



Report and condensed consolidated financial information for the six month period ended 30 June 2022

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS AL WAHA CAPITAL PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al Waha Capital PJSC ("the Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three month and six month periods then ended and the condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.

Signed by:
Mohammad Mobin Khan
Partner
Ernst & Young
Registration No. 532

4 August 2022
Abu Dhabi

Condensed consolidated statement of financial position

	Note	As at 30 June 2022 (Unaudited) AED '000	As at 31 December 2021 (Audited) AED '000
ASSETS			
Property and equipment, net		19,539	36,392
Right-of-use assets	17	33,839	99,649
Investment property	7	245,400	711,422
Goodwill and intangible assets		37,174	78,983
Loan investments	8	36,987	-
Investments in equity-accounted associates and joint ventures	9	169,440	170,242
Financial investments	10	6,196,140	6,414,024
Inventories		2,096	15,604
Trade and other receivables	11	878,735	641,900
Cash and bank balances	12	665,968	1,421,350
		8,285,318	9,589,566
Assets held for sale	6	668,216	-
Total assets		8,953,534	9,589,566
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,944,515	1,944,515
Treasury shares		(153,669)	(267,184)
Retained earnings		924,812	1,089,852
Reserves		544,666	544,666
Equity attributable to the Owners of the Company		3,260,324	3,311,849
Non-controlling interests		1,544,668	1,479,541
Total equity		4,804,992	4,791,390
Liabilities			
Borrowings	14	3,504,394	4,117,198
End of service benefit provision		19,004	26,288
Derivative liabilities	15	115,566	100,626
Lease liabilities	17	35,444	119,918
Trade and other liabilities	16	298,956	434,146
		3,973,364	4,798,176
Liabilities directly associated with the assets held for sale	6	175,178	-
Total liabilities		4,148,542	4,798,176
Total equity and liabilities		8,953,534	9,589,566

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 4 August 2022 and signed on their behalf by:

Chairman

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Chief Executive Officer

SigID: 09b932afd873f20ac42e8cc14fb36933cb0ao59df1f1...

Acting Chief Financial Officer

The notes numbered 1 to 23 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss

	Note	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Continuing operations					
Revenue from sale of goods and services	18	55,375	65,719	28,695	33,576
Cost of sale of goods and services	18	(44,367)	(45,528)	(22,931)	(23,753)
Gross profit		11,008	20,191	5,764	9,823
Share of profit / (loss) from equity-accounted associates and joint ventures, <i>net</i>	9	4,986	(10,142)	2,303	(4,471)
Impairment of equity-accounted associates and joint ventures		-	(32,014)	-	(32,014)
Gain on disposal of equity-accounted associates and joint ventures		31,263	50,511	31,263	50,511
Income from financial investments, <i>net</i>	19	149,853	501,536	(107,815)	277,748
Income from investment property, <i>net</i>		24,572	23,212	12,430	11,542
Other income / (expense), <i>net</i>		2,318	(5,110)	1,827	(6,080)
Net operating income / (loss)		224,000	548,184	(54,228)	307,059
General and administrative expenses	20	(64,593)	(107,726)	(17,613)	(53,284)
Finance cost, <i>net</i>	21	(54,284)	(41,800)	(28,547)	(21,514)
Profit / (loss) for the period from continuing operations		105,123	398,658	(100,388)	232,261
Discontinued operations					
Loss for the period from discontinued operations	6	(6,430)	(15,580)	(1,008)	(11,678)
Profit / (loss) for the period		98,693	383,078	(101,396)	220,583
Profit / (loss) for the period attributable to:					
Owners of the Company		87,282	264,481	(59,342)	153,900
Non-controlling interests		11,411	118,597	(42,054)	66,683
Profit / (loss) for the period		98,693	383,078	(101,396)	220,583
Basic and diluted earnings / (loss) per share attributable to the Owners of the Company (AED)					
	13	0.046	0.144	(0.032)	0.084
Basic and diluted earnings / (loss) per share from continuing operations attributable to the Owners of the Company (AED)					
	13	0.043	0.135	(0.032)	0.077

