment to corporate social responsibility (CSR) and sustainability through comprehensive

initiatives during the year. Noteworthy contributions included supporting the Emirates Red Crescent with approximately AED 2 million through the Bridges of Good and Trahum for GAZA Campaigns, underscoring solidarity with humanitarian causes. Waha Land, our subsidiary, continued its impactful Ramadan initiative, delivering over 500 food boxes to disadvantaged families in Abu Dhabi, exemplifying our dedication to community service.

Furthermore, Waha Capital launched a scholarship program aimed at nurturing talent in finance, mathematics, and economics, providing comprehensive support throughout undergraduate studies for UAE nationals and residents, with potential employment opportunities upon graduation.

These initiatives reflect our unwavering commitment to societal impact and sustainable development, reinforcing our role as a responsible corporate entity. For more details on our sustainability approach, please refer to Waha Capital's 2023 Sustainability Report.

# Risk Management

## Risk Appetite Statement

Waha Capital is exposed to a variety of risks as a result of its business activities. We recognise the dynamic nature of financial markets and the critical importance of adhering to strict compliance standards.

As a public company, we understand and recognise that striking the right balance between financial opportunity and compliance risk is essential for sustainable success. Our risk appetite is finely designed to strike a balance between financial opportunities and protecting our integrity and reputation, guided by the Three Lines of Defence (“3LOD”) principle.

Waha Capital accepts that it is not possible to eliminate all risks inherent to its activities, and that some residual risks are necessary to facilitate efficiencies within the business. Consequently, Waha Capital has an overall low appetite for risks that will adversely affect its business and zero tolerance for regulatory and compliance risks, ensuring that we operate responsibly and in the best interests of our shareholders, clients, and stakeholders.

## Risk Management Framework

Risk management is an integral part of Waha Capital’s operations and supports the primary objective of creating long-term shareholder value by leveraging our expertise in managing investments, which necessarily involves undertaking a wide spectrum of risks.

Waha Capital promotes a culture of integrity by being transparent and proactive in disclosing and managing all types of risks and fostering a healthy risk culture by identifying and assessing current and future risks.

Waha Capital applies the 3LOD model in its risk management and control framework, implementing a highly developed enterprise risk management system that establishes a control environment, sets the risk appetite, approves policies, and delegates responsibilities under the Company’s risk management framework.



Waha Capital’s risk management framework is managed by an independent risk management team, operating as one of the second lines of defence, constantly monitoring and highlighting the various types of risk that the Company may be exposed to. Under Waha Capital’s risk management framework, the Company applies a bottom-up approach in order to identify and map the Company’s risks and then integrate those risks into the Company’s overall risk framework.

The risk management function assists the Company and its businesses in developing appropriate:



Periodic risk reporting is provided to both the senior management of the Company and the Board, which is ultimately responsible for setting the risk appetite and the effective management of risk.

**Risk & Compliance Committee**

Waha Capital has established a management-level Risk & Compliance Committee, which helps to ensure that the Company’s risk management processes are in place to measure, monitor, manage and mitigate significant risk exposures for the Company.

This Committee meets at regular intervals to review specific risks and to monitor the Company’s overall risk exposure against its defined risk appetite. Based on the recommendations and findings of our Risk & Compliance Committee, we then seek to implement additional risk mitigation measures to properly address the Company’s risks.

**Reporting**

Reporting is a critical part of the Company’s risk management function.

Regular reports (monthly and quarterly reports) are generated and shared with relevant teams and internal bodies to ensure that the Company’s risks are channelled across all the businesses and regularly monitored by the Company’s senior management.

In addition, regular risk workshops are also organised for the Company’s senior management and Board in order to create risk awareness and continue to foster an overall risk management culture.

# Corporate Governance

Waha Capital is committed to maintaining high standards of corporate governance in line with international best practice. Our approach to complete information transparency is guided by a desire to promote the long-term sustainable success of the Company, generate value for all stakeholders and make a progressive contribution to the economy and society.



The Company's corporate governance framework and corporate governance policy are designed to ensure that the Company maintains rigorous compliance with regulations for public joint stock companies incorporated in the United Arab Emirates. This includes addressing specific requirements of the Corporate Governance Code relating to accountability, equity (fair treatment of shareholders), transparency and disclosure and responsibility.

Our corporate governance framework sets the tone for how corporate governance should be conducted at Waha Capital and its subsidiaries. The corporate governance policy provides clear and detailed guidance on the Company's corporate governance structure and the interface between the Company and its stakeholders; the authorities and decision-making mechanisms within Waha Capital and between the Company and its stakeholders; and the role and responsibilities of the Company's corporate governance function.

Ultimate responsibility for corporate governance rests with the Board of Directors, which, for 2023, comprised of seven non-executive Directors, selected according to the requisite knowledge, skills and expertise to enable the Board to efficiently and effectively perform its functions.

In 2023, the Board met on seven occasions to discuss matters related to the strategic direction of the Company, with a total of 19 resolutions approved by the Board of Directors in 2023. The day-to-day management of the Company's operations has been delegated to Mr. Mohamed Al Nowais, the Company's Managing Director.

The Audit Committee assists the Board with regards to financial reporting and external and internal audits. Among its roles, the

committee oversees the integrity of the Company's annual and interim financial statements, develops and applies the policy for contracting with external auditors, and oversees the relationship with external auditors.

The Nomination and Remuneration Committee assists with regards to the composition and formation of the Board of Directors. It is responsible for evaluating the range of skillsets, experience and knowledge of the Board and its committees, as well as their size, structure and composition. In addition, the committee assists the Board in determining the Company's requirements for senior management roles and profiles and establishes the basis for selection.

In addition to the Board-level committees, the Company's Insider Dealing Committee oversees compliance with the Company's Share Dealing Policy and regularly monitors dealing in the Company's shares. Its approach is to mitigate the risk of any unauthorised dealings by the Company's Directors, officers and employees.

Waha Capital's corporate governance policy provides a clear structure for the implementation of best practice for the Company and its employees. It includes a code of conduct and through specific policies, addresses a wide range of potential topics and risks, including: insider dealing; disclosure practices; related third-party transactions; conflicts of interest; anti-bribery and corruption; anti-money laundering and counter financing of terrorism; whistleblowing; and diversity and inclusion.

For detailed information on Waha Capital's corporate governance framework, please see the Company's Corporate Governance Report for 2023.

# Board of Directors



## Mr. Waleed Al Mokarrab Al Muhairi

Chairman

### Experience

Mr. Al Muhairi serves as Mubadala's Deputy Group Chief Executive Officer and has strategic oversight of Mubadala's broad investment portfolio and special projects at the group level. He is also a member of the investment committee, which is mandated to develop Mubadala's investment policies, establish investment guidelines, and review proposed projects and investments to ensure they are in line with business objectives.

Mr. Al Muhairi is also the Chairman of Mubadala's new investment and business planning committee, which approves transactions within certain financial thresholds in addition to having the responsibility of annual and multi-year business planning. Furthermore, Mr. Al Muhairi has oversight of the Real Estate & Infrastructure Investments and Diversified Investments platforms.

Prior to joining Mubadala, Mr. Al Muhairi worked with the UAE Offsets Programme Bureau as a Senior Project Manager. Past roles also include working with McKinsey & Company as a consultant.

Mr. Al Muhairi is the Chairman of Waha Capital, Mubadala Capital, Global Institute for Disease Elimination (GLIDE), and the US-UAE Business Council. In addition, Mr. Al Muhairi is the first Vice Chairman of Aldar, and a member of the Board of Trustees of Cleveland Clinic in the United States. He is also a board member of First Abu Dhabi Bank (FAB), Hub71, Ellipses Pharma Limited, Abu Dhabi Investment Council, Investcorp, and M42.

### Qualifications

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.





### **Mr. Ahmed Al Dhaheri**

Vice Chairman

#### **Experience**

Mr. Al Dhaheri is the Honorary Chairman of Ali and Sons Holdings LLC and the Chairman of Hily Holdings PJSC. He is also a board member of Al Wathba National Insurance Company Co PJSC and Al Ramz Corporation. In addition, he is the founder and Chairman of AAK Investment – Sole Proprietorship LLC.

#### **Qualifications**

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



### **Mr. Rashed Al Ketbi**

Director

#### **Experience**

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

#### **Qualifications**

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



### **Mr. Mohamed Hussain Al Nowais**

Director

#### **Experience**

Mr. Al Nowais joined Waha Capital as Managing Director in May 2023, bringing with him a wealth of knowledge and extensive experience in the investment sector.

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

Mr. Al Nowais is a Board member for Al Dhafra Insurance Company P.S.C. and Abu Dhabi National Industrial Projects (ADNIP).

#### **Qualifications**

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



### **Mr. Rasheed Al Omaira**

Director

#### **Experience**

Mr. Al Omaira holds board positions for Al Wathba National Insurance Company and Waha Capital. He also holds the position of Vice Chairman of the Board of Directors of Abu Dhabi National Company for Building Materials (Bildco).

Mr. Al Omaira previously held the position of CEO of Abu Dhabi National Company for Building Materials (Bildco), a company listed on the Abu Dhabi Stock Exchange. In addition, Mr. Al Omaira was the CEO and Vice Chairman of the Board of Directors of Vision Capital Brokerage Company between 2006 and 2010.

Mr. Al Omaira has more than 26 years of experience in business leadership. He has led his family business group and manages the day-to-day business and assets to ensure that profitability and revenue growth are maintained.



### **H.E. Nader Al Hammadi**

Director

#### **Experience**

H.E. Nader Al Hammadi is an established member of the Abu Dhabi business community. He is the Chairman of Abu Dhabi Aviation, and "Global Aerospace Logistics (GAL)". He also holds the position of Vice Chairman at Abu Dhabi Airports and is a member of the board of Royal Jet. He also holds board positions at several companies including Royal Jet, Abu Dhabi Airports and Emirates Driving Company.

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

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

#### **Qualifications**

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



### **Mr. Homaid Al Shimmari**

Director

#### **Experience**

Mr. Al Shimmari is the Deputy Group CEO and Chief Corporate & Human Capital Officer at Mubadala. He has an oversight of Mubadala's Business Services, Enterprise Technology Services, Government Affairs, Construction Management Service, Employee Career Growth, Talent Acquisition, Learning and Development, Performance Management and Emiratisation.

Prior to the merger of Mubadala Development Company and International Petroleum Investment Company (IPIC), Mr. Al Shimmari was the CEO of the Aerospace and Engineering Services platform in Mubadala. His main focus was driving forward the strategic vision and plans for developing technologically advanced industries within Abu Dhabi and the UAE, in addition to ensuring Mubadala is well positioned to become a key global aerospace, ICT and Defence player.

Mr. Al Shimmari is the Chairman of Maximus Air Cargo and board Member of Abu Dhabi Aviation. He is also a Member on the Board of Trustees for UAE University and Khalifa University of Science, Technology and Research.

