

WAHA CAPITAL

**Report and condensed consolidated financial statements for
the nine-month period ended 30 September 2023**

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO

THE BOARD OF DIRECTORS OF AL WAHA CAPITAL PJSC

Introduction

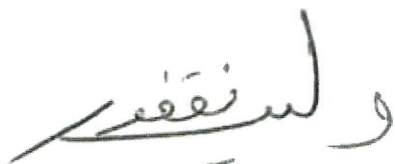
We have reviewed the accompanying condensed consolidated statement of financial position of Al Waha Capital PJSC ("the Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2023 and the related condensed consolidated statement of profit or loss and condensed consolidated statement of profit or loss and other comprehensive income for the three-month 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 explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated financial statements 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:
Walid Nakfour
Partner
Ernst & Young
Registration No. 5479

2 November 2023
Abu Dhabi

Condensed consolidated statement of financial position

	Note	As at 30 September 2023 (Unaudited) AED '000	As at 31 December 2022 (Audited) AED '000
ASSETS			
Property and equipment, net		14,082	18,137
Right-of-use assets	17	26,390	35,245
Investment property	7	365,845	282,232
Goodwill and intangible assets		37,039	36,964
Loan investments	8	44,878	40,749
Investments in equity-accounted associates and joint ventures	9	94,298	95,505
Financial investments	10	7,983,747	6,873,932
Inventories		2,495	2,216
Trade and other receivables	11	1,858,966	848,172
Cash and bank balances	12	870,163	797,349
		11,297,903	9,030,501
Assets held for sale	6	466,940	466,940
Total assets		11,764,843	9,497,441
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,944,515	1,944,515
Treasury shares		(154,073)	(161,194)
Retained earnings		1,209,606	1,140,733
Reserves		577,157	577,069
Equity attributable to the Owners of the Company		3,577,205	3,501,123
Non-controlling interests		2,444,457	1,827,823
Total equity		6,021,662	5,328,946
Liabilities			
Borrowings	14	4,978,597	3,585,715
Derivative liabilities	15	124,296	72,644
Lease liabilities	17	24,728	34,368
Trade and other liabilities	16	615,560	475,768
Total liabilities		5,743,181	4,168,495
Total equity and liabilities		11,764,843	9,497,441

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 2 November 2023 and signed on their behalf by:

 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Chairman</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Managing Director</p>	 <hr style="width: 100%; border: 0.5px solid black;"/> <p>Chief Financial Officer</p>
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The notes numbered 1 to 24 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss

For the nine-month period ended 30 September		Nine-month period ended 30 September 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
	Note				
Continuing operations					
Revenue from sale of goods and services	18	101,592	79,847	29,676	24,472
Cost of sale of goods and services	18	(79,100)	(65,412)	(25,595)	(21,045)
Gross profit		22,492	14,435	4,081	3,427
Share of profit from equity-accounted associates and joint ventures, <i>net</i>	9	3,639	7,106	2,041	2,120
Gain on disposal of equity-accounted associates and joint ventures		5,021	31,263	-	-
Income from financial investments, <i>net</i>	19	601,002	339,708	155,208	189,855
Income from investment property, <i>net</i>		32,218	36,549	8,750	11,977
Other income, <i>net</i>		15,079	11,487	9,031	9,169
Net operating income		679,451	440,548	179,111	216,548
General and administrative expenses	20	(178,953)	(122,419)	(58,256)	(57,826)
Finance cost, <i>net</i>	21	(93,280)	(82,221)	(31,783)	(27,937)
Profit for the period from continuing operations		407,218	235,908	89,072	130,785
Discontinued operations					
Loss for the period		-	(9,887)	-	(3,457)
Gain on disposal of a subsidiary	22	-	32,653	-	32,653
Profit for the period from discontinued operations		-	22,766	-	29,196
Profit for the period		407,218	258,674	89,072	159,981
Profit for the period attributable to:					
Owners of the Company		222,486	186,966	53,630	99,684
Non-controlling interests		184,732	71,708	35,442	60,297
Profit for the period		407,218	258,674	89,072	159,981
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	13	0.118	0.100	0.028	0.053
Basic and diluted earnings per share from continuing operations attributable to the Owners of the Company (AED)		0.118	0.084	0.028	0.037