The notes numbered 1 to 23 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Profit / (loss) for the period	98,693	383,078	(101,396)	220,583
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss:				
Share of change in other reserves of equity- accounted associates and joint ventures	-	(67)	-	-
Release of share of other reserves of equity- accounted associates and joint ventures upon disposal	-	(6)	-	(6)
	-	(73)	-	(6)
Total comprehensive income / (loss) for the period	98,693	383,005	(101,396)	220,577
Total comprehensive income / (loss) attributable to:				
Owners of the Company	87,282	264,408	(59,342)	153,894
Non-controlling interests	11,411	118,597	(42,054)	66,683
Total comprehensive income / (loss) for the period	98,693	383,005	(101,396)	220,577

Condensed consolidated statement of changes in equity

For the six month period ended 30 June

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
At 1 January 2021	1,944,515	(267,184)	848,229	510,088	(4,241)	505,847	3,031,407	1,118,188	4,149,595
Profit for the period	-	-	264,481	-	-	-	264,481	118,597	383,078
Other comprehensive loss	-	-	-	-	(73)	(73)	(73)	-	(73)
Total comprehensive income / (loss)	-	-	264,481	-	(73)	(73)	264,408	118,597	383,005
Cash dividend (note 13)	-	-	(110,311)	-	-	-	(110,311)	-	(110,311)
Contributions by non-controlling interests (note 5)	-	-	-	-	-	-	-	146,083	146,083
At 30 June 2021 (Unaudited)	1,944,515	(267,184)	1,002,399	510,088	(4,314)	505,774	3,185,504	1,382,868	4,568,372
At 1 January 2022	1,944,515	(267,184)	1,089,852	549,192	(4,526)	544,666	3,311,849	1,479,541	4,791,390
Profit for the period	-	-	87,282	-	-	-	87,282	11,411	98,693
Total comprehensive income	-	-	87,282	-	-	-	87,282	11,411	98,693
Cash dividend (note 13)	-	-	(138,807)	-	-	-	(138,807)	-	(138,807)
Bonus shares issued	-	113,515	(113,515)	-	-	-	-	-	-
Contributions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	53,716	53,716
At 30 June 2022 (Unaudited)	1,944,515	(153,669)	924,812	549,192	(4,526)	544,666	3,260,324	1,544,668	4,804,992

The notes numbered 1 to 23 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the six month period ended 30 June

Note	2022 (Unaudited) AED '000	2021 (Unaudited) AED '000
Cash flows from operating activities		
	105,123	398,658
	(6,430)	(15,580)
	98,693	383,078
Profit for the period		
Adjustments for:		
	7,109	8,412
17	7,822	7,174
	57,802	45,493
	3,394	2,771
19	(149,853)	(501,536)
9	(4,986)	10,142
	-	32,014
9	5,788	8,695
9	(31,263)	(50,511)
7	(508)	-
	76	202
	-	7,708
	244	14,833
	31,263	134,841
	382,677	419,456
	(597,056)	(345,595)
	(22,441)	(20,684)
17	(4,449)	(4,296)
Changes in working capital:		
	(585)	(437)
	(280,140)	(325,514)
	(75,678)	279,839
	(572,091)	106,085
	(2,323)	(2,131)
	(574,414)	103,954
Cash flows from investing activities		
	(270)	(1,067)
	(3,555)	(3,898)
	894	503
	(2,931)	(4,462)
Cash flows from financing activities		
	(32,026)	(22,593)
	(3,527)	(5,880)
	(19,311)	(131,400)
	1,919	333,018
13	(138,807)	(110,311)
	53,716	146,083
	-	12,164
	(36,987)	-
	(175,023)	221,081
	(752,368)	320,573
	1,421,350	704,684
12	668,982	1,025,257

The notes numbered 1 to 23 are an integral part of these condensed consolidated financial statements.

Notes to the condensed 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 condensed consolidated financial statements for the six month period ended 30 June 2022 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities (“associates and joint ventures”).