Mr. Al Shimmari is the Chairman of SolutionsPlus (BMS previously since 2019) and has been a board member at FAB since January 2023 as well as a board member at Abu Dhabi Investment Council (ADIC).

#### **Qualifications**

Mr. Al Shimmari holds a Bachelor of Science in Aeronautical Engineering from Embry Riddle Aeronautical University, USA. He holds a black belt in Six Sigma from General Electric, a highly disciplined leadership programme.

# Executive management



**Mohamed Hussain Al Nowais**

Managing Director

## Experience

Mr. Mohamed Hussain Al Nowais joined Waha Capital as Managing Director in May 2023, bringing with him a wealth of knowledge and extensive experience in the investment sector.

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

Mr. Al Nowais is a Board member for Al Dhafra Insurance Company P.S.C. and Abu Dhabi National Industrial Projects (ADNIP).

## Qualifications

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



**James Finucane**

CFO

## Experience

Mr. James Finucane is the Chief Financial Officer of Waha Capital, having joined the Company in March 2024.

Mr Finucane joins the Company from Aldar Properties where he served as Group Treasurer for 4 years. Before joining Aldar he worked as treasury and corporate finance manager for Emirates Steel Arkan and also assisted Senaat, an Abu Dhabi Government industrial holding company, with its project financing activities.

Mr Finucane has over 20 years' experience in senior finance roles in Europe and the Middle East, with a focus on debt procurement, risk and liquidity management and corporate finance.

## Qualifications

Mr. Finucane is a Chartered Accountant, having qualified with KPMG Luxembourg.



**Mohamed El Jamal**

CEO/CIO, Waha Investment

## Experience

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

Under Mr. El Jamal's leadership, Waha Investment's Public Markets business has attracted third-party capital from a high-quality mix of international and regional investors. Mr. El Jamal has 18 years of professional experience investing across the capital structure, including public credit, equities as well as private markets. Prior to joining Waha Investment, he worked for Société Générale Corporate & Investment Banking in London focusing on equity and debt financing transactions across Europe and the Middle East.

## Qualifications

Mr. El Jamal holds a Master's Degree in Financial Engineering, which he obtained with Honors, from ESSEC Business School in France. He has also completed the High Potential Leadership Programme at Harvard Business School.



## Hazem Saeed Al Nowais

Chief Executive Officer,  
Waha Land

### Experience

Mr. Al Nowais is CEO of Waha Land, the real estate arm of Waha Capital, managing its industrial development, ALMARKAZ. With 27 years experience in construction, design management and real estate development, Mr. Al Nowais has held senior positions with organizations including ALDAR, Abu Dhabi Public Works Department and ADNOC.

### Qualifications

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).



## Hitesh Gupta

Head of Private Investments

### Experience

Mr. Hitesh Gupta leads Waha Capital's Private Investments business. He is responsible for a broad global investment mandate, that is executed through two portfolios - "Global Opportunities" and "Core". The fully flexible Global Opportunities portfolio targets investments in the alternative space with high risk-adjusted returns. The Core Portfolio targets stable, cash-generative assets within the MENA region.

Prior to joining Waha Capital in 2021, Mr. Gupta was Principal, Global Special Situations at Abu Dhabi Investment Council (ADIC). Previously, he was a Managing Director at AnaCap, a mid-market private equity Firm in London. He started his career in investment banking at Merrill Lynch and HSBC in London.

### Qualifications

Mr. Gupta has more than 20 years of experience in financial services and holds an MBA from the Indian Institute of Management Calcutta.



## Said Djebbar

Head of Risk

### Experience

Mr. Said Djebbar joined Waha Capital in January 2023 and is the Head of the Company's Risk Management function.

Mr. Djebbar joined the Company from Sevia Holding Pte Ltd in Singapore, where he was responsible for all Risk Management activity. Before joining Sevia Holding, Mr. Djebbar also worked as the Head of Risk Management for Southeast Asia at Amundi Singapore Ltd, a subsidiary of Amundi Group, overseeing risks for two management sites as well as the Asian trading arm of Amundi, and a sales office.

### Qualifications

Mr. Djebbar is a seasoned and performance-driven senior management professional with more than 19 years of experience in Risk Management and holds a Master's Degree in Mathematical Engineering with a major in Finance from the University of Evry and a Bachelor's in Mathematics from the University of Orsay in France.



### **Paul Myers**

General Counsel and  
Company Secretary

#### **Experience**

Mr. Paul Myers joined Waha Capital in August 2020 and is responsible for the Company's legal and regulatory affairs, corporate governance, compliance, and company secretarial functions.

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

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

#### **Qualifications**

Mr. Myers holds a Bachelor of Arts Degree from the University of New South Wales and a Bachelor of Laws Degree from the University of New England.



### **Maher Mansour**

Head of Investor Relations &  
External Communications

#### **Experience**

Mr. Maher Mansour joined Waha Capital in December 2022 and is the Head of Waha Capital Investor Relations and External Communications functions.

Prior to joining the Company, Mr. Mansour worked as Head of Business Development at InstaDeep for the MENA region. There, Mr. Mansour successfully led the fundraising campaign for InstaDeep Series B in the Middle East and developed InstaDeep Franchise in the GCC area, mainly UAE and KSA. Prior to joining InstaDeep in 2020, Mr. Mansour was Head of the Middle East Global Markets sales team at Natixis Bank in Dubai for 6 years. Prior to that, Mr. Mansour was heading the Trading and Structuring team for Rates and Credit in UBS and Deutsche Bank in Dubai.

Mr. Mansour has more than 25 years of professional financial services experience.

#### **Qualifications**

Mr. Mansour holds an Engineering Degree from Ecole Centrale Paris and a Master's in Probability and Finance from University Paris VI in France.



# Financial Statements





# Chairman's Report

Dear Shareholders,

I am pleased to report that Waha Capital delivered strong financial performance in 2023, generating net profit attributable to shareholders of AED 440 million and a return on average equity of 12.1%.

The company demonstrated resilience and agility in navigating challenging market conditions and geopolitical headwinds, enabling it to make significant progress toward its strategic objectives. A testament to this resilience is the growth of the company's assets under management, which increased from AED 6.5 billion in 2022 to AED 10.5 billion by the end of 2023.

Waha Investment, the wholly-owned asset management subsidiary, saw continued success in 2023 as its flagship credit and equity funds outperformed their respective benchmarks. The decade-long track record of consistent performance helped these funds attract third-party commitments of AED 3.1 billion in 2023, a positive endorsement of its award-winning strategies by international institutional investors.

In 2023, the Private Investments business maintained its strategic focus on managing and stabilising assets under the Core Portfolio while prudently deploying capital into the Global Opportunities Portfolio. The optimisation of shareholder value through the opportunistic divestment of mature assets remains a priority for the team.

Waha Land remained steadfast in its commitment to delivering stable income and achieved a robust 95% leasing rate for its Stage 1 and Stage 2A built assets in 2023. The team completed the construction of the expansion of Stage 2B in line with its long-term strategy to develop, lease, and monetise land and built assets at ALMARKAZ.

Waha Capital's year-on-year financial performance has established a solid foundation for resilient growth in the years ahead. The team's commitment to excellence is complemented by a flexible strategy that is entirely focused on delivering value to shareholders.

I would like to take this opportunity to extend my gratitude and appreciation to the visionary leadership of the UAE government for creating the conditions for economic growth and development. The strategic decision-making of the nation's leadership has been decisive in guiding the country along a path of achievement and success.

I would also like to thank the management and employees at Waha Capital for their dedication and hard work over the last year.

Waleed Al Mokarrab Al Muhairi

Chairman

# Independent Auditor's Report to the Shareholders of Al Waha Capital PJSC

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Al Waha Capital PJSC ("the Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These

matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

### Valuation of unquoted financial investments

As disclosed in note 28 to the consolidated financial statements, as at 31 December 2023, the Group had financial investments measured at fair value amounting to AED 8,653 million, representing 64% of total assets. Included in those are financial investments which require significant unobservable inputs in estimating fair value, and hence categorised within level 3 of the fair value hierarchy. As at 31 December 2023, 7% of financial investments measured at fair value were categorised within level 3. Due to the significance of financial investments measured at fair value, and the uncertainty in valuation involving significant judgement for unlisted equity and fund investments, valuation of these financial investments is considered a key audit matter.

As part of our audit procedures, we have:

- Evaluated and tested the design and operating effectiveness of key controls related to valuation of financial instruments, independent price verification, and independent model validation and approval, as applicable;
- Evaluated the valuation techniques, inputs, and assumptions through comparison with the valuation techniques commonly used in the markets, validation of observable inputs using external market data, and comparison with valuation outcomes obtained from various pricing sources, as applicable;

- For valuations which used significant unobservable inputs, such as unlisted equity investments and unquoted fund investments, we involved our internal valuation specialists in assessing the models used, re-performing independent valuations, and analysing the sensitivities of valuation results to key inputs and assumptions, as applicable; and
- We have assessed the adequacy of disclosure in line with the requirements of IFRSs.

#### **Valuation of investment properties**

As disclosed in note 8 to the consolidated financial statements, the Group's investment properties amounted to AED 414 million, representing 3% of total assets as at 31 December 2023.

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 recognising and performing valuation of investment properties, as applicable;
- 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 key 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 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, as applicable;
- 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
- We have assessed the adequacy of disclosure in line with the requirements of IFRSs.

## **Other information**

Other information consists of the information included in the Chairman's Report, Management's Discussion and Analysis and Annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Chairman's Report and Management Discussion and Analysis prior to the date of our audit report, and we expect to obtain the Annual Report after the date of our auditor's opinion. The Board of Directors and management are responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Memorandum and Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, 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 scepticism throughout the audit.

- 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;

We also:

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

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

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

From the matters communicated with those charged with

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

## Report on Other Legal and Regulatory Requirements

As required by UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- 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. (32) of 2021 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 notes 11 and 12 to the consolidated financial statements and include purchases and investment made by the Group during the year ended 31 December 2023;
- 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 2023, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2023; and
- viii) Note 22 to the consolidated financial statements discloses social contributions made during the year ended 31 December 2023.