The notes numbered 1 to 24 are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

For the nine-month period ended 30 September	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
Profit for the period	407,218	258,674	89,072	159,981
Other comprehensive 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	-	(246)	-	-
Release of share of other reserves of equity-accounted associates and joint ventures upon disposal (note 9)	88	-	-	-
	88	(246)	-	-
Total comprehensive profit for the period	407,306	258,428	89,072	159,981
Total comprehensive profit attributable to:				
Owners of the Company	222,574	186,720	53,630	99,684
Non-controlling interests	184,732	71,708	35,442	60,297
Total comprehensive profit for the period	407,306	258,428	89,072	159,981

The notes numbered 1 to 24 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 Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
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	-	-	186,966	-	-	-	186,966	71,708	258,674
Other comprehensive loss	-	-	-	-	(246)	(246)	(246)	-	(246)
Total comprehensive income / (loss)	-	-	186,966	-	(246)	(246)	186,720	71,708	258,428
Cash dividend (note 13)	-	-	(138,807)	-	-	-	(138,807)	-	(138,807)
Bonus shares issued	-	113,515	(113,515)	-	-	-	-	-	-
Purchase of treasury shares, net	-	(4,066)	-	-	-	-	(4,066)	-	(4,066)
Loss on acquisition of investment from non-controlling interests	-	-	(9,488)	-	-	-	(9,488)	7,198	(2,290)
Contributions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	129,323	129,323
Disposal of a subsidiary	-	-	2,756	-	-	-	2,756	34,369	37,125
At 30 September 2022 (Unaudited)	1,944,515	(157,735)	1,017,764	549,192	(4,772)	544,420	3,348,964	1,722,139	5,071,103
At 1 January 2023	1,944,515	(161,194)	1,140,733	583,629	(6,560)	577,069	3,501,123	1,827,823	5,328,946
Profit for the period	-	-	222,486	-	-	-	222,486	184,732	407,218
Other comprehensive income	-	-	-	-	88	88	88	-	88
Total comprehensive income	-	-	222,486	-	88	88	222,574	184,732	407,306
Cash dividend (note 13)	-	-	(150,681)	-	-	-	(150,681)	-	(150,681)
Sale of treasury shares, net	-	7,121	-	-	-	-	7,121	-	7,121
Loss on acquisition of investment from non-controlling interests	-	-	(2,932)	-	-	-	(2,932)	(1,605)	(4,537)
Contributions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	436,350	436,350
Distributions paid to non-controlling interests	-	-	-	-	-	-	-	(2,843)	(2,843)
At 30 September 2023 (Unaudited)	1,944,515	(154,073)	1,209,606	583,629	(6,472)	577,157	3,577,205	2,444,457	6,021,662

