



## Report and condensed consolidated financial information for the nine month period ended 30 September 2020

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

### 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 2020 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

11 November 2020  
Abu Dhabi

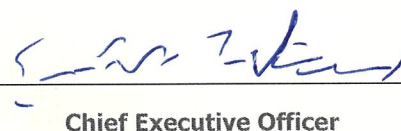
## Condensed consolidated statement of financial position

	Note	As at 30 September 2020 (Unaudited) AED '000	As at 31 December 2019 (Audited) AED '000
<b>ASSETS</b>			
Property and equipment, net		49,714	57,573
Right-of-use assets	16	115,715	129,140
Investment property	6	711,834	717,140
Goodwill and intangible assets		85,400	85,695
Loan investments	7	45,975	232,963
Investments in equity-accounted associates and joint ventures	8	474,667	524,552
Financial investments	9	5,776,362	6,085,448
Inventories		15,132	12,751
Trade and other receivables	10	510,243	701,640
Cash and bank balances	11	995,931	800,344
<b>Total assets</b>		<b>8,780,973</b>	<b>9,347,246</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,944,515	1,944,515
Treasury shares		(267,184)	(267,184)
Retained earnings		707,157	648,650
Reserves		486,834	487,048
<b>Equity attributable to the Owners of the Company</b>		<b>2,871,322</b>	<b>2,813,029</b>
Non-controlling interests		1,104,190	1,345,715
<b>Total equity</b>		<b>3,975,512</b>	<b>4,158,744</b>
<b>Liabilities</b>			
Borrowings	13	4,229,173	4,443,657
End of service benefit provision		26,372	29,900
Derivative liabilities	14	50,910	38,949
Lease liabilities	16	127,636	136,510
Trade and other liabilities	15	371,370	539,486
<b>Total liabilities</b>		<b>4,805,461</b>	<b>5,188,502</b>
<b>Total equity and liabilities</b>		<b>8,780,973</b>	<b>9,347,246</b>

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 11 November 2020 and signed on their behalf by:



Chairman



Chief Executive Officer



Chief Financial Officer

## Condensed consolidated statement of profit or loss

	Note	Nine month period ended 30 September 2020 (Unaudited) AED '000	Nine month period ended 30 September 2019 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2019 (Unaudited) AED '000
Revenue from sale of goods and services	17	226,278	221,618	79,817	68,002
Cost of sale of goods and services	17	(173,997)	(176,393)	(60,059)	(56,249)
<b>Gross profit</b>		<b>52,281</b>	45,225	<b>19,758</b>	11,753
Share of (loss) / profit from equity-accounted associates and joint ventures, <i>net</i>	8	(13,145)	257,350	(2,992)	78,462
Impairment of equity-accounted associates and joint ventures	8	(26,966)	(326,762)	(16,966)	(117,397)
(Loss) / gain on disposal of equity-accounted associates and joint ventures		-	(142,967)	-	10,638
Income / (loss) from financial investments	18	270,972	257,148	211,593	(10,088)
Gain on settlement of loan investments	7	11,244	-	-	-
Income / (loss) from investment property, <i>net</i>		28,104	(14,226)	8,582	(25,932)
Other income, <i>net</i>		6,356	1,743	1,432	1,060
<b>Net operating income / (loss)</b>		<b>328,846</b>	77,511	<b>221,407</b>	(51,504)
General and administrative expenses	19	(152,547)	(176,071)	(54,231)	(68,894)
Finance cost, <i>net</i>	20	(82,835)	(144,237)	(23,944)	(44,829)
<b>Profit / (loss) for the period</b>		<b>93,464</b>	(242,797)	<b>143,232</b>	(165,227)
<b>Profit / (loss) for the period attributable to:</b>					
Owners of the Company		58,507	(387,253)	85,715	(205,022)
Non-controlling interests		34,957	144,456	57,517	39,795
<b>Profit / (loss) for the period</b>		<b>93,464</b>	(242,797)	<b>143,232</b>	(165,227)
<b>Basic and diluted earnings / (loss) per share attributable to the Owners of the Company (AED)</b>	12	<b>0.03</b>	(0.21)	<b>0.04</b>	(0.11)