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

The Group’s consolidated financial statements for the year ended 31 December 2021 are available on its website www.wahacapital.ae and also upon request at the Company’s registered office at P.O. Box 28922, Etihad Towers, 42nd floor, Tower 3, Abu Dhabi, UAE.

2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

3 Significant accounting policies

The significant accounting policies, risk management principles, methods of computation and estimates applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022 and accounting for non-current assets held for sale and discontinued operations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRSs effective in 2022

The Group has applied, for the first time, new standards and amendments in 2022, as stated below:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IAS 41 Agriculture

The adoption of these standards have no material impact on the condensed consolidated financial statements of the Group.

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies (continued)

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.

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

Assets and liabilities classified as held for sale are presented separately as current items in the 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 condensed consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Key sources of estimation uncertainty

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a pandemic. As a result, businesses have subsequently seen reduced customer traffic and, where governments mandated, temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the UAE.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these financial statements. Notwithstanding, these developments could impact our future financial results, cash flows and financial position.

Notes to the condensed consolidated financial statements (continued)

4 Fair values

a Fair value hierarchy

The Group uses the following hierarchy for determining 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.

	30 June 2022 (Unaudited) AED '000				31 December 2021 (Audited) AED '000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Financial assets at FVTPL								
Investment in equity securities	1,816,907	1,816,907	-	-	1,788,086	1,788,086	-	-
Other investment in equity securities	74,523	-	-	74,523	963	-	-	963
Convertible preference shares	183,900	-	-	183,900	185,545	-	-	185,545
Investment in fixed income securities	3,289,042	3,289,042	-	-	4,102,793	4,102,793	-	-
Derivative assets	75,614	-	75,614	-	88,960	-	88,960	-
Reverse repurchase contracts	300,798	-	300,798	-	112,780	-	112,780	-
Unquoted funds	455,356	-	-	455,356	134,897	-	-	134,897
Total	6,196,140	5,105,949	376,412	713,779	6,414,024	5,890,879	201,740	321,405
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(115,566)	-	(115,566)	-	(100,626)	-	(100,626)	-
Total	(115,566)	-	(115,566)	-	(100,626)	-	(100,626)	-

There has been no transfers between Level 1 and Level 2 during the period.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

As at the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000	Fair value hierarchy	Valuation technique
Financial assets at fair value through profit or loss				
a Listed equity securities	1,816,907	1,788,086	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	74,523	963	Level 3	Valuation is based on Net Asset Values (NAV).
c Convertible preference shares	183,900	185,545	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares
d Investment in listed fixed income securities	3,289,042	4,102,793	Level 1	Quoted bid prices in an active market.
e Reverse repurchase contracts	300,798	112,780	Level 2	The valuation is based on broker quotes.
f Derivative assets	75,614	88,960	Level 2	The valuation is based on broker quotes.
g Unquoted funds	455,356	134,897	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
Financial liabilities at fair value through profit or loss				
a Derivative liabilities	(115,566)	(100,626)	Level 2	The valuation is based on broker quotes.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

Reconciliation of level 3 fair value movements

	Six-month period ended 30 June 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	321,405	255,805
Addition	361,597	103,415
Increase / (decrease) in fair value through profit or loss	30,777	(37,815)
	713,779	321,405

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

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

5 Non-controlling interests

During the period, the Group invested into Waha MENA Equity Fund SP an amount of nil (30 June 2021: AED 34,205 thousand) and non-controlling interest holders invested net amount of AED 64,156 thousand (30 June 2021: AED 101,579 thousand), resulting in a decrease in the Group's ownership from 65.9% to 63.3%; the Group invested an amount of nil into Waha CEEMEA Credit Fund SP (30 June 2021: AED 34,205 thousand) and the non-controlling interest holders redeemed net amount of AED 23,250 thousand (30 June 2021: invested net amount of AED 37,148 thousand), resulting in an increase in the Group's ownership from 62.6% to 63.0%; the non-controlling interest holders in Waha Islamic Income Fund SP invested an amount of AED 11,310 thousand (30 June 2021: AED 7,356 thousand), resulting in a decrease in the Group's ownership from 84.9% to 78.2%. The Group has also invested an amount of AED 1,500 thousand in Waha Principal Investments – Sole Proprietorship LLC (30 June 2021: nil).