The notes numbered 1 to 24 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	2023 (Unaudited) AED '000	2022 (Unaudited) AED '000
Cash flows from operating activities			
Profit from continuing operations		407,218	235,908
Profit from discontinued operations		-	22,766
Profit for the period		407,218	258,674
Adjustments for:			
Depreciation on property and equipment, net		6,741	9,098
Depreciation on right-of-use assets	17	8,855	11,147
Finance cost, net	21	93,280	86,258
Charge for employees' end of service benefits		3,381	4,628
Income from financial assets at fair value through profit or loss		(601,002)	(339,708)
Share of profit from equity-accounted associates and joint ventures, net	9	(3,639)	(7,106)
Dividend from equity-accounted associates and joint ventures	9	2,036	11,586
Gain on disposal of equity-accounted associates and joint ventures		(5,021)	(31,263)
Fair value gain on investment property		-	(508)
Amortisation and write-off of intangible assets		-	315
Gain on disposal of investment property		-	(554)
Gain on disposal of a subsidiary		-	(32,653)
Provision for expected credit losses		5,920	4,058
Proceeds from equity-accounted associates and joint ventures		7,919	31,263
Investments in financial assets at FVTPL, net		(457,161)	134,355
Loans obtained / (repaid) for financial assets at FVTPL, net		1,335,609	(806,305)
Finance cost paid on loans obtained against financial assets at FVTPL		(31,170)	(30,903)
Interest expense on lease liabilities	17	(1,505)	(5,433)
Changes in working capital:			
Change in inventories		(279)	32
Change in trade and other receivables		(1,011,359)	(4,689)
Change in trade and other liabilities		142,726	58,426
Net cash used in operations		(97,451)	(649,282)
Employees' end of service benefits paid		(995)	(3,415)
Net cash used in operating activities		(98,446)	(652,697)
Cash flows from investing activities			
Purchase of intangibles, net		(75)	(30)
Payments made for development of investment property		(83,613)	(1,324)
Purchase of property and equipment, net		(2,686)	(4,987)
Proceeds from disposal of investment property		-	855
Proceeds from disposal of a subsidiary, net of cash disposed		-	37,405
Interest received		27,529	3,520
Net cash (used in) / generated from investing activities		(58,845)	35,439
Cash flows from financing activities			
Finance cost paid on borrowings		(88,029)	(53,780)
Principal paid on lease liabilities		(9,640)	(4,552)
Loans repaid		(25,910)	(27,484)
Loans obtained		77,723	20,661
Dividends paid	13	(150,681)	(138,807)
Contributions of non-controlling interest holders, net	5	436,350	129,323
Loan investment provided including accrued interest		(4,129)	(39,453)
Acquisition from non-controlling interest holders		(4,537)	(2,290)
Distributions paid to non-controlling interest holders		(2,843)	-
Proceeds from treasury shares sale		1,801	-
Net cash generated from / (used in) financing activities		230,105	(116,382)
Net increase / (decrease) in cash and cash equivalents		72,814	(733,640)
Cash and cash equivalents at 1 January		797,349	1,421,350
Cash and cash equivalents at 30 September	12	870,163	687,710

The notes numbered 1 to 24 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 2023 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 2022 are available on its website www.wahacapital.com and 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*. These 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 2022.

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 2022 except for the adoption of the following new standards and amendments effective as of 1 January 2023. 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 2023

The Group has applied, for the first time, new standards and amendments in 2023, as stated below:

- IFRS 17 *Insurance Contracts*
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

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

UAE corporate income tax

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

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

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

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial period ended 30 September 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, we do not consider there to be material temporary differences, other than on goodwill and intangible assets, on which deferred taxes should be accounted.

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

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 2023 (Unaudited) AED '000				31 December 2022 (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	2,289,579	2,289,579	-	-	2,076,939	2,076,939	-	-
Other investment in equity securities	48,299	-	-	48,299	48,299	-	-	48,299
Convertible preference shares	182,065	-	-	182,065	160,994	-	-	160,994
Investment in fixed income securities	4,664,955	4,664,955	-	-	3,780,542	3,780,542	-	-
Derivative assets	68,220	-	68,220	-	99,385	-	99,385	-
Reverse repurchase contracts	289,465	-	289,465	-	236,808	-	236,808	-
Unquoted funds	441,164	-	-	441,164	470,965	-	-	470,965
Total	7,983,747	6,954,534	357,685	671,528	6,873,932	5,857,481	336,193	680,258
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(124,296)	-	(124,296)	-	(72,644)	-	(72,644)	-
Total	(124,296)	-	(124,296)	-	(72,644)	-	(72,644)	-

