

الواحة كابيتال
WAHA CAPITAL



Report and condensed consolidated financial information
for the nine month period ended 30 September 2021

www.wahacapital.ae

TABLE OF CONTENTS

01

Report on review of
condensed consolidated
financial information

02

Condensed consolidated
statement of financial
position

03

Condensed consolidated
statement of profit or
loss

04

Condensed consolidated
statement of profit or
loss and other
comprehensive income

05

Condensed consolidated
statement of changes in
equity

06

Condensed consolidated
statement of cash flows

07

Notes to the condensed
consolidated financial
statements

**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 September 2021 and the related condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three and nine month periods then ended and the condensed consolidated statements of changes in equity and cash flows for the nine 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:

Raed Ahmad
Partner
Ernst & Young
Registration No. 811

7 November 2021
Abu Dhabi

Condensed consolidated statement of financial position

	Note	As at 30 September 2021 (Unaudited) AED '000	As at 31 December 2020 (Audited) AED '000
ASSETS			
Property and equipment, net		39,436	46,368
Right-of-use assets	16	103,241	113,550
Investment property	6	711,408	715,989
Goodwill and intangible assets		78,798	79,080
Loan investments	7	7,093	45,003
Investments in equity-accounted associates and joint ventures	8	171,182	472,076
Financial investments	9	6,435,869	6,163,043
Inventories		16,075	15,224
Trade and other receivables	10	745,501	526,796
Cash and bank balances	11	1,065,927	704,684
Total assets		9,374,530	8,881,813
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,944,515	1,944,515
Treasury shares		(267,184)	(267,184)
Retained earnings		1,034,458	848,229
Reserves		505,817	505,847
Equity attributable to the Owners of the Company		3,217,606	3,031,407
Non-controlling interests		1,394,482	1,118,188
Total equity		4,612,088	4,149,595
Liabilities			
Borrowings	13	4,011,360	4,211,842
End of service benefit provision		26,723	26,058
Derivative liabilities	14	65,778	29,907
Lease liabilities	16	120,071	126,383
Trade and other liabilities	15	538,510	338,028
Total liabilities		4,762,442	4,732,218
Total equity and liabilities		9,374,530	8,881,813

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 7 November 2021 and signed on their behalf by:



Chairman



Chief Executive Officer



Chief Financial Officer

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Revenue from sale of goods and services	17	229,315	226,278	72,871	79,817
Cost of sale of goods and services	17	(180,649)	(173,997)	(59,975)	(60,059)
Gross profit		48,666	52,281	12,896	19,758
Share of loss from equity-accounted associates and joint ventures, <i>net</i>	8	(14,427)	(13,145)	(4,285)	(2,992)
Impairment of equity-accounted associates and joint ventures	8	(77,969)	(26,966)	(45,955)	(16,966)
Gain on disposal of equity-accounted associates and joint ventures	8	50,511	-	-	-
Income from financial investments	18	670,133	270,972	168,597	211,593
Gain on settlement of loan investments		-	11,244	-	-
Income from investment property, <i>net</i>		36,236	28,104	13,024	8,582
Other income, <i>net</i>		6,301	6,356	10,294	1,432
Net operating income		719,451	328,846	154,571	221,407
General and administrative expenses	19	(193,726)	(152,547)	(57,417)	(54,231)
Finance cost, <i>net</i>	20	(71,536)	(82,835)	(26,043)	(23,944)
Profit for the period		454,189	93,464	71,111	143,232
Profit for the period attributable to:					
Owners of the Company		296,540	58,507	32,059	85,715
Non-controlling interests		157,649	34,957	39,052	57,517
Profit for the period		454,189	93,464	71,111	143,232
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	12	0.16	0.03	0.02	0.05

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Profit for the period	454,189	93,464	71,111	143,232
Other comprehensive (loss) / income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Share of change in other reserves of equity-accounted associates and joint ventures	(24)	(214)	43	-
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal	(6)	-	-	-
	(30)	(214)	43	-
Total comprehensive income for the period	454,159	93,250	71,154	143,232
Total comprehensive income attributable to:				
Owners of the Company	296,510	58,293	32,102	85,715
Non-controlling interests	157,649	34,957	39,052	57,517
Total comprehensive income for the period	454,159	93,250	71,154	143,232