Signed by  
**Walid Nakfour**

Partner  
**Ernst & Young**

Registration No. 5479

13 February 2024  
Abu Dhabi

## Consolidated Statement of Financial Position

as at 31 December

	Note	2023 AED '000	2022 AED '000
<b>ASSETS</b>			
Property and equipment, net	7	12,966	18,137
Right-of-use assets	19	23,431	35,245
Investment property	8	413,450	282,232
Goodwill and intangible assets	9	37,081	36,964
Loan investments	10	46,340	40,749
Investments in equity-accounted joint ventures	11	88,313	95,505
Financial investments	12	8,652,900	6,873,932
Inventories		2,522	2,216
Trade and other receivables	13	2,928,422	848,172
Cash and bank balances	14	866,942	797,349
		13,072,367	9,030,501
Assets held for sale	24	468,515	466,940
<b>Total assets</b>		<b>13,540,882</b>	<b>9,497,441</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	1,944,515	1,944,515
Treasury shares	15	(187,066)	(161,194)
Retained earnings		1,383,212	1,140,733
Reserves		616,912	577,069
Equity attributable to the Owners of the Company		3,757,573	3,501,123
Non-controlling interests		2,911,542	1,827,823
<b>Total equity</b>		<b>6,669,115</b>	<b>5,328,946</b>
<b>Liabilities</b>			
Borrowings	16	5,955,844	3,585,715
Financial liabilities	17	218,866	72,644
Deferred tax liability		3,286	-
Lease liabilities	19	21,420	34,368
Trade and other liabilities	18	672,351	475,768
<b>Total liabilities</b>		<b>6,871,767</b>	<b>4,168,495</b>
<b>Total equity and liabilities</b>		<b>13,540,882</b>	<b>9,497,441</b>

These consolidated financial statements were authorised for issue by the Board of Directors on 13 February 2024 and signed on their behalf by:

Waleed Al Mokarrab Al Muhairi

**Chairman**

Ahmed Ali Khalfan Al Dhaheri

**Vice Chairman**

Mohamed Hussain Al Nowais

**Managing Director**

## Consolidated Statement of Profit or Loss

for the year ended 31 December

	Note	2023 AED '000	2022 AED '000
Revenue from sale of goods and services	20	140,433	111,519
Cost of sale of goods and services	20	(107,456)	(90,368)
<b>Gross profit</b>		<b>32,977</b>	21,151
Share of profit from equity-accounted associates and joint ventures, net	11	5,059	13,410
Gain on disposal of equity-accounted associates and joint ventures	11	5,021	160,742
Income from financial investments, net	21	1,089,438	466,718
Income from investment property, net	8	59,790	45,570
Other income, net		30,116	12,728
<b>Net operating income</b>		<b>1,222,401</b>	720,319
General and administrative expenses	22	(259,650)	(174,413)
Finance cost, net	23	(139,311)	(119,885)
<b>Profit before tax from continuing operations</b>		<b>823,440</b>	426,021
Deferred tax expense		(3,286)	-
<b>Profit for the year from continuing operations</b>		<b>820,154</b>	426,021
<b>Discontinued operations</b>			
Loss for the year	24	-	(9,887)
Gain on disposal of a subsidiary	5.3	-	32,653
<b>Profit for the year from discontinued operations</b>		<b>-</b>	22,766
<b>Profit for the year</b>		<b>820,154</b>	448,787
<b>Profit for the year attributable to:</b>			
Owners of the Company		440,102	344,372
Non-controlling interests		380,052	104,415
<b>Profit for the year</b>		<b>820,154</b>	448,787
<b>Basic and diluted earnings per share attributable to the Owners of the Company (AED)</b>	15	<b>0.234</b>	0.184
<b>Basic and diluted earnings per share from continuing operations attributable to the Owners of the Company (AED)</b>		<b>0.234</b>	0.168



## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December

	2023 AED '000	2022 AED '000
<b>Profit for the year</b>	<b>820,154</b>	448,787
<b>Other comprehensive loss</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of changes in other reserves of equity-accounted associates and joint ventures (note 11.2)	<b>(4,255)</b>	(4,247)
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal (note 11.2)	<b>88</b>	2,213
<b>Other comprehensive loss for the year</b>	<b>(4,167)</b>	(2,034)
<b>Total comprehensive income for the year</b>	<b>815,987</b>	446,753
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>435,935</b>	342,338
Non-controlling interests	<b>380,052</b>	104,415
<b>Total comprehensive income for the year</b>	<b>815,987</b>	446,753

## Consolidated Statement of Changes in Equity

for the year ended 31 December

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000
At 1 January 2022	1,944,515	(267,184)	1,089,852	549,192
Profit for the year	-	-	344,372	-
Other comprehensive loss	-	-	-	-
Total comprehensive income / (loss)	-	-	344,372	-
Cash dividend (note 15)	-	-	(138,807)	-
Bonus shares	-	113,515	(113,515)	-
Purchase of treasury shares, net	-	(7,525)	-	-
Transfer to statutory reserve	-	-	(34,437)	34,437
Loss on acquisition of non-controlling interests	-	-	(9,488)	-
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-
Disposal of a subsidiary	-	-	2,756	-
<b>At 31 December 2022</b>	<b>1,944,515</b>	<b>(161,194)</b>	<b>1,140,733</b>	<b>583,629</b>
At 1 January 2023	1,944,515	(161,194)	1,140,733	583,629
Profit for the year	-	-	440,102	-
Other comprehensive loss	-	-	-	-
Total comprehensive income / (loss)	-	-	440,102	-
Cash dividend (note 15)	-	-	(150,681)	-
Purchase of treasury shares, net	-	(25,872)	-	-
Transfer to statutory reserve	-	-	(44,010)	44,010
Loss on acquisition of non-controlling interests	-	-	(2,932)	-
Contributions from non-controlling interests, net (note 5.2)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
<b>At 31 December 2023</b>	<b>1,944,515</b>	<b>(187,066)</b>	<b>1,383,212</b>	<b>627,639</b>

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
(4,526)	544,666	3,311,849	1,479,541	4,791,390
-	-	344,372	104,415	448,787
(2,034)	(2,034)	(2,034)	-	(2,034)
(2,034)	(2,034)	342,338	104,415	446,753
-	-	(138,807)	-	(138,807)
-	-	-	-	-
-	-	(7,525)	-	(7,525)
-	34,437	-	-	-
-	-	(9,488)	7,198	(2,290)
-	-	-	202,300	202,300
-	-	2,756	34,369	37,125
<b>(6,560)</b>	<b>577,069</b>	<b>3,501,123</b>	<b>1,827,823</b>	<b>5,328,946</b>
(6,560)	577,069	3,501,123	1,827,823	5,328,946
-	-	440,102	380,052	820,154
(4,167)	(4,167)	(4,167)	-	(4,167)
(4,167)	(4,167)	435,935	380,052	815,987
-	-	(150,681)	-	(150,681)
-	-	(25,872)	-	(25,872)
-	44,010	-	-	-
-	-	(2,932)	(1,605)	(4,537)
-	-	-	708,115	708,115
-	-	-	(2,843)	(2,843)
<b>(10,727)</b>	<b>616,912</b>	<b>3,757,573</b>	<b>2,911,542</b>	<b>6,669,115</b>

## Consolidated Statement of Cash Flows

for the year ended 31 December

	Note	2023 AED '000	2022 AED '000
<b>Cash flows from operating activities</b>			
Profit for the year from continuing operations		820,154	426,021
Profit for the year from discontinued operations		-	22,766
Profit for the year		820,154	448,787
<b>Adjustments for:</b>			
Depreciation on property and equipment, net	7	8,604	11,207
Depreciation on right-of-use assets	19	11,814	12,505
Finance cost, net		139,311	123,922
Charge for employees' end-of-service benefits		4,465	5,567
Income from financial assets at fair value through profit or loss	21	(1,089,438)	(466,718)
Share of profit from equity-accounted associates and joint ventures, net	11.2	(5,059)	(13,410)
Gain on disposal of equity-accounted associates and joint ventures	11.1	(5,021)	(160,742)
Gain on disposal of investment property	8	-	(554)
Fair value gain on investment property	8	(15,061)	(508)
Dividend from equity-accounted associates and joint ventures	11.2	5,186	13,035
Amortisation and write-off intangible assets	9	-	316
Provision for expected credit losses		6,947	4,058
Proceeds from disposal of equity-accounted associates and joint ventures		7,919	233,820
Investments in financial assets at FVTPL		(543,308)	(21,172)
Loans obtained / (repaid) for financial assets at FVTPL	16	2,305,404	(296,999)
Finance cost paid on loans obtained against financial assets at FVTPL		(63,385)	(46,009)
Interest expense on lease liabilities	19	(1,888)	(6,131)
Gain on disposal of subsidiary	5.3	-	(32,653)
<b>Changes in working capital:</b>			
Change in inventories		(306)	(169)
Change in trade and other receivables		(2,079,962)	(221,984)
Change in trade and other liabilities		168,968	74,976

	Note	2023 AED '000	2022 AED '000
<b>Net cash used in operations</b>		<b>(324,656)</b>	(338,856)
Employees' end-of-service benefits paid		<b>(1,247)</b>	(3,533)
<b>Net cash used in from operating activities</b>		<b>(325,903)</b>	(342,389)
<b>Cash flows from investing activities</b>			
Purchase of intangibles, net	9	<b>(107)</b>	(30)
Payments made for development of investment property	8	<b>(117,732)</b>	(40,374)
Purchase of property and equipment, net	7	<b>(3,433)</b>	(6,415)
Proceeds from disposal of a subsidiary, net of cash disposed	5.3	-	62,405
Proceeds from disposal of investment properties		-	4,155
Interest received	23	<b>45,129</b>	10,554
<b>Net cash (used in) / generated from investing activities</b>		<b>(76,143)</b>	30,295
<b>Cash flows from financing activities</b>			
Finance cost paid on borrowings		<b>(119,102)</b>	(82,336)
Lease liabilities principal paid		<b>(12,948)</b>	(10,179)
Loans repaid	16	<b>(34,546)</b>	(275,190)
Loans obtained	16	<b>91,971</b>	35,344
Dividends paid	15	<b>(150,681)</b>	(138,807)
Contributions from non-controlling interest holders, net		<b>708,115</b>	202,300
Acquisition non-controlling interest holders		<b>(4,537)</b>	(2,290)
Distributions paid to non-controlling interest holders		<b>(2,843)</b>	-
Proceeds from treasury shares sale		<b>1,801</b>	-
Loan investment provided including accrued interest		<b>(5,591)</b>	(40,749)
<b>Net cash generated from / (used in) financing activities</b>		<b>471,639</b>	(311,907)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>69,593</b>	(624,001)
Cash and cash equivalents at 1 January		<b>797,349</b>	1,421,350
<b>Cash and cash equivalents on 31 December</b>	14	<b>866,942</b>	797,349

# 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 jointly controlled entities (“joint ventures”).

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

## 2. Basis of preparation

### (a) Statement of compliance

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

### (b) Basis of measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers 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 2023, as follows:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 - Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024

## (e) New regulations

### UAE corporate income tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.



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

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023.

The Group will continue to monitor the publication of subsequent Decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to the position at subsequent reporting dates.

### 3. Significant accounting policies

#### (a) Basis of consolidation

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

##### (i) Subsidiaries

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

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup balances, equity, income, expenses, and cash flows resulting from intragroup transactions are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

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

##### (ii) Business combinations

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

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

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

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

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

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

### **(iii) Investments in equity-accounted associates and joint ventures**

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

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

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

losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

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

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

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

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

#### (iv) Associates designated at FVTPL

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

### (b) Non-current assets held for sale and discontinued operations

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

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

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 as 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)).

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.

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

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.