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 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000	Fair value hierarchy	Valuation technique
Financial assets at fair value through profit or loss				
a Listed equity security	2,289,579	2,076,939	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	48,299	48,299	Level 3	Valuation is based on Net Asset Values (NAV) or latest transaction price in the market and discounted cash flows using unobservable inputs, mainly discount rate, interest rate, share price and market volatilities of the underlying instrument.
c Convertible preference shares	182,065	160,994	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares
d Investment in listed fixed income securities	4,664,955	3,780,542	Level 1	Quoted bid prices in an active market.
e Reverse repurchase contracts	289,465	236,808	Level 2	The valuation is based on broker quotes.
f Derivative assets	68,220	99,385	Level 2	The valuation is based on broker quotes.
g Unquoted funds	441,164	470,965	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	(124,296)	(72,644)	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 2023 (Unaudited) AED '000	Year ended 31 December 2022 (Audited) AED '000
At 1 January	680,258	321,405
(Redemptions) / additions	(7,473)	367,326
Decrease in fair value through profit or loss	(1,257)	(8,473)
	<u>671,528</u>	<u>680,258</u>

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 non-controlling interest holders of Waha MENA Equity Fund SP invested a net amount of AED 252,022 thousand (30 September 2022: AED 139,427 thousand), resulting in a decrease in the Group's ownership from 59.7% to 54.5%; the non-controlling interest holders of Waha Emerging Markets Credit Fund SP (previously referred to as the Waha CEEMEA Credit Fund SP) invested a net amount of AED 152,329 thousand (30 September 2022: redeemed net amount of AED 23,514 thousand), resulting in a decrease in the Group's ownership from 63.2% to 59.6%; the non-controlling interest holders in Waha Islamic Income Fund SP invested an amount of AED 31,999 thousand (30 September 2022: AED 11,310 thousand), resulting in a decrease in the Group's ownership from 78.7% to 64.6%. The Group had also invested an amount of AED 2,100 thousand in Waha Principal Investments – Sole Proprietorship LLC during the nine-month period ended 30 September 2022.

Notes to the condensed consolidated financial statements (continued)

6 Non-current assets held for sale and discontinued operations

On 24 May 2022, the Group entered into a sale and purchase agreement to sell its subsidiary, Anglo Arabian Healthcare Investment (AAHI), which was completed on 26 July 2022 with a consideration amounting to AED 100,000 thousand and recognised a gain on disposal amounting to AED 32,653 thousand. Accordingly, the results of the discontinued operations were reclassified as of 30 June 2022 amounting to a loss of AED 6,430 thousand.

During 2022, the Group has decided to sell a part of its investment property amounting to AED 466,940 thousand. As a result, this portion has been reclassified to an asset held for sale (note 22).

7 Investment property

The movement of investment property is presented below:

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Year ended 31 December 2022 (Audited) AED '000
At 1 January	282,232	711,422
Additions	83,613	40,374
Fair value gain	-	508
Disposal of investment property	-	(3,132)
Assets held for sale	-	(466,940)
	365,845	282,232

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 2023 has been determined by management with reference to the valuation carried out on 31 December 2022, 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 Musataha 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 Musataha 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.

During 2022, the Group entered into a Musataha agreement for sale of a serviced land. Total consideration for the transaction is AED 4,275 thousand which is payable in five installments until June 2026.

Notes to the condensed consolidated financial statements (continued)

8 Loan investments

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Loan investment	<u>44,878</u>	<u>40,749</u>

During 2022, the Group provided an interest-bearing loan amounting to AED 36,044 thousand at a PIK interest rate of 13% per annum. The loan is repayable in five years. Loan can be extended by the borrower for one year. As of 30 September 2023, the loan is a stage 1 asset (31 December 2022: 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:

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Year ended 31 December 2022 (Audited) AED '000
As at 1 January	95,505	170,242
Disposals	(2,898)	(73,078)
Share of profit, net	3,639	13,410
Share of equity reserves	88	(2,034)
Distributions received	(2,036)	(13,035)
	<u>94,298</u>	<u>95,505</u>

Notes to the condensed consolidated financial statements (continued)

10 Financial investments

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Financial assets at fair value through profit or loss		
Unquoted funds	441,164	470,965
Derivative assets ¹	68,220	99,385
Reverse repurchase contracts, net ²	289,465	236,808
Listed fixed income securities ³	4,664,955	3,780,542
Listed equity securities	2,289,579	2,076,939
Convertible preference shares ⁴	182,065	160,994
Other investments	48,299	48,299
	7,983,747	6,873,932

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 938,766 thousand (31 December 2022: 5,493,387 thousand).

²Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,761,305 thousand and corresponding liabilities of AED 2,471,841 thousand (31 December 2022: reverse repurchase receivables of AED 2,653,979 thousand and corresponding liabilities of AED 2,417,171 thousand). The repurchase agreements are subject to a master netting agreement.

³Listed fixed income securities totalling AED 2,880,845 thousand (31 December 2022: AED 2,441,902 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 182,065 thousand (31 December 2022: AED 160,994 thousand).

Notes to the condensed consolidated financial statements (continued)
11 Trade and other receivables

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Trade receivables	1,154,954	129,556
Allowance for expected credit losses	(17,955)	(16,832)
	1,136,999	112,724
Prepayments and advances	129,997	20,315
Accrued interest	81,564	69,573
Amounts set aside for prior years dividends	15,742	37,634
Deposits under lien	1,045	1,040
Margin accounts	527,606	545,710
Other receivables	(28,744)	61,710
Allowance for expected credit losses on other receivables	(5,243)	(534)
	1,858,966	848,172

12 Cash and bank balances

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Deposits held with banks	114,840	99,306
Cash at banks	755,265	698,008
Cash in hand	113	90
Cash and bank balances	870,218	797,404
Less: Allowance for expected credit losses	(55)	(55)
	870,163	797,349

13 Share capital and dividend

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

The basic and diluted earnings per share for the current period ended 30 September 2023 and 2022 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 2023 (Unaudited)	Nine-month period ended 30 September 2022 (Unaudited)	Three-month period ended 30 September 2023 (Unaudited)	Three-month period ended 30 September 2022 (Unaudited)
Profit for the period attributable to Owners of the Company (AED '000)	222,486	186,966	53,630	99,684
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,879,570,680	1,867,925,493	1,879,570,680	1,867,925,493
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	0.118	0.100	0.028	0.053

Notes to the condensed consolidated financial statements (continued)

14 Borrowings

The movement in borrowings is presented below:

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Year ended 31 December 2022 (Audited) AED '000
At 1 January	3,585,715	4,117,198
Loans drawn down	1,413,332	35,344
Loan arrangement and prepaid interest costs, net of amortization	5,460	6,051
Loans repaid	(25,910)	(572,189)
Loans transferred to a disposal group	-	(689)
	4,978,597	3,585,715

On 15 August 2021, the Group completed the refinancing of its existing AED 1,839 million (\$500 million) secured revolving loan facility, replacing it with a 3-year AED 1,839 million (\$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. An amount of AED 1,302,012 thousand was outstanding as at 30 September 2023 with nil drawdown during the period.

During the period, the Group's repurchase liabilities against its investment in fixed income securities increased by AED 331,082 thousand. The outstanding Repurchase liabilities as at 30 September 2023 were AED 1,335,609 thousand.

During the period, net amount of AED 51,813 thousand was drawn from the AED 378,000 thousand secured Murabaha-ljara based financing for further development of its light industrial real estate project. An amount of AED 160,978 thousand was outstanding as at 30 September 2023.

15 Derivative liabilities

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Financial liabilities at fair value through profit or loss		
Other derivative liabilities ¹	124,296	72,644
	124,296	72,644

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 951,463 thousand (31 December 2022: 600,317 thousand).