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity
For the nine month period ended 30 September

	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		Non-controlling interests AED '000	Total equity AED '000
							Owners of the Company AED '000	controlling interests AED '000		
At 1 January 2020	1,944,515	(267,184)	648,650	486,991	57	487,048	2,813,029	1,345,715	4,158,744	
Profit for the period	-	-	58,507	-	-	-	58,507	34,957	93,464	
Other comprehensive loss	-	-	-	-	(214)	(214)	(214)	-	(214)	
Total comprehensive income / (loss)	-	-	58,507	-	(214)	(214)	58,293	34,957	93,250	
Redemptions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	(276,482)	(276,482)	
At 30 September 2020 (Unaudited)	1,944,515	(267,184)	707,157	486,991	(157)	486,834	2,871,322	1,104,190	3,975,512	
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	-	-	296,540	-	-	-	296,540	157,649	454,189	
Other comprehensive loss	-	-	-	-	(30)	(30)	(30)	-	(30)	
Total comprehensive income / (loss)	-	-	296,540	-	(30)	(30)	296,510	157,649	454,159	
Cash dividend (note 12)	-	-	(110,311)	-	-	-	(110,311)	-	(110,311)	
Contributions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	118,645	118,645	
At 30 September 2021 (Unaudited)	1,944,515	(267,184)	1,034,458	510,088	(4,271)	505,817	3,217,606	1,394,482	4,612,088	

The notes numbered 1 to 22 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the nine month period ended 30 September

	Note	2021 (Unaudited) AED '000	2020 (Unaudited) AED '000
Cash flows from operating activities			
Profit for the period		454,189	93,464
Adjustments for:			
Depreciation on property and equipment, net		12,635	13,901
Depreciation on right-of-use assets		11,168	11,750
Finance cost, <i>net</i>	20	71,536	82,835
Charge for employees' end of service benefits		3,992	4,428
Gain on valuation of financial assets at fair value through profit or loss		(670,133)	(281,286)
Share of loss from equity-accounted associates and joint ventures, <i>net</i>	8	14,427	13,145
Impairment of equity-accounted associates and joint ventures	8	77,969	26,966
Dividend from equity-accounted associates and joint ventures	8	14,980	9,560
Gain on disposal of equity-accounted associates and joint ventures		(50,511)	(2,607)
Amortisation and write off of intangible assets		296	356
Receipt on disposal of Investment in equity-accounted associates and joint ventures		134,841	-
Gain on disposal of investment property		(1,566)	-
Provision for expected credit losses		15,016	8,116
Investments in financial assets at FVTPL		542,336	602,333
Loans repaid for financial assets at FVTPL		(373,100)	(372,491)
Finance cost paid on loans obtained against financial assets at FVTPL		(31,887)	(42,916)
Interest paid on lease liabilities		(6,274)	(5,916)
Gain on settlement of loan investment		-	(11,244)
Changes in working capital:			
Change in inventories		(851)	(2,381)
Change in trade and other receivables		(225,622)	198,210
Change in trade and other liabilities		200,482	(168,116)
Net cash generated from operations		193,923	178,107
Employees' end of service benefits paid		(3,327)	(7,956)
Net cash generated from operating activities		190,596	170,151
Cash flows from investing activities			
Payments made for development of investment property		(1,683)	(3,387)
Purchase of property and equipment, net		(5,703)	(6,042)
Purchase of intangibles, net		(14)	(61)
Proceeds from disposal of investment property		2,200	2,600
Wakala deposit redeemed		-	35,000
Interest received		889	6,247
Net cash (used in) / generated from investing activities		(4,311)	34,357
Cash flows from financing activities			
Finance cost paid on borrowings		(55,386)	(46,244)
Principal paid on lease liabilities		(7,171)	(7,199)
Loans repaid		(142,274)	(512,718)
Loans obtained		333,545	891,170
Dividends paid	12	(110,311)	-
Contributions / (redemptions) of non-controlling interest holders, net		118,645	(276,482)
Proceeds from loan settlement		-	23,527
Loan investment repaid / (provided)		37,910	(45,975)
Net cash generated from financing activities		174,958	26,079
Net increase in cash and cash equivalents		361,243	230,587
Cash and cash equivalents at 1 January		704,684	765,344
Cash and cash equivalents at 30 September	11	1,065,927	995,931

The notes numbered 1 to 22 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 nine month period ended 30 September 2021 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities ("associates and joint ventures").