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

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

All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

### (c) Property and equipment

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

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

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

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

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

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

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

### (d) Investment property

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

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

## (e) Goodwill and intangible assets

### (i) Goodwill

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

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

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

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

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

### (ii) Other intangible assets acquired in a business combination

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

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

Description	Estimated useful lives
Trademarks	5 to 10 years
Licenses	5 years
Contracts	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) Derecognition 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, considering 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, loan investments and cash and bank balances are measured at amortised cost less any impairment. Interest income is recognised on an effective interest basis, except for short-term receivables when the recognition of interest would be immaterial.

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

#### Equity instruments

A financial asset is held for trading if:

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

Investments in equity instruments designated at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments. The Group holds equity investments and has not elected to carry these investments at FVTOCI with changes in fair value through other comprehensive income.

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’.

### (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 guaranteed contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

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

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

### (iv) Reclassification

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

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

Reclassification is not allowed for:

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

### (v) Derecognition

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

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

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



## **(vi) Offsetting**

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

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

## **(vii) Repurchase and reverse repurchase contracts**

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

## **(viii) Foreign exchange gains and losses**

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

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

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

## **(ix) Derivative financial instruments**

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

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

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit

immediately unless: (i) the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship or (ii) the derivative is capitalised as unearned income and subsequently recognised in profit or loss over the life of the options and warrants.

### **Embedded derivatives**

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

## **(x) Hedge accounting**

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

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

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

### **Cash flow hedges**

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

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

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

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

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

#### (xi) Impairment of financial assets

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

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

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

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

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

#### Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread);

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil 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 considering 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 another financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### Write-off policy

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

### Measurement and recognition of expected credit losses

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

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

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments;
- past-due status;
- nature, size, and industry of debtors;
- nature of collaterals, if applicable; and
- external credit ratings where available.

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

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

## (j) Foreign currencies

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

## (k) Revenue recognition

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

### (i) Sale of goods and services

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

**Step 1** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3** Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

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

- a) the Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date;
- b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- c) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

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

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

Revenue is measured at the fair value of the consideration received or receivable, considering 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) Public markets transactions**

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

# **(l) Leasing**

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

## **(i) The Group as lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **(ii) The Group as lessee**

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

### **Right-of-use assets**

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

### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

### **Short-term leases and leases of low-value assets**

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

## **(m) Employee benefits**

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



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

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

## **(n) Borrowing costs**

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

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

## **(o) Government grants**

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

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

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

## **(p) Statutory reserve**

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

## **(q) Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from 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.

## **(r) Taxes**

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## 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 capitalisation approach, comparable method, and residual value method. Based on the revaluation, a fair value increase of AED 15,061 thousand was recognised in the current year (2022: AED 508 thousand). The fair valuation methodology of the investment properties are disclosed in note 8.

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

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

The recoverable amount of the investment in Petronash was determined using the income approach (discounted cash flows), the market approach (EBIDA multiples) including an analysis over the operational and financial performance of the Company.

Based on estimates of recoverable amount developed in accordance with these assumptions, an impairment of nil was recognised (2022: nil).

#### (iii) Impairment of goodwill

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

#### (iv) Allowance for expected credit losses

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

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

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

As at 31 December 2023, provision for expected credit losses on trade receivables amounting to AED 1,722,709 thousand (2022: AED 129,556 thousand) amounted to AED 16,815 thousand (2022: AED 16,832 thousand) and provision for expected credit losses on other receivables amounting to AED 69,529 thousand (2022: AED 61,710 thousand) amounted to AED 5,243 thousand (2022: AED 534 thousand). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

#### (v) Fair value of financial instruments

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

### (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) 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.



### (iii) 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.

### (iv) 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 Group on initial recognition of the lease uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment. The Company determined its incremental borrowing rate at 5.28% - 7.00% in respect of the lease liabilities (note 19).

## 5. Composition of the Group

### 5.1 Subsidiaries

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

Subsidiary	Country of incorporation	Principal activity	Group's shareholding	
			2023	2022
Private Investments				
Al Waha Land LLC	UAE	Industrial Real Estate	100%	100%
WPI Health Investment LLC <sup>3</sup>	UAE	Healthcare	100%	100%
Waha VAS Limited <sup>1</sup>	Cayman Islands	Investment in Optasia	100%	100%
Waha Energy Limited <sup>2</sup>	Cayman Islands	Energy	100%	100%
Asset Management				
Waha Investment PrJSC	UAE	Investment Manager	100%	100%
Waha Investment Management Company SPC <sup>4</sup>	Cayman Islands	Financial Investments	100%	100%

<sup>1</sup> Holding Company carrying an investment in Optasia (note 11).

<sup>2</sup> Holding Company carrying special purpose vehicles for investments in Petronash Global Limited and NESR Corp (note 11 and 12).

<sup>3</sup> During 2022, the Group has restructured its owned healthcare subsidiaries. As part of the restructuring, the Group founded a new entity WPI Health Investment LLC which retains the Group's remaining interest in healthcare entities (note 5.2b).

The Group disposed its entire holding in Anglo Arabian Healthcare Investments LLC post restructuring and sale transaction was completed on 26 July 2022 (note 5.3).

<sup>4</sup> Waha Investment Management Company SPC owns 51.2% of Waha MENA Equity Fund SP (2022: 59.7%), 54.7% of Waha Emerging Markets Credit Fund SP (previously referred to as the Waha CEEMEA Credit Fund SP) (2022: 63.2%), 65.0% of Waha Islamic Income Fund SP (2022: 78.7%) and 100.0% of Waha EM Equity Fund SP (2022: 100%).

## 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 and this represents amounts before intragroup eliminations.

Statement of financial position	2023 AED '000	2022 AED '000
Total assets	11,169,755	7,260,381
Total liabilities	(4,914,173)	(2,423,197)
Non-controlling interests <sup>1</sup>	(2,912,407)	(1,823,785)
<b>Equity attributable to the Owners of the Company</b>	<b>3,343,175</b>	<b>3,013,399</b>

<sup>1</sup> Movement in non-controlling interests includes: a) net investment into Waha MENA Equity Fund SP of AED 345,579 thousand (2022: AED 212,404 thousand); b) net investments from Waha Emerging Markets Credit Fund SP (previously referred to as the Waha CEEMEA Credit Fund SP) of AED 327,694 thousand (2022: net redemptions of AED 23,514 thousand); c) investment of AED 34,842 thousand into Waha Islamic Income Fund SP (2022: AED 11,310 thousand); d) investment of nil (2022: AED 2,100 thousand) in WPI Health Investment LLC.

Movement in equity attributable to the Owners of the Company includes: a) redemption of AED 245,885 thousand from Waha MENA Equity Fund SP (2022: AED 116,532 thousand) and the Group's ownership decreased from 59.7% to 51.2%; b) net redemption of AED 25,746 thousand (2022: AED 29,822 thousand) from Waha Emerging Markets Credit Fund SP (previously referred to as the Waha CEEMEA Credit Fund SP) and the Group's ownership decreased from 63.2% to 54.7%; c) The Group redeemed AED 86,433 thousand (2022: AED 12,873 thousand) from Waha EM Equity Fund SP resulting in no change in the Group's ownership of 100.0%.

Statement of profit or loss	Year ended 31 December 2023 AED '000	Year ended 31 December 2022 AED '000
Income from financial investments	1,162,596	496,634
Expenses	(33,992)	(50,144)
<b>Profit for the year</b>	<b>1,128,604</b>	<b>446,490</b>
Profit attributable to Owners of the Company	745,255	329,180
Profit attributable to the non-controlling interests	383,349	117,310
<b>Profit for the year</b>	<b>1,128,604</b>	<b>446,490</b>
<b>Statement of cash flows</b>		
Net cash inflow / (outflow) from operating activities	266,940	(34,988)
Net cash inflow / (outflow) from financing activities	289,794	(25,158)
<b>Net cash inflow / (outflow)</b>	<b>556,734</b>	<b>(60,146)</b>

## 5.2b WPI Health Investment LLC

WPI Health Investment LLC (WPI) is a holding company for the Group's 70% (2022: 70%) ownership interest in Health Bay Polyclinic and 100% (2022: 100%) in IVF Investment LLC.

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

<b>Statement of financial position</b>	<b>2023 AED '000</b>	<b>2022 AED '000</b>
Non-current assets	<b>61,530</b>	75,658
Current assets	<b>43,912</b>	43,154
Total liabilities	<b>(53,603)</b>	(60,248)
Non-controlling interests	<b>865</b>	(2,433)
<b>Equity attributable to the Owners of the Company</b>	<b>52,704</b>	56,131
	<b>Year ended 31 December 2023 AED '000</b>	<b>Year ended 31 December 2022 AED '000</b>
Income	<b>141,043</b>	85,440
Expenses, net	<b>(144,481)</b>	(95,703)
<b>Loss for the year</b>	<b>(3,438)</b>	(10,263)
Loss attributable to Owners of the Company	<b>(141)</b>	(5,972)
Loss attributable to the non-controlling interests	<b>(3,297)</b>	(4,291)
<b>Loss for the year</b>	<b>(3,438)</b>	(10,263)
<b>Statement of cash flows</b>		
Net cash inflow from operating activities	<b>11,236</b>	20,309
Net cash outflow from investing activities	<b>(2,869)</b>	(2,521)
Net cash outflow from financing activities	<b>(11,745)</b>	(5,694)
<b>Net cash (outflow) / inflow</b>	<b>(3,378)</b>	12,094

### 5.3 Disposal of a subsidiary

On 24 May 2022, the Group entered into a sale and purchase agreement to sell its subsidiary, Anglo Arabian Healthcare Investment (AAHI), which was completed on 26 July 2022 with a consideration amounting to AED 100,000 thousand paid in four tranches of AED 25,000 thousand each. As of 31 December 2022, an amount of AED 25,000 thousand which was due on 30th December 2022 is still outstanding. Litigation proceedings have been filed to recover the debt plus interest and legal costs against the buyer in line with the sale and purchase agreement. Results of discontinued operations, which have been included in consolidated statement of profit or loss are disclosed in note 24.

The net assets of AAHI at the date of disposal were as follows:

	26 July 2022 AED '000
<b>Assets</b>	
Property and equipment, net (note 7)	13,463
Right-of-use assets (note 19)	83,587
Goodwill and intangible assets (note 9)	41,733
Inventories	13,557
Trade and other receivables	42,236
Cash and bank balances	3,069
<b>Liabilities</b>	
Borrowings (note 16)	(689)
End-of-service benefit provision	(8,447)
Lease liabilities (note 19)	(107,059)
Trade and other liabilities	(63,337)
<b>Net assets disposed</b>	<b>18,113</b>
<b>Gain on disposal of a subsidiary</b>	
Consideration	100,000
Net assets disposed	(18,113)
Non-controlling interests	(39,708)
Gain on disposal	42,179
Transaction costs	(9,526)
<b>Net gain on disposal</b>	<b>32,653</b>

	For the period from 1 January 2022 to 26 July 2022 AED '000
<b>Net cash inflow on disposal of a subsidiary</b>	
Consideration received in cash and cash equivalents	75,000
Less: transaction costs	(9,526)
Less: cash and cash equivalent balances disposed	(3,069)
	<b>62,405</b>

## 6. Operating segments

### Private Investments

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

### Waha Land

Waha Land segment represents the Group's interest in industrial real estate.