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

Note	Nine month period ended 30 September 2020 (Unaudited) AED '000	Nine month period ended 30 September 2019 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2019 (Unaudited) AED '000
	<b>93,464</b>	(242,797)	<b>143,232</b>	(165,227)
	<b>Profit / (loss) for the period</b>			
	<b>Other comprehensive (loss) / income</b>			
	<i>Items that may be reclassified subsequently to profit or loss:</i>			
	-	(251,240)	-	(12,861)
	Share of effective portion of changes in fair value of cash flow hedges			
	-	132,927	-	48,590
	Hedge reserve reclassification for amounts recognised in profit or loss			
8	<b>(214)</b>	(61,538)	-	(20,523)
	Share of change in other reserves of equity-accounted associates and joint ventures			
	-	13,365	-	9,032
	Release of share of other reserves of equity-accounted associates and joint ventures upon disposal			
	<b>(214)</b>	(166,486)	-	24,238
	<b>Total comprehensive income / (loss) for the period</b>			
	<b>93,250</b>	(409,283)	<b>143,232</b>	(140,989)
	<b>Total comprehensive income / (loss) attributable to:</b>			
	<b>58,293</b>	(553,739)	<b>85,715</b>	(180,784)
	Owners of the Company			
	<b>34,957</b>	144,456	<b>57,517</b>	39,795
	Non-controlling interests			
	<b>Total comprehensive income / (loss) for the period</b>			
	<b>93,250</b>	(409,283)	<b>143,232</b>	(140,989)

The notes numbered 1 to 23 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	Hedge reserve AED `000	Other reserves AED `000	Total reserves AED `000	Equity attributable to Owners of the Company AED `000	Non-controlling interests AED `000	Total equity AED `000
At 1 January 2019	1,944,515	(267,184)	1,407,829	486,991	(15,866)	22,877	494,002	3,579,162	970,768	4,549,930
(Loss) / profit for the period	-	-	(387,253)	-	-	-	-	(387,253)	144,456	(242,797)
Other comprehensive loss	-	-	-	-	(118,313)	(48,173)	(166,486)	(166,486)	-	(166,486)
Total comprehensive (loss) / profit	-	-	(387,253)	-	(118,313)	(48,173)	(166,486)	(553,739)	144,456	(409,283)
Cash dividend (note 12)	-	-	(137,888)	-	-	-	-	(137,888)	-	(137,888)
Acquisition of non-controlling interests, net	-	-	(2,167)	-	-	-	-	(2,167)	(235)	(2,402)
Contributions from non-controlling interest, net (note 5)	-	-	-	-	-	-	-	-	98,507	98,507
<b>At 30 September 2019 (Unaudited)</b>	<b>1,944,515</b>	<b>(267,184)</b>	<b>880,521</b>	<b>486,991</b>	<b>(134,179)</b>	<b>(25,296)</b>	<b>327,516</b>	<b>2,885,368</b>	<b>1,213,496</b>	<b>4,098,864</b>
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)
<b>At 30 September 2020 (Unaudited)</b>	<b>1,944,515</b>	<b>(267,184)</b>	<b>707,157</b>	<b>486,991</b>	<b>-</b>	<b>(157)</b>	<b>486,834</b>	<b>2,871,322</b>	<b>1,104,190</b>	<b>3,975,512</b>