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

The Group's consolidated financial statements for the year ended 31 December 2020 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 2020.

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRSs effective in 2021

The Group has applied, for the first time, new standards and amendments in 2021, as stated below:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- Covid-19-Related Rent Concessions (Amendment to IFRS 16).

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

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 September 2021 (Unaudited) AED '000			31 December 2020 (Audited) AED '000		
	Total	Level 1	Level 2	Level 1	Level 2	Level 3
Financial assets						
Financial assets at FVTPL						
Investment in equity securities	1,878,886	1,878,886	-	1,366,559	-	-
Other investment in equity securities	963	-	-	963	-	963
Convertible preference shares	205,173	-	-	220,680	-	220,680
Investment in fixed income securities	4,081,583	4,081,583	-	4,422,913	-	-
Derivative assets	126,140	-	126,140	68,282	68,282	-
Reverse repurchase contracts	111,642	-	111,642	49,484	49,484	-
Unquoted fund	31,482	-	-	34,162	-	34,162
Total	6,435,869	5,960,469	237,782	5,789,472	117,766	255,805
Financial liabilities						
Financial liabilities at FVTPL						
Derivative liabilities	(65,778)	-	(65,778)	(29,907)	(29,907)	-
Total	(65,778)	-	(65,778)	(29,907)	(29,907)	-

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 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000	Fair value hierarchy	Valuation technique
Financial assets at fair value through profit or loss				
a	1,878,886	1,366,559	Level 1	Quoted bid prices in an active market.
b	963	963	Level 3	Valuation is based on Net Asset Values (NAV).
c	205,173	220,680	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares
d	4,081,583	4,422,913	Level 1	Quoted bid prices in an active market.
e	111,642	49,484	Level 2	The valuation is based on broker quotes.
f	126,140	68,282	Level 2	The valuation is based on broker quotes.
g	31,482	34,162	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	(65,778)	(29,907)	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

	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Year ended 31 December 2020 (Audited) AED '000
At 1 January	255,805	34,980
Addition	-	180,222
(Decrease) / increase in fair value through profit or loss	(18,187)	40,603
	237,618	255,805

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 AED 34,205 thousand into Waha MENA Equity Fund SP (30 September 2020: AED nil) and non-controlling interest holders invested an amount of AED 64,615 thousand (30 September 2020: redeemed net amount of AED 301,319 thousand), resulting in a decrease in the Group's ownership from 67.7% to 66.8%; the Group invested net amount of AED 34,205 thousand into Waha CEEMEA Credit Fund SP (30 September 2020: AED 53,699 thousand) and non-controlling interest holders invested a net amount of AED 35,640 thousand (30 September 2020: AED 25,432 thousand), resulting in no change in the Group's ownership of 63.5%; the Group redeemed AED nil from Waha MENA Value Fund SP (30 September 2020: AED 110,340 thousand), and non-controlling interest holders redeemed AED nil (30 September 2020: AED 617 thousand); the Group invested in Waha Islamic Income Fund SP an amount of AED nil (30 September 2020: AED 61,790 thousand), and non-controlling interest holders invested AED 18,390 thousand (30 September 2020: AED nil), resulting in an decrease in the Group's ownership from 100.0% to 84.6%.

6 Investment property

The movement of investment property is presented below:

	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Year ended 31 December 2020 (Audited) AED '000
At 1 January	715,989	717,140
Additions	1,683	7,542
Disposal	(6,264)	(8,693)
	711,408	715,989

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 September 2021 has been determined by management with reference to the valuation carried out on 31 December 2020, 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.

Notes to the condensed consolidated financial statements (continued)

6 Investment property (continued)

During the current period, 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.