### Public Markets

The Public 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:

<b>AED '000 2023</b>	<b>Private Investments</b>	<b>Waha Land</b>	<b>Public Markets</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenue from sale of goods and services	<b>140,433</b>	-	-	-	<b>140,433</b>
Cost of sale of goods and services	<b>(107,456)</b>	-	-	-	<b>(107,456)</b>
Share of profit from equity-accounted associates and joint ventures, net	<b>5,059</b>	-	-	-	<b>5,059</b>
Gain on disposal of equity-accounted associates and joint ventures	<b>5,021</b>	-	-	-	<b>5,021</b>
Income / (loss) from financial investments, net	<b>(44,886)</b>	-	<b>1,134,324</b>	-	<b>1,089,438</b>
Income from investment property, net	-	<b>59,790</b>	-	-	<b>59,790</b>
Other income, net	<b>610</b>	<b>1,231</b>	<b>28,272</b>	<b>3</b>	<b>30,116</b>
General and administrative expenses – parent	<b>(17,707)</b>	-	<b>(106,139)</b>	<b>(74,026)</b>	<b>(197,872)</b>
General and administrative expenses – subsidiaries	<b>(35,706)</b>	<b>(13,446)</b>	<b>(12,626)</b>	-	<b>(61,778)</b>
Finance (cost) / income, net	<b>4,303</b>	<b>(4,020)</b>	<b>(21,308)</b>	<b>(118,286)</b>	<b>(139,311)</b>
Profit / (loss) before tax	<b>(50,329)</b>	<b>43,555</b>	<b>1,022,523</b>	<b>(192,309)</b>	<b>823,440</b>
Deferred tax	<b>(3,286)</b>	-	-	-	<b>(3,286)</b>
Profit / (loss) for the year	<b>(53,615)</b>	<b>43,555</b>	<b>1,022,523</b>	<b>(192,309)</b>	<b>820,154</b>
Other comprehensive loss	<b>(4,167)</b>	-	-	-	<b>(4,167)</b>

<b>AED '000 2022</b>	<b>Private Investments</b>	<b>Waha Land</b>	<b>Public Markets</b>	<b>Corporate</b>	<b>Consolidated</b>
Revenue from sale of goods and services	111,519	-	-	-	111,519
Cost of sale of goods and services	(90,368)	-	-	-	(90,368)
Share of profit from equity-accounted associates and joint ventures, net	13,410	-	-	-	13,410
Gain on disposal of equity-accounted associates and joint ventures	160,742	-	-	-	160,742
Income / (loss) from financial investments, net	(28,383)	-	495,101	-	466,718
Income from investment property, net	-	45,570	-	-	45,570
Other income, net	1,893	968	1,533	8,334	12,728
General and administrative expenses – parent	(15,849)	-	(62,137)	(41,276)	(119,262)
General and administrative expenses – subsidiaries	(33,543)	(8,536)	(13,072)	-	(55,151)
Finance (cost) / income, net	3,280	(3,148)	(36,311)	(83,706)	(119,885)
Profit / (loss) for the year from continuing operations	122,701	34,854	385,114	(116,648)	426,021
Profit from discontinued operations	22,766	-	-	-	22,766
Profit / (loss) for the year	145,467	34,854	385,114	(116,648)	448,787
Other comprehensive loss	(2,034)	-	-	-	(2,034)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the year (2022: 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 20,875 thousand (2022: AED 18,515 thousand) which arose from the Group's largest customer. One (2022: one) customer contributed 10% or more to the Group's revenue for 2023.

During the year, the Group recognised an impairment loss of nil (2022: nil) on investments in equity-accounted investees, and a fair value gain of AED 15,061 thousand (2022: AED 508 thousand) on investment properties in the Waha Land 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 192,309 thousand (2022: AED 116,648 thousand). This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



<b>AED '000 2023</b>	<b>Private Investments</b>	<b>Waha Land</b>	<b>Public Markets</b>	<b>Corporate</b>	<b>Consolidated</b>
Investment in equity-accounted associates and joint ventures	<b>88,313</b>	-	-	-	<b>88,313</b>
Other assets	<b>866,237</b>	<b>961,872</b>	<b>11,425,510</b>	<b>198,950</b>	<b>13,452,569</b>
Segment assets	<b>954,550</b>	<b>961,872</b>	<b>11,425,510</b>	<b>198,950</b>	<b>13,540,882</b>
Segment liabilities	<b>64,696</b>	<b>208,086</b>	<b>5,222,959</b>	<b>1,376,026</b>	<b>6,871,767</b>
Capital expenditures	<b>2,974</b>	<b>117,732</b>	<b>91</b>	<b>650</b>	<b>121,447</b>
Depreciation and amortisation and impairment of intangibles assets	<b>17,012</b>	<b>26</b>	<b>61</b>	<b>3,320</b>	<b>20,419</b>

<b>AED '000 2022</b>					
Investment in equity-accounted associates and joint ventures	95,505	-	-	-	95,505
Other assets	941,624	855,868	7,369,642	234,802	9,401,936
Segment assets	1,037,129	855,868	7,369,642	234,802	9,497,441
Segment liabilities	73,862	144,557	2,505,227	1,444,849	4,168,495
Capital expenditures	5,764	40,451	170	434	46,819
Depreciation and amortisation and impairment of intangibles assets	20,280	19	52	3,420	23,771

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 198,950 thousand (2022: AED 234,802 thousand)
- All liabilities are allocated to operating segments other than corporate liabilities of AED 1,376,026 thousand (2022: AED 1,444,849 thousand)

## 7. Property and equipment, net

	Leasehold improvements AED '000	IT equipment, furniture and fittings AED '000	Medical and other equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Total AED '000
Useful economic lives (years)	3 - 5	3 - 5	5 - 7	3		
<b>Cost</b>						
At 1 January 2022	45,863	40,541	92,153	2,333	381	181,271
Additions	1,109	1,824	3,384	86	12	6,415
Transfers	297	68	-	-	(365)	-
Assets classified into a disposal group (note 5)	(11,106)	(20,820)	(52,803)	(605)	-	(85,334)
At 31 December 2022	36,163	21,613	42,734	1,814	28	102,352
Additions	676	1,120	1,258	-	581	3,635
Transfers	-	7	-	-	(7)	-
Disposals	-	-	(21)	-	(202)	(223)
<b>At 31 December 2023</b>	<b>36,839</b>	<b>22,740</b>	<b>43,971</b>	<b>1,814</b>	<b>400</b>	<b>105,764</b>
<b>Accumulated depreciation and impairment</b>						
At 1 January 2022	34,891	34,386	73,573	2,029	-	144,879
Charge for the year <sup>1</sup>	2,952	1,368	6,693	194	-	11,207
Assets classified into a disposal group (note 5)	(6,214)	(16,456)	(48,596)	(605)	-	(71,871)
At 31 December 2022	31,629	19,298	31,670	1,618	-	84,215
Charge for the year <sup>1</sup>	2,646	1,188	4,673	97	-	8,604
Disposals	-	-	(21)	-	-	(21)
<b>At 31 December 2023</b>	<b>34,275</b>	<b>20,486</b>	<b>36,322</b>	<b>1,715</b>	<b>-</b>	<b>92,798</b>
<b>Net carrying amount</b>						
<b>At 31 December 2023</b>	<b>2,564</b>	<b>2,254</b>	<b>7,649</b>	<b>99</b>	<b>400</b>	<b>12,966</b>
As at 31 December 2022	4,534	2,315	11,064	196	28	18,137

<sup>1</sup> Depreciation expense of AED 4,648 thousand is included in “Cost of sales of goods and services” (2022: AED 4,634 thousand), AED 3,956 thousand is included in “General and Administrative expenses” (2022: AED 3,897 thousand) and nil included in “Discontinued operations” (2022: AED 2,676 thousand).

## 8. Investment property

	2023 AED '000	2022 AED '000
At 1 January	282,232	711,422
Additions	117,732	40,374
Fair value gain	15,061	508
Disposal of investment property	-	(3,132)
Assets held for sale	(1,575)	(466,940)
<b>At 31 December</b>	<b>413,450</b>	<b>282,232</b>

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

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

The investment property is categorised into level 3 of the fair value hierarchy based on the inputs to the valuation technique accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 31 December 2023 was performed by management with reference to an accredited independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use. Valuation methodologies considered include:

- the Income Capitalisation Approach, where income receivable under comparable leases, existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation date.;
- the Comparable Method, which identifies identical or similar assets (properties) that have been sold, analysing the sales prices achieved and the relevant market data and establishing value by comparison with those properties that have been sold;
- the Residual Value Method, which requires the use of estimates such as sale price, construction costs, professional fees, financing cost and targeted internal rate of return. These estimates are based on local market conditions existing at the end of the reporting period.

The Income Capitalisation Approach was used to derive the fair value of buildings where the discount rate used ranged from 10% – 12%. The Comparable Method and Residual Value Method were used to derive the fair value of land plots where the sales price ranged from AED 34 to AED 36 per sq. ft.

Based on the revaluation, a fair value increase of AED 15,061 thousand was recognised in the current year (2022: AED 508 thousand).

### Income from investment property, net

	2023 AED '000	2022 AED '000
Rental income	48,487	49,895
Operating costs	(3,758)	(5,387)
Gain on disposal	-	554
Fair value gain	15,061	508
	<b>59,790</b>	<b>45,570</b>

## 9. Goodwill and intangible assets

	Goodwill AED '000	Trademarks AED '000	Software AED '000	Total AED '000
<b>Useful economic lives (years)</b>	<b>Indefinite</b>	<b>5 - 10</b>	<b>3 - 5</b>	
<b>Cost</b>				
At 1 January 2022	77,930	28,344	9,686	115,960
Adjustments	-	-	(261)	(261)
Additions	-	-	30	30
Asset classified into a disposal group (note 5)	(41,423)	(3,392)	(524)	(45,339)
At 31 December 2022	36,507	24,952	8,931	70,390
Adjustments	-	-	554	554
Additions	-	-	107	107
<b>At 31 December 2023</b>	<b>36,507</b>	<b>24,952</b>	<b>9,592</b>	<b>71,051</b>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2022	-	28,344	8,633	36,977
Adjustments	-	-	(4)	(4)
Amortisation	-	-	59	59
Asset classified into a disposal group (note 5)	-	(3,392)	(214)	(3,606)
At 31 December 2022	-	24,952	8,474	33,426
Adjustments	-	-	544	544
Amortisation	-	-	-	-
<b>At 31 December 2023</b>	<b>-</b>	<b>24,952</b>	<b>9,018</b>	<b>33,970</b>
<b>Net carrying amount</b>				
<b>At 31 December 2023</b>	<b>36,507</b>	<b>-</b>	<b>574</b>	<b>37,081</b>
At 31 December 2022	36,507	-	457	36,964

Goodwill acquired through business combinations with indefinite useful lives is allocated to the Private Investments operating segment cash-generating units. The recoverable amounts of these cash-generating units were determined using market approach and key inputs in the methodology are EBITDA/revenue and their market-driven multiples. EBITDA/revenue cash flows projection is based on the most recent financial information and enterprise value is determined after taking account of cash outflows. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based, would not cause the aggregate carrying amount to exceed the recoverable amounts of the cash-generating units and hence the goodwill is not impaired.