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

## Condensed consolidated statement of cash flows

For the nine month period ended 30 September

		2020 (Unaudited) AED '000	2019 (Unaudited) AED '000
	Note		
<b>Cash flows from operating activities</b>			
Profit / (loss) for the period		93,464	(242,797)
<b>Adjustments for:</b>			
Depreciation on property and equipment, net		13,901	14,884
Depreciation on right-of-use assets	16	11,750	13,781
Finance cost, <i>net</i>	20	82,835	144,237
Charge for employees' end of service benefits		4,428	1,407
Gain on valuation of financial assets at fair value through profit or loss		(281,286)	(401,148)
Loss on reclassification of hedge reserve on maturity	18	-	132,927
Share of loss / (profit) from equity-accounted associates and joint ventures, <i>net</i>	8	13,145	(257,350)
Impairment of equity-accounted associates and joint ventures	8	26,966	326,762
Loss on disposal of equity-accounted associates and joint ventures		-	142,967
Dividend from equity-accounted associates and joint ventures	8	9,560	22,037
Gain on disposal of investment property		(2,607)	-
Decrease in fair value of investment property		-	33,000
Amortisation and write off of intangible assets		356	6,484
Provision for expected credit losses		8,116	19,347
Investment in equity-accounted associates and joint ventures		-	(88,673)
Investments in financial assets at FVTPL		602,333	(32,843)
Loans (repaid) / obtained for financial assets at FVTPL	13	(372,491)	199,385
Finance cost paid on loans obtained against financial assets at FVTPL		(42,916)	(48,279)
Interest paid on lease liabilities		(5,916)	(8,118)
Proceeds on disposal of associates and joint ventures, net		-	1,595,797
Gain on settlement of loan investment		(11,244)	-
<b>Changes in working capital:</b>			
Change in inventories		(2,381)	(2,246)
Change in trade and other receivables		198,210	(209,971)
Change in trade and other liabilities		(168,116)	89,459
<b>Net cash generated from operations</b>			
Employees' end of service benefits paid		(7,956)	(3,935)
<b>Net cash generated from operating activities</b>			
<b>Cash flows from investing activities</b>			
Payments made for development of investment property		(3,387)	(12,993)
Purchase of property and equipment, net		(6,042)	(2,424)
Purchase of intangibles, net		(61)	(174)
Proceeds from finance leases		-	2,970
Proceeds from disposal of investment property		2,600	-
Wakala deposit redeemed		35,000	-
Interest received		6,247	2,266
<b>Net cash generated from / (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Finance cost paid on borrowings		(46,244)	(72,718)
Principal paid on lease liabilities		(7,199)	(6,154)
Loans repaid		(512,718)	(1,324,270)
Loans obtained		891,170	373,990
Dividends paid	12	-	(137,888)
(Redemptions) / contributions of non-controlling interest holders, net		(276,482)	98,507
Acquisition of non-controlling interests		-	(2,402)
Proceeds from loan settlement		23,527	-
Loan investment provided		(45,975)	-
<b>Net cash generated from / (used in) financing activities</b>			
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at 1 January		765,344	428,970
<b>Cash and cash equivalents at 30 September</b>			
	11	995,931	794,794

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 nine month period ended 30 September 2020 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, oil and gas, fintech and maritime services.

The Group's consolidated financial statements for the year ended 31 December 2019 are available on its website [www.wahacapital.ae](http://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 2019.

### 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 2019, except for the adoption of new standards effective as of 1 January 2020. 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 2020

The Group has applied, for the first time, several new standards and amendments in 2020, as stated below:

- Amendments to references to the conceptual framework in IFRS standards
- Amendments to IFRS 3 regarding to definition of a business
- Amendments to IAS 1 and IAS 8 regarding definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 regarding interest rate benchmark reform
- Amendments to IFRS 16 relating to Covid-19-Related Rent Concessions

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. In addition, oil prices significantly dropped in January to March 2020 due to a number of political and economic factors. 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 2020 (Unaudited) AED `000				31 December 2019 (Audited) AED `000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Financial assets at FVTPL</b>								
Listed equity securities	1,250,247	1,250,247	-	-	1,753,759	1,753,759	-	-
Other investment in equity securities	181,185	-	-	181,185	963	-	-	963
Investment in listed fixed income securities	4,125,666	4,125,666	-	-	4,043,900	4,043,900	-	-
Derivative assets	76,670	-	76,670	-	41,901	-	41,901	-
Reverse repurchase contracts	108,470	-	108,470	-	210,908	-	210,908	-
Unquoted fund	34,124	-	-	34,124	34,017	-	-	34,017
<b>Total</b>	<b>5,776,362</b>	<b>5,375,913</b>	<b>185,140</b>	<b>215,309</b>	<b>6,085,448</b>	<b>5,797,659</b>	<b>252,809</b>	<b>34,980</b>
<b>Financial liabilities</b>								
<b>Financial liabilities at FVTPL</b>								
Derivative liabilities	(50,910)	-	(50,910)	-	(38,949)	-	(38,949)	-
<b>Total</b>	<b>(50,910)</b>	<b>-</b>	<b>(50,910)</b>	<b>-</b>	<b>(38,949)</b>	<b>-</b>	<b>(38,949)</b>	<b>-</b>