Notes to the condensed consolidated financial statements (continued)

6 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). The completion of the sale is subject to meeting certain conditions.

At 30 June 2022, AAHI were classified as a disposal group held for sale and as a discontinued operation.

Subsequent to the period ended 30 June 2022, the conditions were met and the sale was completed with a consideration amounting to AED 100,000 thousand.

The results of AAHI for the six-month period ended 30 June are presented below:

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000
Revenue from sale of goods and services	83,126	90,725
Cost of sale of goods and services	(74,652)	(75,146)
Gross profit	8,474	15,579
Other income, <i>net</i>	1,647	1,117
General and administrative expenses	(13,033)	(28,583)
Finance cost, <i>net</i>	(3,518)	(3,693)
Loss for the period from discontinued operations	(6,430)	(15,580)

The major classes of assets and liabilities of AAH as held for sale as at 30 June are, as follows:

	30 June 2022 (unaudited) AED '000
<i>Assets</i>	
Property and equipment, net	13,299
Right-of-use assets	83,587
Goodwill and intangible assets	41,733
Inventories	14,093
Trade and other receivables	45,690
Cash and bank balances	3,014
Assets held for sale	201,416
<i>Liabilities</i>	
Borrowings	765
End of service benefit provision	8,355
Lease liabilities	106,546
Trade and other liabilities	59,512
Liabilities directly associated with assets held for sale	175,178
Net assets directly associated with disposal group	26,238

Notes to the condensed consolidated financial statements (continued)

6 Non-current asset held for sale and discontinued operations (continued)

The net cash flows incurred by AAH are as follows:

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000
Operating	(1,905)	6,602
Investing	(800)	(824)
Financing	1,423	(5,205)
Net cash (outflow) / inflow	(1,282)	573

During the period, the Group has decided to sell a part of its investment property amounting to AED 466,800 thousand. As result, this portion has been reclassified to an asset held for sale (note 7).

7 Investment property

The movement of investment property is presented below:

	Six-month period ended 30 June 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	711,422	715,989
Additions	270	1,697
Disposal	-	(6,264)
Fair value gain	508	-
Transferred to assets held for sale (note 6)	(466,800)	-
	245,400	711,422

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 30 June 2022 has been determined by management with reference to the valuation carried out on 31 December 2021, performed by 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.

During 2020, the Group entered into a Musatha agreement for sale of a serviced land. Total consideration for the transaction is AED 13,000 thousand which is payable in five installments until September 2023.

During 2021, the Group entered into a Musatha agreement for sale of a serviced land. Total consideration for the transaction is AED 9,000 thousand which is payable in five installments until May 2025.

Notes to the condensed consolidated financial statements (continued)

8 Loan investments

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Loan investment	36,987	-

During 2022, the Group provided an interest bearing loan amounting to AED 36,044 thousand at an interest rate of 11% per annum. The loan is repayable in five years. Loan can be extended by the borrower for one year. As of 30 June 2022, the loan is a stage 1 asset.

9 Investments in equity-accounted associates and joint ventures

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

	Six-month period ended 30 June 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
As at 1 January	170,242	472,076
Disposals	-	(84,330)
Share of income / (loss), net	4,986	(11,488)
Impairment loss	-	(77,970)
Share of equity reserves	-	(285)
Distributions received	(5,788)	(18,603)
Reclassification of investment to FVPTL	-	(109,158)
	169,440	170,242

During the period, the Group exited from an investment in an associate with carrying value of nil. The Group recognised proceeds of AED 31,263 thousand.