## 10. Loan investments

	2023 AED '000	2022 AED '000
Loan to equity-accounted investees	46,340	40,749

During 2022, the Group provided an interest-bearing loan amounting to AED 36,044 thousand at a PIK interest rate of 13% per annum. The loan is repayable in five years. The loan can be extended by the borrower for one year. As of 31 December 2023, the loan is a stage 1 asset.

## 11. Investments in equity-accounted joint ventures

Carrying amount	2023 AED '000	2022 AED '000
Equity-accounted joint ventures	88,313	95,505

### 11.1 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 2023	
			2023	2022
Channel VAS Investments Limited <sup>1</sup>	Fintech	UAE	10.48%	10.83%
Petronash Global Limited <sup>2</sup>	Oil and gas services	Cayman Islands	32.09%	32.09%

<sup>1</sup> On 26 September 2017, the Group's Private Investments segment acquired a 20% equity stake in Dubai-based Channel VAS Investments Limited (Optasia), for a total consideration of AED 200.5 million. Optasia is a business in the fintech sector, operating in over 25 emerging markets in the Middle East, Africa, Asia, and Europe.

During 2022, the Group disposed of a 8.87% stake in its equity-accounted joint venture investment in Channel VAS Investments Limited for a consideration of AED 202,556 thousand, resulting in the recognition of gain on disposal of AED 129,479 thousand in the consolidated statement of profit or loss.

During the year, the Group disposed of a 0.35% stake in its equity-accounted joint venture investment in Channel VAS Investments Limited for a consideration of AED 2,898 thousand, resulting in the recognition of gain on disposal of AED 5,021 thousand in the consolidated statement of profit or loss.

<sup>2</sup> On 6 August 2018, the Group, along with co-investors, entered into a subscription agreement to acquire a 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 joint ventures. As at 31 December 2023, these options were valued at nil (2022: nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management (note 12).

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).

	<b>Optasia <sup>1</sup></b>	
	<b>2023</b> <b>AED '000</b>	2022 AED '000
<b>Statement of financial position</b>		
Current assets		
- cash and cash equivalents	<b>57,907</b>	28,889
- others	<b>241,180</b>	163,443
Non-current assets	<b>143,033</b>	128,892
Current liabilities		
- trade and other payables	<b>23,070</b>	35,576
- others	<b>53,343</b>	74,332
Non-current liabilities	<b>272,707</b>	162,544
Non-controlling interests	<b>8,016</b>	2,484
<b>Statement of profit or loss</b>		
Revenue	<b>438,119</b>	456,577
Expenses	<b>240,340</b>	256,547
Interest expense	<b>26,101</b>	7,414
Depreciation and amortisation	<b>25,072</b>	24,125
Other operating income / (loss)	<b>541</b>	(1,107)
Profit before tax	<b>147,147</b>	167,384
Income tax expense	<b>31,194</b>	43,146
Profit for the year	<b>115,953</b>	124,238
<b>Statement of cash flows</b>		
Dividends received during the year	<b>5,186</b>	11,594
<b>Group's share of contingencies</b>	<b>17,958</b>	10,243
<b>Group's share of commitments</b>	<b>-</b>	43

<sup>1</sup> The 2023 amounts disclosed above pertain to the eleven-month period ended and as of 30 November 2023. The 2022 amounts disclosed pertain to the twelve-month period ended and as of 31 December 2022.



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:

	<b>Optasia</b>	
	<b>2023</b> <b>AED '000</b>	2022 AED '000
Net assets of the joint venture	<b>84,984</b>	46,288
Proportion of the Group's ownership interest	<b>10.48%</b>	10.83%
Group's share of net assets of the joint venture	<b>8,906</b>	5,013
Goodwill	<b>42,750</b>	44,187
Intangible assets	<b>15,897</b>	19,331
Other adjustments	<b>11,404</b>	17,238
Carrying amount of joint venture	<b>78,957</b>	85,769

During the year, the Group recognised net share of loss of AED 380 thousand from joint ventures that are not individually material (2022: AED 1,006 thousand), the total carrying value of such investments amounting to AED 9,355 thousand (2022: AED 9,735 thousand).

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

	<b>2023</b> <b>AED '000</b>	2022 AED '000
As at 1 January	<b>95,505</b>	170,242
Disposals	<b>(2,898)</b>	(73,078)
Share of profit, net	<b>5,059</b>	13,410
Share of equity reserves	<b>(4,167)</b>	(2,034)
Distributions received	<b>(5,186)</b>	(13,035)
	<b>88,313</b>	95,505

## 12. Financial investments

	2023 AED '000	2022 AED '000
<b>Financial assets at fair value through profit or loss</b>		
Unquoted fund	426,103	470,965
Derivative assets <sup>1</sup>	238,542	99,385
Reverse repurchase contracts, net <sup>2</sup>	-	236,808
Listed fixed-income securities <sup>3</sup>	5,391,776	3,780,542
Listed equity securities	2,395,507	2,076,939
Convertible preference shares <sup>4</sup>	200,009	160,994
Other investments	963	48,299
	<b>8,652,900</b>	<b>6,873,932</b>

Financial investments held outside the UAE amount to AED 7,333,842 thousand (31 December 2022: AED 5,493,387 thousand).

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

<sup>2</sup> Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,119,760 thousand and corresponding liabilities of AED 2,137,898 thousand (31 December 2022: reverse repurchase receivables of AED 2,653,979 thousand and corresponding liabilities of AED 2,417,171 thousand). The repurchase agreements are subject to a master netting agreement.

<sup>3</sup> Listed fixed-income securities aggregating to AED 3,557,446 thousand (31 December 2022: AED 2,441,902 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

<sup>4</sup> On 20 August 2020, the Group entered into a subscription agreement with Despegar.com, an NYSE-listed online travel company in Latin America to acquire 50,000 Series B Preferred Shares, without par value for an aggregate purchase price of \$50 million. The terms of the transaction include an option to the holder to convert each Series B Preferred Shares into 108.1081 common shares of Despegar.com. Series B Preferred Shares carry an annual dividend of 4% which is payable on a quarterly basis. The issuer also has an option to enforce conversion at any time from the third to the seventh anniversary of the deal closing date, if for at least 10 consecutive trading days volume weighted average price of the common shares exceeds \$13.88 between the third and the fifth anniversary and \$12.49 between the fifth and the seventh anniversary. In addition, the issuer has the right to redeem at any time on or after the seventh anniversary in cash. The Group paid net cash consideration of AED 180,222 thousand for the transaction which was closed on 21 September 2020. As of reporting date, the fair value of the instrument is estimated at AED 200,009 thousand (31 December 2022: AED 160,994 thousand).

During 2018, in addition to the acquisition of Petronash, the Group also acquired additional rights in the form of options and warrants (the Options), pursuant to which the Group can increase its ownership up to 50% effective from 10 October 2018. Upon initial recognition, the fair value of the Options was deferred as unearned income and is recycled into the profit and loss account over the life of the Options. As at 31 December 2023, these options were valued at nil (2022: nil) because of the significant deterioration in the performance of the Company when compared to the initial assessment performed by management.

Maturity profiles of derivative assets are as follows:

	2023 Notional AED '000	2023 Fair value AED '000	2022 Notional AED '000	2022 Fair value AED '000
Due within 1 year	2,435,964	54,680	3,619,080	25,428
Due between 1 to 3 years	144,251	14,677	4,884,942	1,304
More than 3 years	816,295	169,185	1,876,861	72,653
	<b>3,396,510</b>	<b>238,542</b>	<b>10,380,883</b>	<b>99,385</b>

### 13. Trade and other receivables

	2023 AED '000	2022 AED '000
Trade receivables	1,722,709	129,556
Allowance for expected credit losses on trade receivables	(16,815)	(16,832)
	1,705,894	112,724
Prepayments and advances	6,900	20,315
Accrued interest	125,096	69,573
Amounts set aside for prior year dividends	15,742	37,634
Deposits under lien	1,045	1,040
Margin accounts	1,009,459	545,710
Other receivables	69,529	61,710
Allowance for expected credit losses on other receivables	(5,243)	(534)
	2,928,422	848,172

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

	2023 AED '000	2022 AED '000
Middle East	1,721,959	128,897
Europe	750	659
	1,722,709	129,556

The ageing of trade receivables as at 31 December is:

	2023			2022		
	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	<b>1,686,792</b>	<b>435</b>	<b>0-25%</b>	95,062	1,470	0 - 25%
Past due:						
Within 90 days	<b>2,739</b>	<b>216</b>	<b>5-35%</b>	3,571	283	5 - 35%
91 days - 180 days	<b>4,036</b>	<b>509</b>	<b>15-50%</b>	1,831	144	7 - 50%
181 days - 365 days	<b>2,337</b>	<b>515</b>	<b>25-75%</b>	2,023	652	30 - 75%
> 365 days	<b>26,805</b>	<b>15,140</b>	<b>40-100%</b>	27,069	14,283	50 - 100%
	<b>1,722,709</b>	<b>16,815</b>		129,556	16,832	

Movement in allowance for expected credit losses on trade receivables:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	<b>16,832</b>	73,461
Expected credit losses recognised during the year	<b>2,129</b>	4,309
Eliminated on disposal of subsidiary	-	(53,229)
Write-off	<b>(1,641)</b>	(7,709)
Other adjustments	<b>(505)</b>	-
Balance at the end of the year	<b>16,815</b>	16,832

Movement in allowance for expected credit losses on other receivables:

	2023 AED '000	2022 AED '000
Balance at the beginning of the year	<b>534</b>	989
Expected credit losses recognised during the year	<b>4,709</b>	10
Reversals	-	(22)
Eliminated on disposal of subsidiary	-	(443)
Balance at the end of the year	<b>5,243</b>	534

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% (2022: 0.55%) per annum. All deposits under lien are placed with UAE banks.

## 14. Cash and bank balances

	2023 AED '000	2022 AED '000
Deposits held with banks	96,450	99,306
Cash at banks	770,491	698,008
Cash in hand	56	90
	866,997	797,404
Less: Allowance for expected credit losses	(55)	(55)
Cash and cash equivalents	866,942	797,349

The interest rate on short-term deposits ranged between 4.80% - 5.73% (2022: 3.75% - 4.55%) per annum. All short-term deposits are placed with UAE banks.