7 Loan investments

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Loan to an equity accounted investee	7,093	45,003

During 2020, the Group provided an interest bearing loan amounting to AED 45,975 thousand at an interest rate of nine-month Libor plus 6.5% to an equity accounted investment. As at 30 September 2021, the loan has a gross balance of AED 8,065 thousand (31 December 2020: AED 45,975 thousand) and expected credit loss of AED 972 thousand (31 December 2020: AED 972 thousand). As of 30 September 2021, the loan is a stage 1 asset (31 December 2020: stage 1 asset). The loan was fully repaid subsequent to 30 September 2021.

8 Investments in equity-accounted associates and joint ventures

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

	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Year ended 31 December 2020 (Audited) AED '000
As at 1 January	472,076	524,552
Disposal	(84,330)	-
Share of loss, net	(14,427)	(24,356)
Impairment loss	(77,969)	(9,915)
Share of equity reserves	(30)	(4,298)
Distributions received	(14,980)	(13,907)
Reclassification of investment to FVPTL	(109,158)	-
	171,182	472,076

During the period ended 30 June 2021, the Group disposed 2.41 million shares equivalent to 44% stake in its equity accounted associate investment in NESR Corp ("NESR") for a consideration of AED 134,841 thousand, resulting in the recognition of a gain on disposal of AED 50,511 thousand in the consolidated statement of profit or loss.

On 1 July 2021, the Group's appointed director on the Board of NESR Corp. resigned which ceased the Group's significant influence over the investee. Hence, the investee will no longer be classified as an equity-accounted associate. Accordingly, the management has reclassified its remaining investment in NESR from equity-accounted associate to FVTPL financial asset, in accordance with IFRS 9 *Financial Instruments* (refer note 9).

During the period, the Group concluded the sale of its 26% stake in Deem Finance.

Notes to the condensed consolidated financial statements (continued)

9 Financial investments

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Financial assets at fair value through profit or loss		
Unquoted fund	31,482	34,162
Derivative assets ¹	126,140	68,282
Reverse repurchase contracts, net ²	111,642	49,484
Listed fixed income securities ³	4,081,583	4,422,913
Listed equity securities ⁴	1,878,886	1,366,559
Convertible preference shares ⁵	205,173	220,680
Other investments	963	963
	6,435,869	6,163,043

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 AED 19,656,143 thousand (31 December 2020: AED 9,297,584 thousand).

²Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 1,774,466 thousand and corresponding liabilities of AED 1,662,824 thousand (31 December 2020: reverse repurchase receivables of AED 1,781,496 thousand and corresponding liabilities of AED 1,732,012 thousand). The repurchase agreements are subject to a master netting agreement.

³Listed fixed income securities totalling AED 2,924,463 thousand (31 December 2020: AED 3,694,441 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

⁴During the period, management has reclassified its remaining investment in NESR from equity accounted associate to FVTPL financial asset (refer note 8).

⁵On 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 205,173 thousand (31 December 2020: AED 220,680 thousand).

Notes to the condensed consolidated financial statements (continued)

10 Trade and other receivables

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Trade receivables	341,516	184,364
Allowance for expected credit losses	(70,644)	(55,174)
	<u>270,872</u>	<u>129,190</u>
Prepayments and advances	8,984	8,304
Accrued interest	45,676	56,085
Amounts set aside for prior years dividends	37,856	37,931
Deposits under lien	1,034	1,028
Margin accounts	352,219	268,960
Other receivables	29,812	29,012
Allowance for expected credit losses on other receivables	(952)	(3,714)
	<u>745,501</u>	<u>526,796</u>

11 Cash and bank balances

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Deposits held with banks	185,792	276,021
Cash at banks	880,024	428,481
Cash in hand	247	294
	<u>1,066,063</u>	<u>704,796</u>
Less: Allowance for expected credit losses	(136)	(112)
Cash and cash equivalents	<u>1,065,927</u>	<u>704,684</u>

12 Share capital and dividend

On 24 March 2021, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED 110,311 thousand representing AED 0.06 per share (22 March 2020: approved a cash dividend of AED nil).