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:

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000	<b>Fair value hierarchy</b>	<b>Valuation technique</b>
<b>Financial assets at fair value through profit or loss</b>				
a Listed equity securities	<b>1,250,247</b>	1,753,759	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	<b>181,185</b>	963	Level 3	Valuation is based on Net Asset Values (NAV).
c Investment in listed fixed income securities	<b>4,125,666</b>	4,043,900	Level 1	Quoted bid prices in an active market.
d Reverse repurchase contracts	<b>108,470</b>	210,908	Level 2	The valuation is based on broker quotes.
e Derivative assets	<b>76,670</b>	41,901	Level 2	The valuation is based on broker quotes.
f Unquoted fund	<b>34,124</b>	34,017	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
<b>Financial liabilities at fair value through profit or loss</b>				
a Derivative liabilities	<b>(50,910)</b>	(38,949)	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

	<b>Nine-month period ended 30 September 2020 (Unaudited) AED '000</b>	Year ended 31 December 2019 (Audited) AED '000
At 1 January	34,980	271,596
Addition	180,222	-
Increase / (decrease) in fair value through profit or loss	107	(236,616)
	<b>215,309</b>	<b>34,980</b>

#### 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 redeemed AED nil from Waha MENA Equity Fund SP (30 September 2019: AED 25,746 thousand) and non-controlling interest holders redeemed net amount of AED 301,319 thousand (30 September 2019: non-controlling interest holders invested a net amount of AED 38,174 thousand), resulting in an increase in the Group's ownership from 49.8% to 62.8%; the Group invested AED 53,699 thousand from Waha CEEMEA Credit Fund SP (30 September 2019: the Group redeemed AED 18,390 thousand) and non-controlling interest holders invested a net amount of AED 25,432 thousand (30 September 2019: AED 60,357 thousand), resulting in an increase in the Group's ownership from 58.9% to 60.4%; the Group redeemed AED 110,340 thousand into Waha MENA Value Fund SP (30 September 2019: the Group invested AED 44,136 thousand), and non-controlling interest holders redeemed AED 617 thousand (30 September 2019: AED 195 thousand), resulting in an increase in the Group's ownership from 99.8% to 100.0%; the Group invested in Waha Islamic Income Fund SP, a newly established fund, an amount of AED 61,790 thousand (30 September 2019: the Group invested AED nil) and non-controlling interest holders invested a net amount of AED nil (30 September 2019: AED nil).

### 6 Investment property

The movement of investment property is presented below:

	<b>Nine-month period ended 30 September 2020 (Unaudited) AED '000</b>	Year ended 31 December 2019 (Audited) AED '000
At 1 January	717,140	753,566
Additions	3,387	13,493
Fair value loss	-	(49,919)
Disposal	(8,693)	-
	<b>711,834</b>	<b>717,140</b>

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 2020 has been determined by management with reference to the valuation carried out on 31 December 2019, performed by accredited independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use.

## Notes to the condensed consolidated financial statements (continued)

### 6 Investment property (continued)

During the period, 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.

### 7 Loan investments

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
Loan to an equity accounted investee <sup>1</sup>	45,975	12,283
Loan portfolio <sup>2</sup>	-	220,680
	<b>45,975</b>	<b>232,963</b>

<sup>1</sup> During the period, a loan of AED 12,283 was settled and a gain of AED 11,244 thousand was recognised in the profit or loss account.

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

<sup>2</sup> Loan portfolio is based outside UAE, carries an interest of 3.93% per annum and matures beyond one year. The loan portfolio is a stage 1 asset. During the period, the loan agreement was terminated and amount due was settled in full.

### 8 Investments in equity-accounted associates and joint ventures

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

	<b>Nine-month period ended 30 September 2020 (Unaudited) AED '000</b>	Year ended 31 December 2019 (Audited) AED '000
As at 1 January	524,552	4,200,967
Additions	-	116,786
Disposals	-	(3,303,194)
Share of (loss) / profit, net	(13,145)	234,066
Impairment loss	(26,966)	(516,803)
Share of equity reserves	(214)	(61,674)
Distributions received	(9,560)	(24,211)
Other adjustment	-	(121,385)
	<b>474,667</b>	<b>524,552</b>

Investment in equity-accounted associates and joint ventures domiciled outside the UAE amount to AED 184,943 thousand (31 December 2019: AED 176,400 thousand).