Notes to the condensed consolidated financial statements (continued)

10 Financial investments

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Financial assets at fair value through profit or loss		
Unquoted funds	455,356	134,897
Derivative assets ¹	75,614	88,960
Reverse repurchase contracts, net ²	300,798	112,780
Listed fixed income securities ³	3,289,042	4,102,793
Listed equity securities	1,816,907	1,788,086
Convertible preference shares ⁴	183,900	185,545
Other investments	74,523	963
	6,196,140	6,414,024

¹Derivative assets held by the Group include interest rate swaps, total return swaps, credit default swaps and currency futures and have a notional value of 10,903,658 thousand (31 December 2021: 15,714,075 thousand).

²Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 1,917,857 thousand and corresponding liabilities of AED 1,617,059 thousand (31 December 2021: reverse repurchase receivables of AED 2,162,879 thousand and corresponding liabilities of AED 2,050,099 thousand). The repurchase agreements are subject to a master netting agreement.

³Listed fixed income securities totalling AED 2,035,816 thousand (31 December 2021: AED 2,972,924 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

⁴On 20 August 2020, the Group entered into a subscription agreement with Despegar.com, a NYSE-listed online travel company in Latin America to acquire 50,000 Series B Preferred Shares, without par value for an aggregate purchase price of \$50 million. The terms of the transaction include an option to the holder to convert each Series B Preferred Shares into 108.1081 common shares of Despegar.com. Series B Preferred Shares carry an annual dividend of 4% which is payable on a quarterly basis. The issuer also has an option to enforce conversion at any time from the third to seventh anniversary of the deal closing date, if for at least 10 consecutive trading days volume weighted average price of the common shares exceeds \$13.88 between third and fifth anniversary and \$12.49 between fifth and seventh anniversary. In addition, the issuer has right to redeem at any time on or after the seventh anniversary in cash. The Group paid net cash consideration of AED 180,222 thousand for the transaction which was closed on 21 September 2020. As of reporting date, the fair value of the instrument is estimated at AED 183,900 thousand (31 December 2021: AED 185,545 thousand).

Notes to the condensed consolidated financial statements (continued)

11 Trade and other receivables

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Trade receivables	361,144	174,767
Allowance for expected credit losses	(16,200)	(73,461)
	344,944	101,306
Prepayments and advances	4,566	7,852
Accrued interest	53,534	49,216
Amounts set aside for prior years dividends	37,741	37,805
Deposits under lien	1,034	1,034
Margin accounts	413,416	414,450
Other receivables	24,047	31,226
Allowance for expected credit losses on other receivables	(547)	(989)
	878,735	641,900

12 Cash and bank balances

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Deposits held with banks	-	110,340
Cash at banks	665,846	1,310,765
Cash in hand	207	354
Cash and bank balances	666,053	1,421,459
Less: Allowance for expected credit losses	(85)	(109)
	665,968	1,421,350

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Deposits held with banks	-	110,340
Cash at banks	665,846	1,310,765
Cash in hand	207	354
Cash at banks and in hand attributable to discontinued operations (note 6)	3,014	-
	669,067	1,421,459
Less: Allowance for expected credit losses	(85)	(109)
Cash and cash equivalents	668,982	1,421,350

Notes to the condensed consolidated financial statements (continued)

13 Share capital and dividend

On 28 March 2022, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED 138,807 thousand representing 7.55 fils per share and bonus shares of 2.45% (24 March 2021: approved a cash dividend of AED AED 110,311 thousand representing 6 fils per share).

The basic and diluted earnings per share for the current period ended 30 June 2022 and 2021 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

	Six month period ended 30 June 2022 (Unaudited)	Six month period ended 30 June 2021 (Unaudited)	Three month period ended 30 June 2022 (Unaudited)	Three month period ended 30 June 2021 (Unaudited)
Profit / (loss) for the period attributable to Owners of the Company (AED '000)	87,282	264,481	(59,342)	153,900
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,883,545,982	1,838,508,714	1,883,545,982	1,838,508,714

14 Borrowings

The movement in borrowings is presented below:

	Six-month period ended 30 June 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	4,117,198	4,211,842
Loans drawn-down	1,919	647,575
Loan arrangement and prepaid interest costs, net of amortisations	2,409	(16,921)
Loans repaid	(616,367)	(725,298)
Loan has been transferred to the net balance of the liabilities held for sale (note 6)	(765)	-
	3,504,394	4,117,198

On 15 August 2021, the Group completed the refinancing of its existing \$500 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.