16 Trade and other liabilities

	30 September 2023 (Unaudited) AED '000	31 December 2022 (Audited) AED '000
Trade payables	356,101	212,918
Interest accrued on borrowings	75,068	54,072
Dividends payable	15,744	37,637
Long term employee incentive plans accrual	48,028	61,557
Deferred income	6,095	8,517
End of service benefit provision	22,261	19,875
Other payables and accruals	92,263	81,192
	615,560	475,768

Notes to the condensed consolidated financial statements (continued)

17 Leases

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2023	35,245	34,368
Depreciation expense	(8,855)	-
Interest expense	-	1,505
Payments	-	(11,145)
As at 30 September 2023 (Unaudited)	26,390	24,728
As at 1 January 2022	99,649	119,918
Depreciation expense	(12,505)	-
Interest expense	-	6,131
Payments	-	(16,310)
New leases	17,918	17,918
Reassessment of lease terms ¹	13,770	13,770
Lease liabilities classified into a disposal group	(83,587)	(107,059)
As at 31 December 2022 (Audited)	35,245	34,368

¹During 2022, the Group's existing office lease has been extended for further five-year period hence lease liability was remeasured.

18 Revenue from sale of goods and services

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
Revenue	101,592	79,847	29,676	24,472
Cost of sale	(79,100)	(65,412)	(25,595)	(21,045)
Gross profit	22,492	14,435	4,081	3,427

Revenue and cost of sales of services are 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

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
Financial assets at fair value through profit or loss				
Net (loss) / gain from unquoted funds	(22,328)	40,582	(10,601)	2,777
Net gain / (loss) from derivatives	127,961	472,846	(36,142)	89,441
Net gain / (loss) from listed fixed income securities	237,019	(121,013)	82,924	32,603
Net gain / (loss) from listed equity securities	228,920	(37,312)	114,221	78,520
Net gain / (loss) from convertible preference shares	29,429	(15,395)	4,806	(13,486)
	601,002	339,708	155,208	189,855

20 General and administrative expenses

	Nine-month period ended 30 September 2023 (Unaudited) AED '000			Three-month period ended 30 September 2023 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	106,670	16,563	123,233	33,901	6,049	39,950
Legal and other professional expenses	10,292	10,879	21,171	4,497	4,053	8,550
Depreciation	2,539	2,471	5,010	853	858	1,711
Marketing expenses	2,489	1,548	4,037	411	439	850
Provision for expected credit losses	4,709	1,211	5,920	-	287	287
Others	9,755	9,827	19,582	3,419	3,489	6,908
	136,454	42,499	178,953	43,081	15,175	58,256
	Nine-month period ended 30 September 2022 (Unaudited) AED '000			Three-month period ended 30 September 2022 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs ¹	55,821	16,440	72,261	31,275	6,355	37,630
Legal and other professional expenses	10,799	11,020	21,819	4,176	4,278	8,454
Depreciation	4,022	2,406	6,428	1,353	826	2,179
Amortisation of intangible assets	23	260	283	1	231	232
Marketing expenses	1,816	1,485	3,301	500	527	1,027
Provision for expected credit losses	-	359	359	-	115	115
Others	9,385	8,583	17,968	5,380	2,809	8,189
	81,866	40,553	122,419	42,685	15,141	57,826

¹ In 2022, staff costs included a prior year reversal amounted to AED 23,720 thousand.

Notes to the condensed consolidated financial statements (continued)

21 Finance cost, net

	Nine-month period ended 30 September 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
Interest on borrowings	119,199	83,728	40,610	30,260
Interest on lease liabilities	1,505	1,351	462	472
Amortisation of loan arrangement costs	5,460	5,141	1,840	1,733
Interest income from loan investments at amortised cost	(4,145)	(3,408)	(1,435)	(1,419)
Collateral and other interest income	(26,249)	(3,503)	(9,151)	(3,503)
Interest earned on time deposits	(1,280)	(17)	(139)	825
Unwinding of interest on disposal of investment property	(1,210)	(1,071)	(404)	(431)
	93,280	82,221	31,783	27,937

22 Disposal of a subsidiary

As referred to in note 6, on 26 July 2022 the Group disposed of its interest in AAHI.