## Notes to the condensed consolidated financial statements (continued)

### 9 Financial investments

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
<b>Financial assets at fair value through profit or loss</b>		
Unquoted fund	<b>34,124</b>	34,017
Derivative assets <sup>1</sup>	<b>76,670</b>	41,901
Reverse repurchase contracts, net <sup>2</sup>	<b>108,470</b>	210,908
Listed fixed income securities <sup>3</sup>	<b>4,125,666</b>	4,043,900
Listed equity securities	<b>1,250,247</b>	1,753,759
Other investments <sup>4</sup>	<b>181,185</b>	963
	<b>5,776,362</b>	6,085,448

<sup>1</sup>Derivative 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 3,574,603 thousand (31 December 2019: AED 17,168,527 thousand).

<sup>2</sup>Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 1,859,221 thousand and corresponding liabilities of AED 1,750,751 thousand (31 December 2019: reverse repurchase receivables of AED 2,622,214 thousand and corresponding liabilities of AED 2,411,306 thousand). The repurchase agreements are subject to a master netting agreement.

<sup>3</sup>Listed fixed income securities totalling AED 3,493,918 thousand (31 December 2019: AED 3,863,010 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, 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 in 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.

## Notes to the condensed consolidated financial statements (continued)

### 10 Trade and other receivables

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
Trade receivables	253,485	265,497
Allowance for expected credit losses	(52,359)	(44,231)
	<b>201,126</b>	221,266
Prepayments and advances	10,281	7,049
Accrued interest	51,733	140,811
Amounts set aside for prior years dividends	38,114	38,468
Deposits under lien	1,028	1,022
Margin accounts	186,508	277,886
Other receivables	25,640	19,404
Allowance for expected credit losses on other receivables	(4,187)	(4,266)
	<b>510,243</b>	701,640

### 11 Cash and bank balances

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
Deposits held with banks	294,411	460,490
Cash at banks	700,284	339,475
Cash in hand	1,388	494
	<b>996,083</b>	800,459
Less: Allowance for expected credit losses	(152)	(115)
Cash and bank balances	<b>995,931</b>	800,344
Less: Wakala deposits with original maturities greater than 3 months	-	(35,000)
Cash and cash equivalents	<b>995,931</b>	765,344

### 12 Share capital and dividend

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

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

	<b>Nine month period ended 30 September 2020 (Unaudited)</b>	Nine month period ended 30 September 2019 (Unaudited)	<b>Three month period ended 30 September 2020 (Unaudited)</b>	Three month period ended 30 September 2019 (Unaudited)
Profit / (loss) for the period attributable to Owners of the Company (AED '000)	<b>58,507</b>	(387,253)	<b>85,715</b>	(205,022)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<b>1,838,508,714</b>	1,838,508,714	<b>1,838,508,714</b>	1,838,508,714

## Notes to the condensed consolidated financial statements (continued)

### 13 Borrowings

The movement in borrowings is presented below:

	<b>Nine-month period ended 30 September 2020 (Unaudited) AED '000</b>	Year ended 31 December 2019 (Audited) AED '000
At 1 January	4,443,657	6,463,768
Loans drawn-down	891,170	990,770
Loan arrangement and prepaid interest costs, net of amortisations	235	42,464
Loans repaid	<b>(1,105,889)</b>	<b>(3,053,345)</b>
	<b>4,229,173</b>	<b>4,443,657</b>

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).

During the period, an amount of AED 882,270 thousand was drawn-down from the Group's existing US\$ 500 million secured revolving loan facility, and AED 2,567 thousand was drawn-down 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 372,491 thousand.

### 14 Derivative liabilities

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
<b>Financial liabilities at fair value through profit or loss</b>		
Other derivative liabilities <sup>1</sup>	50,910	38,949
	<b>50,910</b>	<b>38,949</b>

<sup>1</sup> 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 20,778,235 thousand (31 December 2019: AED 14,338,470 thousand).