During 2022, an amount of AED 17,273 thousand was repaid from the AED 378,000 thousand secured Murabaha-Ijara based financing for further development of its light industrial real estate project.

During 2022, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 597,056 thousand.

Notes to the condensed consolidated financial statements (continued)

15 Derivative liabilities

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Financial liabilities at fair value through profit or loss		
Other derivative liabilities ¹	115,566	100,626
	115,566	100,626

¹ Other derivative liabilities held by the Group represent interest rate swaps, total return swaps, credit default swaps, and currency futures, and have a notional value of 643,258 thousand (31 December 2021: 684,995 thousand).

16 Trade and other liabilities

	30 June 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Trade payables	133,531	161,850
Interest accrued on borrowings	29,200	34,114
Dividends payable	37,745	37,808
Long term employee incentive plans accrual	36,646	61,626
Deferred income	10,131	11,746
Other payables and accruals	51,703	127,002
	298,956	434,146

Notes to the condensed consolidated financial statements (continued)

17 Leases

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2022	99,649	119,918
Depreciation expense	(7,822)	-
Interest expense	-	4,449
Payments	-	(7,976)
New leases	25,514	25,514
Reassessment of lease terms	85	85
Asset held for sale (note 6)	(83,587)	(106,546)
As at 30 June 2022 (Unaudited)	33,839	35,444
As at 1 January 2021	113,550	126,383
Depreciation expense	(14,687)	-
Interest expense	-	8,376
Payments	-	(15,627)
New leases	859	859
Reassessment of lease terms	(73)	(73)
As at 31 December 2021 (Audited)	99,649	119,918

18 Revenue from sale of goods and services

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Revenue	55,375	65,719	28,695	33,576
Cost of sales	(44,367)	(45,528)	(22,931)	(23,753)
Gross profit	11,008	20,191	5,764	9,823

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.

Notes to the condensed consolidated financial statements (continued)

19 Income from financial investments, net

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Financial assets at fair value through profit or loss				
Net gain from unquoted funds	37,805	12	14,064	334
Net gain from derivatives	383,405	122,044	117,539	29,242
Net (loss) / gain from listed fixed income securities	(153,616)	136,640	(84,815)	90,929
Net (loss) / gain from listed equity securities	(115,832)	232,830	(116,241)	160,275
Net (loss) / gain from convertible preference shares	(1,909)	10,010	(38,362)	(3,032)
	149,853	501,536	(107,815)	277,748

20 General and administrative expenses

	Six month period ended 30 June 2022 (Unaudited) AED '000			Three month period ended 30 June 2022 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	24,546	10,085	34,631	(1,938)	4,937	2,999
Legal and other professional expenses	6,623	6,742	13,365	2,571	3,488	6,059
Depreciation	2,669	1,580	4,249	1,545	788	2,333
Amortisation of intangible assets	22	29	51	7	15	22
Marketing expenses	1,316	958	2,274	897	549	1,446
Provision for expected credit losses	-	244	244	-	846	846
Others	4,005	5,774	9,779	1,276	2,632	3,908
	39,181	25,412	64,593	4,358	13,255	17,613

	Six month period ended 30 June 2021 (Unaudited) AED '000			Three month period ended 30 June 2021 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	65,334	8,497	73,831	28,391	4,132	32,523
Legal and other professional expenses	10,189	2,846	13,035	9,161	1,106	10,267
Depreciation	1,648	3,565	5,213	825	1,778	2,603
Amortisation of intangible assets	148	28	176	74	14	88
Marketing expenses	795	557	1,352	437	273	710
Provision for expected credit losses	-	1,922	1,922	-	642	642
Others	4,562	7,635	12,197	2,329	4,122	6,451
	82,676	25,050	107,726	41,217	12,067	53,284

Notes to the condensed consolidated financial statements (continued)