The basic and diluted earnings per share for the current period ended 30 September 2021 and 2020 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

	Nine month period ended 30 September 2021 (Unaudited)	Nine month period ended 30 September 2020 (Unaudited)	Three month period ended 30 September 2021 (Unaudited)	Three month period ended 30 September 2020 (Unaudited)
Profit for the period attributable to Owners of the Company (AED '000)	<u>296,540</u>	<u>58,507</u>	<u>32,059</u>	<u>85,715</u>
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>1,838,508,714</u>	<u>1,838,508,714</u>	<u>1,838,508,714</u>	<u>1,838,508,714</u>

Notes to the condensed consolidated financial statements (continued)

13 Borrowings

The movement in borrowings is presented below:

	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Year ended 31 December 2020 (Audited) AED '000
At 1 January	4,211,842	4,443,657
Loans drawn-down	333,545	893,649
Loan arrangement and prepaid interest costs, net of amortisations	(18,653)	314
Loans repaid	(515,374)	(1,125,778)
	4,011,360	4,211,842

The investments and assets pledged to lenders as security against various facilities are the Group's interests in the Group's shareholding in Al Waha Land LLC and investment in fixed income securities (refer to note 9).

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 the period, an amount of AED 220,680 thousand was net drawn-down from the Group's existing US\$ 500 million secured revolving loan facility, and AED 25,909 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 the period, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 373,100 thousand.

14 Derivative liabilities

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Financial liabilities at fair value through profit or loss		
Other derivative liabilities ¹	65,778	29,907
	65,778	29,907

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 AED 492,347 thousand (31 December 2020: AED 14,257,260 thousand).

Notes to the condensed consolidated financial statements (continued)

15 Trade and other liabilities

	30 September 2021 (Unaudited) AED '000	31 December 2020 (Audited) AED '000
Trade payables	273,372	73,807
Interest accrued on borrowings	25,555	23,811
Dividends payable	37,859	37,935
Long term employee incentive plans accrual	36,216	42,417
Deferred income	12,553	14,975
Other payables and accruals	152,955	145,083
	538,510	338,028

16 Leases

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2021	113,550	126,383
Depreciation expense	(11,168)	-
Interest expense	-	6,274
Payments	-	(13,445)
New leases	859	859
As at 30 September 2021 (Unaudited)	103,241	120,071
As at 1 January 2020	129,140	136,510
Depreciation expense	(13,915)	-
Interest expense	-	8,508
Payments	-	(16,960)
Reassessment of lease terms	(1,675)	(1,675)
As at 31 December 2020 (Audited)	113,550	126,383

17 Revenue from sale of goods and services

	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Revenue	229,315	226,278	72,871	79,817
Cost of sales	(180,649)	(173,997)	(59,975)	(60,059)
Gross profit	48,666	52,281	12,896	19,758

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)

18 Income from financial investments

	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Financial assets at fair value through profit or loss				
Net (loss) / gain from unquoted fund	(476)	108	(488)	38
Net gain / (loss) from derivatives	171,910	102,103	49,866	(26,090)
Net gain from listed fixed income securities	162,423	281,960	25,783	103,408
Net gain / (loss) from listed equity securities	346,282	(113,199)	113,452	134,237
Net loss from convertible preference shares	(10,006)	-	(20,016)	-
	670,133	270,972	168,597	211,593

19 General and administrative expenses

	Nine month period ended 30 September 2021 (Unaudited) AED '000			Three month period ended 30 September 2021 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	98,416	26,572	124,988	33,082	9,051	42,133
Legal and other professional expenses	11,856	8,342	20,198	1,667	3,179	4,846
Depreciation	2,487	6,192	8,679	839	2,008	2,847
Amortisation of intangible assets	214	82	296	66	28	94
Marketing expenses	1,180	3,273	4,453	385	1,061	1,446
Provision for expected credit losses	-	15,073	15,073	-	216	216
Others	6,637	13,402	20,039	2,075	3,760	5,835
	120,790	72,936	193,726	38,114	19,303	57,417
	Nine month period ended 30 September 2020 (Unaudited) AED '000			Three month period ended 30 September 2020 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	65,324	28,301	93,625	21,645	9,734	31,379
Legal and other professional expenses	7,051	7,692	14,743	1,228	3,145	4,373
Depreciation	2,478	8,055	10,533	814	3,224	4,038
Amortisation of intangible assets	268	89	357	80	38	118
Marketing expenses	1,056	3,060	4,116	375	1,206	1,581
Provision for expected credit losses	-	8,073	8,073	-	5,459	5,459
Others	7,415	13,685	21,100	2,318	4,965	7,283
	83,592	68,955	152,547	26,460	27,771	54,231