### 15 Trade and other liabilities

	<b>30 September 2020 (Unaudited) AED '000</b>	31 December 2019 (Audited) AED '000
Trade payables	146,567	207,127
Interest accrued on borrowings	24,461	113,860
Dividends payable	37,982	38,335
Long term employee incentive plans accrual	22,912	18,204
Deferred income	15,782	52,391
Other payables and accruals	123,666	109,569
	<b>371,370</b>	<b>539,486</b>



## Notes to the condensed consolidated financial statements (continued)

### 16 Leases

	<b>Right-of- use assets AED '000</b>	<b>Lease liabilities AED'000</b>
As at 1 January 2020	129,140	136,510
Depreciation expense	(11,750)	-
Interest expense	-	5,916
Payments	-	(13,115)
Reassessment of lease terms	(1,675)	(1,675)
<b>As at 30 September 2020 (Unaudited)</b>	<b>115,715</b>	<b>127,636</b>
As at 1 January 2019	200,546	197,725
Depreciation expense	(17,604)	-
Interest expense	-	10,507
Payments	-	(17,920)
New leases	5,597	5,597
Reassessment of lease terms	(59,399)	(59,399)
<b>As at 31 December 2019 (Audited)</b>	<b>129,140</b>	<b>136,510</b>

### 17 Revenue from sale of goods and services

	<b>Nine month period ended 30 September 2020 (Unaudited) AED '000</b>	Nine month period ended 30 September 2019 (Unaudited) AED '000	<b>Three month period ended 30 September 2020 (Unaudited) AED '000</b>	Three month period ended 30 September 2019 (Unaudited) AED '000
Revenue	226,278	221,618	79,817	68,002
Cost of sales	(173,997)	(176,393)	(60,059)	(56,249)
Gross profit	<b>52,281</b>	45,225	<b>19,758</b>	11,753

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

	<b>Nine month period ended 30 September 2020 (Unaudited) AED '000</b>	Nine month period ended 30 September 2019 (Unaudited) AED '000	<b>Three month period ended 30 September 2020 (Unaudited) AED '000</b>	Three month period ended 30 September 2019 (Unaudited) AED '000
<b>Derivatives designated and effective as hedging instruments carried at fair value</b>				
Equity price collar – Reclassification of hedge reserve on maturity (note 9)	-	(132,927)	-	(48,590)
<b>Financial assets at fair value through profit or loss</b>				
Net gain / (loss) from unquoted fund	<b>108</b>	(2,178)	<b>38</b>	(238)
Net gain / (loss) from derivatives	<b>102,103</b>	(172,864)	<b>(26,090)</b>	(120,432)
Net gain from listed fixed income securities	<b>281,960</b>	271,993	<b>103,408</b>	76,556
Net (loss) / gain from listed equity securities	<b>(113,199)</b>	294,609	<b>134,237</b>	82,616
Others	-	(1,485)	-	-
	<b>270,972</b>	257,148	<b>211,593</b>	(10,088)

## Notes to the condensed consolidated financial statements (continued)

### 19 General and administrative expenses

	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
	<b>83,592</b>	<b>68,955</b>	<b>152,547</b>	<b>26,460</b>	<b>27,771</b>	<b>54,231</b>

	Nine month period ended 30 September 2019 (Unaudited) AED '000			Three month period ended 30 September 2019 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	52,394	44,364	96,758	14,802	17,287	32,089
Legal and other professional expenses	2,812	9,276	12,088	390	2,101	2,491
Depreciation	2,759	10,219	12,978	898	2,693	3,591
Amortisation of intangible assets	624	5,860	6,484	217	1,928	2,145
Marketing expenses	1,741	1,636	3,377	839	473	1,312
Provision for expected credit losses	-	19,347	19,347	-	16,476	16,476
Others	2,615	22,424	25,039	3,309	7,481	10,790
	<b>62,945</b>	<b>113,126</b>	<b>176,071</b>	<b>20,455</b>	<b>48,439</b>	<b>68,894</b>