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

	26 July 2022 (Unaudited) AED '000
Assets	
Property and equipment, net	13,463
Right-of-use assets (note 17)	83,587
Goodwill and intangible assets	41,733
Inventories	13,557
Trade and other receivables	42,236
Cash and bank balances	3,069
Liabilities	
Borrowings (note 14)	(689)
End of service benefit provision	(8,447)
Lease liabilities (note 17)	(107,059)
Trade and other liabilities	(63,337)
Net assets disposed	18,113
Gain on disposal of a subsidiary	
Consideration	100,000
Net assets disposed	(18,113)
Non-controlling interests	(39,708)
Gain on disposal	42,179
Transaction costs	(9,526)
Net gain on disposal	32,653

Notes to the condensed consolidated financial statements (continued)

22 Disposal of a subsidiary (continued)

	Period from 1 January 2022 to 26 July 2022 (Unaudited) AED '000
<i>Net cash inflow on disposal of a subsidiary</i>	
Consideration received in cash and cash equivalents	50,000
Less: transaction costs	(9,526)
Less: cash and cash equivalent balances disposed	(3,069)
	37,405

23 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 2023 (Unaudited) AED '000	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2023 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000
Salary and benefits	4,966	5,211	1,364	1,301
End of service and other long-term benefits	404	478	131	146
	5,370	5,689	1,495	1,447

24 Operating segments

Private Investments

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

Public Markets

The Public Markets segment provides asset management services to both proprietary capital and third-party investors by means of managed funds and separate accounts, across a number of strategies, and is operated through Waha Investments PrJSC.

Waha Land

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

Corporate

The Corporate segment comprises the remainder of the Group's activities, not directly attributed to the above segments, but providing a range of corporate services to each.

The following table presents revenue and profit information for the Group's operating segments for the nine-month period ended 30 September 2023 and 2022, respectively:

Notes to the condensed consolidated financial statements (continued)
24 Operating segments (continued)

AED '000 Nine-month period ended 30 September 2023 (Unaudited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Revenue from sale of goods and services	101,592	-	-	-	101,592
Share of profit from equity-accounted associates and joint ventures, net	3,639	-	-	-	3,639
Gain on disposal of equity-accounted associates and joint ventures	5,021	-	-	-	5,021
Income / (loss) from financial investments, net	(3,763)	-	604,765	-	601,002
Income from investment property, net	-	32,218	-	-	32,218
Other income, net	463	242	14,373	1	15,079
Profit for the period	(6,246)	21,233	584,946	(192,715)	407,218
Other comprehensive income	88	-	-	-	88

AED '000 Nine-month period ended 30 September 2022 (Unaudited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Revenue from sale of goods and services	79,847	-	-	-	79,847
Share of profit from equity-accounted associates and joint ventures, net	7,106	-	-	-	7,106
Gain on disposal of equity-accounted associates and joint ventures	31,263	-	-	-	31,263
Income from financial investments, net	(19,544)	-	359,252	-	339,708
Income from investment property, net	-	36,549	-	-	36,549
Other income, net	1,767	891	494	8,335	11,487
Profit for the period from continuing operations	2,413	28,134	306,603	(101,242)	235,908
Profit for the period from discontinued operations	22,766	-	-	-	22,766
Profit for the period	25,179	28,134	306,603	(101,242)	258,674
Other comprehensive loss	(246)	-	-	-	(246)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (30 September 2022: nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2023 and 31 December 2022, respectively:

AED '000 As at 30 September 2023 (unaudited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Segment assets	1,001,979	919,358	9,787,244	56,262	11,764,843
Segment liabilities	63,003	186,950	4,080,866	1,412,362	5,743,181

AED '000 As at 31 December 2022 (audited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Segment assets	1,037,129	855,868	7,369,642	234,802	9,497,441
Segment liabilities	73,862	144,557	2,505,227	1,444,849	4,168,495