21 Finance cost, net

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Interest on borrowings	53,468	43,136	28,332	22,039
Interest on lease liabilities	879	744	598	428
Amortisation of loan arrangement costs	3,408	156	1,714	79
Interest income from loan investments at amortised cost	(1,989)	(1,358)	(1,085)	(613)
Interest earned on time deposits	(842)	(503)	(692)	(231)
Unwinding of interest on disposal of investment property	(640)	(375)	(320)	(188)
	54,284	41,800	28,547	21,514

22 Related parties

Significant transactions with related parties recognised in the statement of profit or loss:

Key management personnel compensation

	Six month period ended 30 June 2022 (Unaudited) AED '000	Six month period ended 30 June 2021 (Unaudited) AED '000	Three month period ended 30 June 2022 (Unaudited) AED '000	Three month period ended 30 June 2021 (Unaudited) AED '000
Salary and benefits	3,910	3,929	1,611	1,712
End of service and other long term benefits	332	350	164	175
	4,242	4,279	1,775	1,887

23 Operating segments

During 2021, the Group realigned its operating segments following developments in key responsibilities of management and internal reporting. Following the realignment, we have reclassified the industrial real estate industry from Private Investments to a new segment called "Waha Land". Furthermore, we have renamed our Capital Markets segment to Public Markets to be in line with the Group's external publications. Comparative periods were reclassified accordingly.

Notes to the condensed consolidated financial statements (continued)

23 Operating segments (continued)

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.

Public Markets

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

Waha Land

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

Corporate

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

The following table presents revenue and profit information for the Group's operating segments for the six month period ended 30 June 2022 and 2021, respectively:

AED '000					
Six-month period ended	Private	Waha	Public	Corporate	Consolidated
30 June 2022 (unaudited)	Investments	Land	Markets		
Revenue from sale of goods and services	55,375	-	-	-	55,375
Share of profit from equity-accounted associates and joint ventures, net	4,986	-	-	-	4,986
Gain on disposal of equity-accounted associates and joint ventures	31,263	-	-	-	31,263
Income from financial investments, net	(1,573)	-	151,426	-	149,853
Income from investment property, net	-	24,572	-	-	24,572
Other income, net	1,391	813	88	26	2,318
Profit for the period from continuing operations	26,722	19,486	112,496	(53,581)	105,123
Loss for the period from discontinued operations	(6,430)	-	-	-	(6,430)
Profit / (loss) for the period	20,292	19,486	112,496	(53,581)	98,693

Notes to the condensed consolidated financial statements (continued)

23 Operating segments (continued)

AED '000	Private		Public		
Six-month period ended	Investments	Waha Land	Markets	Corporate	Consolidated
30 June 2021 (unaudited)					
Revenue from sale of goods and services	65,719	-	-	-	65,719
Share of loss from equity-accounted associates and joint ventures, net	(10,142)	-	-	-	(10,142)
Impairment of equity-accounted associates and joint ventures	(32,014)	-	-	-	(32,014)
Gain on disposal of equity-accounted associates and joint ventures	50,511	-	-	-	50,511
Income from financial investments, net	23,781	-	477,755	-	501,536
Income from investment property, net	-	23,212	-	-	23,212
Other (expense) / income, net	(6,293)	907	240	36	(5,110)
Profit / (loss) for the period from continuing operations	27,211	16,782	443,432	(88,767)	398,658
Loss from discontinued operations	(15,580)	-	-	-	(15,580)
Profit / (loss) for the period	11,631	16,782	443,432	(88,767)	383,078
Other comprehensive loss	(73)	-	-	-	(73)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (30 June 2021: AED nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2022 and 31 December 2021, respectively:

AED '000	Private		Public		
As at 30 June 2022 (unaudited)	Investments	Waha Land	Markets	Corporate	Consolidated
Segment assets	1,338,700	797,266	6,630,931	186,637	8,953,534
Segment liabilities	242,357	101,362	2,168,799	1,636,024	4,148,542
As at 31 December 2021 (audited)					
Segment assets	963,484	800,978	7,187,151	637,953	9,589,566
Segment liabilities	238,661	126,114	2,743,559	1,689,842	4,798,176