### 20 Finance cost, net

	Nine month period ended 30 September 2020 (Unaudited) AED '000	Nine month period ended 30 September 2019 (Unaudited) AED '000	Three month period ended 30 September 2020 (Unaudited) AED '000	Three month period ended 30 September 2019 (Unaudited) AED '000
Interest on borrowings	89,159	143,923	25,434	46,637
Interest on lease liabilities	5,916	8,118	1,550	2,406
Amortisation of loan arrangement costs	236	3,392	80	1,144
Interest income from loan investments at amortised cost	(5,667)	(8,863)	(1,348)	(3,575)
Interest earned on time deposits	(6,247)	(2,266)	(1,585)	(1,783)
Unwinding of interest on disposal of investment property	(562)	-	(187)	-
Interest income from investments in finance leases	-	(67)	-	-
	<b>82,835</b>	<b>144,237</b>	<b>23,944</b>	<b>44,829</b>

## Notes to the condensed consolidated financial statements (continued)

### 21 Related parties

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

Key management personnel compensation

	<b>Nine month period ended 30 September 2020 (Unaudited) AED '000</b>	Nine month period ended 30 September 2019 (Unaudited) AED '000	<b>Three month period ended 30 September 2020 (Unaudited) AED '000</b>	Three month period ended 30 September 2019 (Unaudited) AED '000
Salary and benefits	5,761	7,393	1,306	2,021
End of service and other long term benefits	345	693	56	212
	<b>6,106</b>	<b>8,086</b>	<b>1,362</b>	<b>2,233</b>

During the period, loan investments to an associate amounted to AED 12,283 was settled and a gain of AED 11,244 thousand was recognised in the profit or loss account.

#### Significant balances with related parties:

Loan investments provided to an associate amounted to AED nil as at 30 September 2020 (31 December 2019: AED 12,283 thousand).

During the period, the Group provided an interest bearing loan amounting to AED 45,975 thousand at an interest rate of three-month Libor plus 6.5% to an equity accounted investment (31 December 2019: AED nil).

### 22 Operating segments

#### *Private Investments*

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

#### *Asset Management - Capital Markets*

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

#### *Corporate*

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

## Notes to the condensed consolidated financial statements (continued)

### 22 Operating segments (continued)

The following table presents revenue and profit information for the Group's operating segments for the nine month period ended 30 September 2020 and 2019, respectively:

AED '000	Asset Management			
	Private Investments	Capital Markets	Corporate	Consolidated
<b>Nine-month period ended 30 September 2020 (unaudited)</b>				
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)
<b>Nine-month period ended 30 September 2019 (unaudited)</b>				
Revenue from sale of goods and services	221,618	-	-	221,618
Share of profit from equity-accounted associates and joint ventures, net	257,350	-	-	257,350
Impairment of equity-accounted associates and joint ventures	(326,762)	-	-	(326,762)
Loss on disposal of equity-accounted associates and joint ventures	(142,967)	-	-	(142,967)
(Loss) / income from financial investments	(293,032)	550,180	-	257,148
Loss from investment property, net	(14,226)	-	-	(14,226)
Other income, net	787	817	139	1,743
(Loss) / profit for the period	(623,406)	484,993	(104,384)	(242,797)
Other comprehensive loss	(166,486)	-	-	(166,486)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (2019: AED nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2020 and 31 December 2019, respectively:

AED '000	Asset Management			
	Private Investments	Capital Markets	Corporate	Consolidated
<b>As at 30 September 2020 (unaudited)</b>				
Segment assets	2,036,327	6,223,322	521,324	8,780,973
Segment liabilities	428,859	2,977,026	1,399,576	4,805,461
<b>As at 31 December 2019 (audited)</b>				
Segment assets	1,749,929	7,034,761	562,556	9,347,246
Segment liabilities	470,496	3,704,702	1,013,304	5,188,502

## Notes to the condensed consolidated financial statements (continued)

### 23 Reclassifications

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

<b>AED '000</b>	Original classification	Reclassification	As reclassified
Revenue from sale of goods and services	242,547	(20,929)	221,618
Cost of sale of goods and services	(178,548)	2,155	(176,393)
Loss from investment property, <i>net</i>	-	(14,226)	(14,226)
Impairment of investment property	(33,000)	33,000	-