Notes to the condensed consolidated financial statements (continued)

20 Finance cost, net

	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Interest on borrowings	67,576	89,159	24,299	25,434
Interest on lease liabilities	6,274	5,916	1,978	1,550
Amortisation of loan arrangement costs	1,044	236	888	80
Interest income from loan investments at amortised cost	(1,748)	(5,667)	(390)	(1,348)
Interest earned on time deposits	(889)	(6,247)	(386)	(1,585)
Unwinding of interest on disposal of investment property	(721)	(562)	(346)	(187)
	71,536	82,835	26,043	23,944

21 Related parties

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

Key management personnel compensation

	Nine month period ended 30 September 2021 (Unaudited) AED '000	Nine month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2021 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000
Salary and benefits	5,429	5,761	1,500	1,306
End of service and other long term benefits	501	345	151	56
	5,930	6,106	1,651	1,362

Significant balances with related parties:

Loan investments provided to an equity accounted joint venture amounted to AED 7,093 as at 30 September 2021 (31 December 2020: AED 45,003 thousand). As at 30 September 2021, the loan has a gross balance of AED 8,065 thousand (31 December 2020: AED 45,975 thousand) and expected credit loss of AED 972 thousand (31 December 2020: AED 972 thousand). As of 30 September 2021, the loan is a stage 1 asset (31 December 2020: stage 1 asset).

Notes to the condensed consolidated financial statements (continued)

22 Operating segments

Private Investments

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

Asset Management - Capital Markets

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

Corporate

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

The following table presents revenue and profit information for the Group's operating segments for the nine month period ended 30 September 2021 and 2020, respectively:

AED '000	Asset Management			Consolidated
	Private Investments	Capital Markets	Corporate	
Nine-month period ended 30 September 2021 (unaudited)				
Revenue from sale of goods and services	229,315	-	-	229,315
Share of loss from equity-accounted associates and joint ventures, net	(14,427)	-	-	(14,427)
Impairment of equity-accounted associates and joint ventures	(77,969)	-	-	(77,969)
Gain on disposal of equity-accounted associates and joint ventures	50,511	-	-	50,511
Income from financial investments	24,431	645,702	-	670,133
Income from investment property, net	36,236	-	-	36,236
Other income, net	5,842	423	36	6,301
Profit / (loss) for the period	(6,354)	594,012	(133,469)	454,189
Other comprehensive loss	(30)	-	-	(30)
Nine-month period ended 30 September 2020 (unaudited)				
Revenue from sale of goods and services	226,278	-	-	226,278
Share of loss from equity-accounted associates and joint ventures, net	(13,145)	-	-	(13,145)
Impairment of equity-accounted associates and joint ventures	(26,966)	-	-	(26,966)
Income from financial investments	34,259	236,713	-	270,972
Gain on settlement of loan investments	11,244	-	-	11,244
Income from investment property, net	28,104	-	-	28,104
Other income, net	6,270	-	86	6,356
Profit / (loss) for the period	12,023	174,198	(92,757)	93,464
Other comprehensive loss	(214)	-	-	(214)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2020: AED nil).

Notes to the condensed consolidated financial statements (continued)

22 Operating segments (continued)

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2021 and 31 December 2020, respectively:

AED '000	Asset Management			Consolidated
	Private Investments	Capital Markets	Corporate	
As at 30 September 2021 (unaudited)				
Segment assets	2,010,434	6,987,378	376,718	9,374,530
Segment liabilities	372,646	2,813,771	1,576,025	4,762,442
As at 31 December 2020 (audited)				
Segment assets	2,104,818	6,403,176	373,819	8,881,813
Segment liabilities	444,720	2,948,042	1,339,456	4,732,218