## 15. Share capital and dividend

Authorised and fully paid-up capital	2023 AED '000	2022 AED '000
1,944,514,687 shares (2022: 1,944,514,687 shares) of AED 1 each	1,944,515	1,944,515

On 21 March 2023, the Company held its Annual General Meeting, which, among other things, approved a cash dividend of AED 150,681 thousand representing 8 fils per share (28 March 2022: approved a cash dividend of AED 138,807 thousand representing 7.55 fils per share and bonus shares of 2.45%).

A cash dividend of 10 fils per share is proposed for 2023 by the Board of Directors of the Company subject to the approval of the shareholders in the forthcoming Annual General Meeting.

On 17 September 2014, the Company's Board of Directors approved the implementation of a share buy-back programme for up to 10% of the outstanding shares of the Company. The Securities & Commodities Authority (SCA) approved the programme on 20 October 2014, which ended on 18 October 2016 and was subsequently approved for extension until 18 October 2019. This was further extended by 3 years until 18 October 2022 and consequently, this was extended until the date of the Annual General Meeting taking place in March 2024.

As of 31 December 2023, the Company holds 79,278,225 shares at AED 187,066 thousand.

The basic and diluted earnings per share for the year ended 31 December 2023 and 2022 has been calculated using the weighted average number of shares outstanding during the year after considering the effect of treasury shares.

	2023 AED '000	2022 AED '000
Profit for the year attributable to Owners of the Company (AED '000)	440,102	344,372
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,878,496,493	1,870,374,105
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	0.234	0.184

## 16. Borrowings

31 December 2023 AED '000					
	Effective Interest Rate	< 1 year	1 – 3 years	> 3 years	Total
Secured term loans <sup>1</sup>	SOFR+3% and 3m EIBOR +2.5%	1,334,448	28,388	101,838	1,464,674
Borrowings through repurchase agreements <sup>2</sup>	0.2% to +6.06%	4,491,170	-	-	4,491,170
		5,825,618	28,388	101,838	5,955,844

31 December 2022 AED '000					
	Effective Interest Rate	< 1 year	1–3 years	>3 years	Total
Secured term loans <sup>1</sup>	LIBOR+3% and 3m EIBOR +2.5%	1,325,716	51,429	22,804	1,399,949
Borrowings through repurchase agreements <sup>2</sup>	0.013% to +5.2%	2,185,766	-	-	2,185,766
		3,511,482	51,429	22,804	3,585,715

<sup>1</sup> On 15 August 2021, the Group completed the refinancing of its existing \$400 million secured revolving loan facility, replacing it with a 3-year \$500 million secured revolving loan facility. The facility is initially secured by a pledge over the Group's shareholding in Waha Land LLC and certain investments. As at 31 December 2023, an amount of nil was drawn down (2022: AED 1,302,012 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.

<sup>2</sup> Repurchase liabilities represent the Group's borrowings against its investment in listed fixed-income securities under repurchase contracts. 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 certain investments (refer to note 12).

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

	2023 AED '000	2022 AED '000
At 1 January	3,585,715	4,117,198
Loans drawn down	2,305,404	35,344
Loans obtained / (repaid) for financial assets at FVTPL	91,971	(296,999)
Loan arrangement and prepaid interest costs, net of amortisations	7,300	6,051
Loans repaid	(34,546)	(275,190)
Loans transferred to a disposal group (note 5)	-	(689)
	5,955,844	3,585,715

During the year, an amount of AED 57,425 thousand was net drawn down of 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 2,305,404 thousand.



## 17. Derivative liabilities

	2023 AED '000	2022 AED '000
<b>Financial liabilities at FVTPL</b>		
Derivative liabilities	<b>200,728</b>	72,644
Reverse repurchase agreements <sup>1</sup>	<b>18,138</b>	-
	<b>218,866</b>	72,644

<sup>1</sup> refer to note 12.

Maturity profiles of derivative liabilities are as follows:

	2023 Notional AED '000	2023 Fair value AED '000	2022 Notional AED '000	2022 Fair value AED '000
Due within 1 year	<b>36,780</b>	<b>9,489</b>	3,108	9,164
Due between 1 to 3 years	-	<b>10,045</b>	4,297	2,557
More than 3 years	<b>1,670,483</b>	<b>181,194</b>	592,912	60,923
	<b>1,707,263</b>	<b>200,728</b>	600,317	72,644

## 18. Trade and other liabilities

	2023 AED '000	2022 AED '000
Trade payables	<b>372,199</b>	212,918
Interest accrued on borrowings	<b>78,251</b>	54,072
Dividends payable	<b>15,744</b>	37,637
Long-term employee incentive plans accrual (note 27)	<b>78,211</b>	61,557
Deferred income	<b>5,288</b>	8,517
End-of-service benefit provision	<b>23,093</b>	19,875
Other payables and accruals	<b>99,565</b>	81,192
	<b>672,351</b>	475,768

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.

## 19. Leases

### The Group as lessee

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

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

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2022	99,649	119,918
Depreciation expense	(12,505)	-
Interest expense	-	6,131
Payments	-	(16,310)
New leases	17,918	17,918
Reassessment of lease terms <sup>1</sup>	13,770	13,770
Lease liabilities classified into a disposal group (note 5)	(83,587)	(107,059)
<b>As at 31 December 2022</b>	<b>35,245</b>	<b>34,368</b>
Depreciation expense	(11,814)	-
Interest expense	-	1,888
Payments	-	(14,836)
<b>As at 31 December 2023</b>	<b>23,431</b>	<b>21,420</b>

<sup>1</sup> During 2022, the Group's existing office lease was extended for a further five-year period hence lease liability was remeasured.

The following are the amounts recognised in profit or loss:

	2023 AED '000	2022 AED '000
Depreciation expense of right-of-use assets	11,814	12,505
Interest expense on lease liabilities	1,888	6,131
Expense relating to short-term leases	276	555
Total amount recognised in profit or loss	13,978	19,191

### The Group as lessor

Operating leases relate to the investment property owned by the Group with lease payments between 1 to 15 years (2022: 1 to 15 years).

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

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

	2023 AED '000	2022 AED '000
Within one year	46,031	40,123
Between 2 and 5 years	64,788	26,215
More than 5 years	2,012	6,228
	112,831	72,566

## 20. Revenue from sale of goods and services

	2023 AED '000	2022 AED '000
Revenue	140,433	111,519
Cost of sale	(107,456)	(90,368)
Gross profit	32,977	21,151

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

All revenues are generated within UAE.

## 21. Income from financial investments

	2023 AED '000	2022 AED '000
<b>Financial assets at fair value through profit or loss</b>		
Net (loss) / income from unquoted fund	(35,642)	53,021
Net income from derivatives	161,284	421,243
Net income from listed fixed-income securities	445,718	14,909
Net income from listed equity securities	521,237	25,988
Net income / (loss) from convertible preference shares	44,164	(22,219)
Others	(47,323)	(26,224)
	<b>1,089,438</b>	<b>466,718</b>

## 22. General and administrative expenses

	2023 AED '000			2022 AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	155,234	25,211	180,445	89,189	19,279	108,468
Legal and other professional expenses	16,352	14,445	30,797	12,016	17,240	29,256
Depreciation	3,396	3,334	6,730	3,453	3,260	6,713
Amortisation and write-of intangible assets	-	-	-	23	260	283
Marketing expenses	1,958	2,274	4,232	2,170	1,930	4,100
Provision for expected credit losses	4,709	2,238	6,947	-	833	833
Others <sup>1</sup>	16,223	14,276	30,499	12,411	12,349	24,760
	<b>197,872</b>	<b>61,778</b>	<b>259,650</b>	<b>119,262</b>	<b>55,151</b>	<b>174,413</b>

<sup>1</sup> During the current year, the Group made social contributions amounting to AED 3,027 thousand (2022: nil).

## 23. Finance cost, net

	2023 AED '000	2022 AED '000
Interest on borrowings	182,487	127,513
Interest on lease liabilities	1,888	2,054
Amortisation of loan arrangement costs	7,300	7,051
Interest income from loan investments at amortised cost	(5,622)	(4,705)
Interest earned on time deposits	(3,052)	(855)
Collateral and other interest income	(42,077)	(9,699)
Unwinding of interest on disposal of investment property	(1,613)	(1,474)
	139,311	119,885

## 24. Non-current asset held for sale and discontinued operations

On 24 May 2022, the Group entered into a sale and purchase agreement to sell its subsidiary, Anglo Arabian Healthcare Investment (AAHI), which was completed on 26 July 2022 with a consideration amounting to AED 100,000 thousand. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 5.3.

The results of the discontinued operations, which have been included in the profit for the period, were as follows:

	For the period from 1 January 2022 to 26 July 2022 AED '000	Year ended 31 December 2021 AED '000
Revenue from sale of goods and services	92,858	183,224
Cost of sale of goods and services	(83,842)	(156,128)
<b>Gross profit</b>	<b>9,016</b>	<b>27,096</b>
Other income, net	1,844	2,924
General and administrative expenses	(16,710)	(49,444)
Finance cost, net	(4,037)	(7,424)
<b>Loss for the period / year from discontinued operations</b>	<b>(9,887)</b>	<b>(26,848)</b>

The net cash flows incurred by AAHI are as follows:

	For the period from 1 January 2022 to 26 July 2022 AED '000	Year ended 31 December 2021 AED '000
Operating	2,804	8,493
Investing	(3,240)	(1,681)
Financing	(792)	(8,289)
<b>Net cash outflow</b>	<b>(1,228)</b>	<b>(1,477)</b>

During 2022, the Group has decided to sell a part of its investment property. As of 31 December 2023, asset held for sale amounted to AED 468,515 thousand (2022: AED 466,940 thousand). As a result, this portion was reclassified to an asset held for sale (note 8).

## 25. Related parties

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

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

### *Significant balances and transactions with related parties*

<i>Key management personnel compensation</i>	<b>2023 AED '000</b>	2022 AED '000
Short-term benefits	<b>11,731</b>	24,300
End-of-service and other long-term benefits	<b>417</b>	593
	<b>12,148</b>	24,893

## 26. Commitments

### **Capital commitments**

As at 31 December 2023, the Group has capital commitments of nil (2022: AED 130 thousand) with respect to WPI.

As at 31 December 2023, the Group has outstanding capital calls of AED 40,329 thousand (2022: AED 47,599 thousand) pertaining to its investment in unquoted fund.

## 27. Employee compensation

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

## 28. Financial instruments

### Overview

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

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

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

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management has established a committee comprising of senior management, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by an internal audit team. The internal audit team undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

### a) Credit risk

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

	<b>2023</b> <b>AED '000</b>	2022 AED '000
Cash and bank balances <sup>1</sup>	<b>866,886</b>	797,259
Trade and other receivables <sup>2</sup>	<b>2,921,522</b>	827,857
Loan investment	<b>46,340</b>	40,749
Financial investments at FVTPL	<b>8,652,900</b>	6,873,932
	<b>12,487,648</b>	8,539,797

<sup>1</sup> Cash and bank balances exclude cash in hand

<sup>2</sup> Trade and other receivables exclude prepayments and advances



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

#### **(iv) Derivative assets**

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

### **b) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which provides appropriate liquidity risk management guidance to the management for the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking and borrowing facilities, 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 2023 and 2022 are as follows:

AED '000

31 December 2023

	Current		Non-current		
Assets	<1 year	1–3 years	>3 years	Unspecified	Total
Property and equipment, net	-	-	-	12,966	12,966
Right-of-use assets	9,338	11,499	2,594	-	23,431
Investment property	-	-	-	413,450	413,450
Goodwill and intangible assets	-	-	-	37,081	37,081
Loan investments	46,340	-	-	-	46,340
Investments in equity-accounted associates and joint ventures	-	-	-	88,313	88,313
Financial investments	8,469,038	14,677	169,185	-	8,652,900
Inventories	2,522	-	-	-	2,522
Trade and other receivables	2,928,422	-	-	-	2,928,422
Cash and bank balances	866,942	-	-	-	866,942
Assets held for sale	468,515	-	-	-	468,515
<b>Total assets</b>	<b>12,791,117</b>	<b>26,176</b>	<b>171,779</b>	<b>551,810</b>	<b>13,540,882</b>
<b>Liabilities and equity</b>					
Borrowings	5,825,618	28,388	101,838	-	5,955,844
Financial liabilities	27,627	10,045	181,194	-	218,866
Lease liabilities	9,144	12,276	-	-	21,420
Deferred tax liability	-	-	-	3,286	3,286
Trade and other liabilities	649,258	-	-	23,093	672,351
Total equity	-	-	-	6,669,115	6,669,115
<b>Total liabilities and equity</b>	<b>6,511,647</b>	<b>50,709</b>	<b>283,032</b>	<b>6,695,494</b>	<b>13,540,882</b>

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

AED '000

31 December 2023

	<1 year	1–3 years	>3 years	Total
<b>Liabilities</b>				
Borrowings	5,960,653	32,832	121,766	6,115,251
Trade and other liabilities	544,405	-	-	544,405
Derivative liabilities	10,248	13,147	-	23,395
<b>Total liabilities</b>	<b>6,515,306</b>	<b>45,979</b>	<b>121,766</b>	<b>6,683,051</b>

31 December 2022

Current		Non-current		
< 1 year	1 – 3 years	> 3 years	Unspecified	Total
-	-	-	18,137	18,137
11,814	18,257	5,174	-	35,245
-	-	-	282,232	282,232
-	-	-	36,964	36,964
40,749	-	-	-	40,749
-	-	-	95,505	95,505
6,799,975	1,304	72,653	-	6,873,932
2,216	-	-	-	2,216
848,172	-	-	-	848,172
797,349	-	-	-	797,349
466,940	-	-	-	466,940
8,967,215	19,561	77,827	432,838	9,497,441
3,511,482	51,429	22,804	-	3,585,715
9,164	2,557	60,923	-	72,644
12,916	21,452	-	-	34,368
-	-	-	-	-
455,893	-	-	19,875	475,768
-	-	-	5,328,946	5,328,946
3,989,455	75,438	83,727	5,348,821	9,497,441

31 December 2022

<1 year	1–3 years	>3 years	Total
3,637,609	58,433	26,686	3,722,728
366,184	-	-	366,184
14,808	23,426	-	38,234
4,018,601	81,859	26,686	4,127,146

## c) Market risks

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

### i) Currency risk

The Group may be exposed to currency risk on financial investments, trade receivables and trade payables that are denominated in a currency other than the respective functional currencies of Group entities. In respect of the Group's transactions and balances denominated in US\$, Qatari Riyal (QAR), Saudi Riyal (SAR), the Group is not exposed to 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:

2023 AED '000	Assets	Liabilities	Net Exposure	Hedged	Effect on net equity for +/- 0.5% sensitivity
Euro	1,140,316	(996,812)	143,504	(141,064)	+/-1,423
Great British Pound	490	-	490	-	+/-2
Kuwaiti Dinar	368,587	(17,087)	351,500	-	+/-1,758
Bahraini Dinar	34,043	(1,449)	32,594	-	+/-163
Egyptian Pound	564,263	-	564,263	-	+/-2,821
Omani Riyal	85,689	(6,159)	79,530	-	+/-398
Others	26,676	(5,239)	21,437	-	+/-107
	2,220,064	(1,026,746)	1,193,318	(141,064)	+/-6,672

2022 AED '000	Assets	Liabilities	Net Exposure	Hedged	Effect on net equity for +/- 0.5% sensitivity
Euro	835,553	(706,046)	129,507	(125,490)	+/-1,275
Great British Pound	3,853	-	3,853	-	+/-19
Kuwaiti Dinar	78,480	(14,194)	64,286	-	+/-321
Bahraini Dinar	68,447	(3,827)	64,620	-	+/-323
Egyptian Pound	689,770	(13,412)	676,358	-	+/-3,382
Omani Riyal	870	-	870	-	+/-4
Others	21,437	-	21,437	-	+/-107
	1,698,410	(737,479)	960,931	(125,490)	+/-5,431

### (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 5,391,776 thousand at the end of the reporting period

(2022: AED 3,780,542 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 130,826 thousand at the end of the reporting period (2022: AED 698 thousand).

#### *Cash flow interest rate risk*

- The Group had floating rate non-derivative borrowings of AED 5,793,182 thousand at the end of the reporting period (2022: AED 3,487,778 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 47,406 thousand (2022: AED 39,078 thousand).

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

#### **(iii) Equity and fixed-income price risk**

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

#### **d) 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.

#### **e) 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 public 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 monitors its capital structure based on the covenants required by the Group's lenders of the Revolving Corporate facility ("RCF"). For the year ended 31 December 2023, a gearing ratio was computed and is defined as Borrowings over tangible assets as defined in the RCF agreement dated 15 August 2021.

The Group's gearing ratio reported to the Group's lenders of the Revolving Corporate facility ("RCF") as at 31 December 2023 was 0.28 (31 December 2022: 0.28) and was in compliance of the requirement of maximum of 0.60 times.

#### **f) 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:

	2023 AED '000	2022 AED '000	Fair value hierarchy	Valuation technique	Sensitivity Analysis
<b>Financial assets at fair value through profit or loss</b>					
a. Listed equity securities	<b>2,395,507</b>	2,076,939	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 119,775 thousand
b. Other investment in equity securities	<b>963</b>	48,299	Level 3	Valuation is based on Net Asset Values (NAV) and discounted cash flows using unobservable inputs, mainly discount rate, interest rate, share price and market volatilities of the underlying instrument.	± 5% change in NAV, impacts fair value by AED 48 thousand
c. Convertible preference shares	<b>200,009</b>	160,994	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares	± 5% change in quoted bid prices, impacts fair value by AED 10,000 thousand
d. Listed fixed-income securities	<b>5,391,776</b>	3,780,542	Level 1	Quoted bid prices in an active market	± 5% change in quoted bid prices, impacts fair value by AED 269,589 thousand
e. Reverse repurchase contracts	-	236,808	Level 2	The valuation is based on broker quotes	
f. Derivative assets	<b>238,542</b>	99,385	Level 2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 11,927 thousand
g. Unquoted fund	<b>426,103</b>	470,965	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 21,305 thousand
<b>Financial liabilities at fair value through profit or loss</b>					
a. Derivative liabilities	<b>(200,728)</b>	(72,644)	Level2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 10,036 thousand
b. Reverse repurchase contracts	<b>(18,138)</b>	-	Level2	The valuation is based on broker quotes	± 5% change in broker quotes impacts fair value by AED 907 thousand



**2023**  
**AED '000**

<b>Financial assets</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets at FVTPL</b>				
Investment in equity securities	<b>2,395,507</b>	<b>2,395,507</b>	-	-
Other investment in equity securities	<b>963</b>	-	-	<b>963</b>
Convertible preference shares	<b>200,009</b>	-	-	<b>200,009</b>
Investment in fixed-income securities	<b>5,391,776</b>	<b>5,391,776</b>	-	-
Derivative assets	<b>238,542</b>	-	<b>238,542</b>	-
Reverse repurchase contracts	-	-	-	-
Unquoted fund	<b>426,103</b>	-	-	<b>426,103</b>
<b>Total</b>	<b>8,652,900</b>	<b>7,787,283</b>	<b>238,542</b>	<b>627,075</b>
<b>Financial liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities at FVTPL</b>				
Derivative liabilities	<b>(200,728)</b>	-	<b>(200,728)</b>	-
Reverse repurchase contracts	<b>(18,138)</b>	-	<b>(18,138)</b>	-
<b>Total</b>	<b>(218,866)</b>	-	<b>(218,866)</b>	-

**2022**  
**AED '000**

<b>Financial assets</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets at FVTPL</b>				
Investment in equity securities	2,076,939	2,076,939	-	-
Other investment in equity securities	48,299	-	-	48,299
Convertible preference shares	160,994	-	-	160,994
Investment in fixed-income securities	3,780,542	3,780,542	-	-
Derivative assets	99,385	-	99,385	-
Reverse repurchase contracts	236,808	-	236,808	-
Unquoted fund	470,965	-	-	470,965
<b>Total</b>	<b>6,873,932</b>	<b>5,857,481</b>	<b>336,193</b>	<b>680,258</b>
<b>Financial liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities at FVTPL</b>				
Derivative liabilities	(72,644)	-	(72,644)	-
Reverse repurchase contracts	-	-	-	-
<b>Total</b>	<b>(72,644)</b>	-	<b>(72,644)</b>	-

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

**Reconciliation of Level 3 fair value movements**

	<b>2023</b> <b>AED '000</b>	2022 AED '000
At 1 January	<b>680,258</b>	321,405
(Redemptions) / additions, net	<b>(4,712)</b>	367,326
Decrease in fair value through profit or loss, net	<b>(48,471)</b>	(8,473)
	<b>627,075</b>	680,258

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

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

# Company Information

## Board of Directors

### Chairman

Waleed Al Mokarrab Al Muhairi

### Vice-Chairman

Ahmed Ali Khalfan Al Mutawa Al Dhaheri

### Directors

Rashed Darwish Al Ketbi

Mohamed Hussain Al Nowais

Rasheed Ali Al Omaira

Nader Al Hammadi

Homaïd Al Shimmari

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### Shareholders enquiries

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

### Investor relations enquiries

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

### Online Communications

Financial results, events and corporate reports are all stored in the investor relations section of our website: [www.wahacapital.com/investor-relations](http://www.wahacapital.com/investor-relations)

Market disclosures can also be found on the ADX website: [www.adx.ae](http://www.adx.ae)

2023 Annual Report and Accounts:  
[www.wahacapital.com/investor-relations/financial-reports](http://www.wahacapital.com/investor-relations/financial-reports)

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