

**ALPHA DHABI HOLDING PJSC  
(formerly “Trojan Holding LLC”)**

**Review report and interim  
condensed consolidated financial  
statements for the nine-month  
period ended 30 September 2021**

**ALPHA DHABI HOLDING PJSC (formerly “Trojan Holding LLC”)**

**Review report and interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021**

|  | <b>Pages</b>  |
|--|---------------|
| <b>Report on review of interim condensed consolidated financial statements</b> | <b>1</b>      |
| <b>Interim condensed consolidated statement of financial position</b>          | <b>2 - 3</b>  |
| <b>Interim condensed consolidated statement of profit or loss</b>              | <b>4</b>      |
| <b>Interim condensed consolidated statement of other comprehensive income</b>  | <b>5</b>      |
| <b>Interim condensed consolidated statement of changes in equity</b>           | <b>6</b>      |
| <b>Interim condensed consolidated statement of cash flows</b>                  | <b>7 - 8</b>  |
| <b>Notes to the interim condensed consolidated financial statements</b>        | <b>9 - 61</b> |

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ALPHA DHABI HOLDING P.J.S.C (formerly “Trojan Holding LLC”)**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Alpha Dhabi Holding PJSC (formerly “Trojan Holding LLC”) (the “Company”) and its subsidiaries (together referred to as “the Group”), as at 30 September 2021 and the related interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial statement 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 condensed consolidated financial statements 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.

### *Other matter*

The comparative information presented in the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows and related explanatory information has not been audited or reviewed.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration No. 717  
24 October 2021  
Abu Dhabi  
United Arab Emirates

**Interim condensed consolidated statement of financial position  
as at 30 September 2021**

|   |              | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---|--------------|---|--|
|   | <b>Notes</b> |   |  |
| <b>ASSETS</b>                                       |              |   |  |
| <b>Non-current assets</b>                           |              |   |  |
| Property, plant and equipment                       | 5            | 6,389,345   | 595,288                                      |
| Goodwill and intangible assets                      | 6            | 922,604   | 274  |
| Biological assets                                   |              | 22,462  | -  |
| Right-of-use assets                                 | 7            | 476,570   | 70,838                                       |
| Investment properties                               | 8            | 355,412   | 109,687                                      |
| Investment in associates                            | 9            | 587,002   | 2,706  |
| Investment in joint venture                         |              | 60,054  | 7,658  |
| Investment securities                               | 10           | 4,875,119   | -  |
| Islamic financing assets                            | 11           | 1,166,446   | -  |
| Contract assets                                     | 13           | 292,229   | -  |
| Deferred tax assets                                 |              | 11,698  | -  |
| Retention receivable                                | 12           | 52,514  | -  |
| <b>Total non-current assets</b>                     |              | <b>15,211,455</b>   | <b>786,451</b>                               |
| <b>Current assets</b>                               |              |   |  |
| Inventories   |              | 673,879   | 188,986                                      |
| Development work-in-progress                        |              | 147,000   | 146,760                                      |
| Trade and other receivables                         | 12           | 8,217,354   | 2,185,632                                    |
| Contract assets                                     | 13           | 5,559,297   | 1,358,469                                    |
| Due from related parties                            | 14           | 917,456   | 94,849                                       |
| Wakala deposits with Islamic financial institutions | 16           | 222,885   | -  |
| Investment securities                               | 10           | 1,266,642   | -  |
| Islamic financing assets                            | 11           | 348,616   | -  |
| Cash and bank balances                              | 15           | 4,175,242   | 633,721                                      |
| <b>Total current assets</b>                         |              | <b>21,528,371</b>   | <b>4,608,417</b>                             |
| <b>Total assets</b>                                 |              | <b>36,739,826</b>   | <b>5,394,868</b>                             |

Interim condensed consolidated statement of financial position (continued)  
as at 30 September 2021

|  | Notes | 30 September<br>2021<br>(unaudited)<br>AED '000 | 31 December<br>2020<br>(audited)<br>AED '000 |
|--|-------|---|--|
| <b>EQUITY AND LIABILITIES</b>                          |       |   |  |
| <b>Equity</b>  |       |   |  |
| Share capital  | 21    | 10,000,000                                      | 300  |
| Statutory reserve                                      |       | 150   | 150  |
| Contributed capital                                    |       | -   | 214,335                                      |
| Restricted reserve                                     |       | 136,183   | 72,379                                       |
| Investments revaluation reserve                        |       | 419,669   | -  |
| Currency translation reserve                           |       | (24,077)  | -  |
| Hedging reserve  |       | 1,402   | -  |
| Retained earnings                                      |       | 3,179,124                                       | 727,819                                      |
| <b>Equity attributable to the Owners of the Parent</b> |       | <b>13,712,451</b>                               | <b>1,014,983</b>                             |
| Non-controlling interests                              |       | 2,345,207                                       | 30,477                                       |
| <b>Total equity</b>                                    |       | <b>16,057,658</b>                               | <b>1,045,460</b>                             |
| <b>Non-current liabilities</b>                         |       |   |  |
| Lease liabilities                                      | 7     | 440,948   | 63,290                                       |
| Loan from a related party                              | 14    | 13,300  | 13,300                                       |
| Provision for employees' end of service benefits       |       | 647,550   | 120,868                                      |
| Bank borrowings  | 18    | 4,522,542                                       | 238,231                                      |
| Derivative financial instruments                       | 28    | 38,482  | -  |
| <b>Total non-current liabilities</b>                   |       | <b>5,662,822</b>                                | <b>435,689</b>                               |
| <b>Current liabilities</b>                             |       |   |  |
| Margins against letters of guarantee                   | 17    | 997,688   | -  |
| Contract liabilities                                   | 19    | 1,817,976                                       | 1,048,902                                    |
| Trade and other payables                               | 20    | 8,422,690                                       | 2,552,535                                    |
| Bank borrowings  | 18    | 2,153,680                                       | 258,554                                      |
| Lease liabilities                                      | 7     | 24,779  | 10,076                                       |
| Due to related parties                                 | 14    | 1,590,107                                       | 43,652                                       |
| Derivative financial instruments                       | 28    | 12,426  | -  |
| <b>Total current liabilities</b>                       |       | <b>15,019,346</b>                               | <b>3,913,719</b>                             |
| <b>Total liabilities</b>                               |       | <b>20,682,168</b>                               | <b>4,349,408</b>                             |
| <b>Total equity and liabilities</b>                    |       | <b>36,739,826</b>                               | <b>5,394,868</b>                             |



\_\_\_\_\_  
Group Chief Financial Officer



\_\_\_\_\_  
Board Member



\_\_\_\_\_  
Board Member



\_\_\_\_\_  
Managing Director



\_\_\_\_\_  
Board Member

**Interim condensed consolidated statement of profit or loss  
for the nine-month period ended 30 September 2021**

|  | Notes     | 9-months ended<br>30 September |                         | 3-months ended 30<br>September |                         |
|--|-----------|--------------------------------|-------------------------|--------------------------------|-------------------------|
|  |           | 2021                           | 2020                    | 2021                           | 2020                    |
|  |           | (unaudited)<br>AED ‘000        | (unaudited)<br>AED ‘000 | (unaudited)<br>AED ‘000        | (unaudited)<br>AED ‘000 |
| <b>Revenue</b>   | <b>22</b> | <b>11,424,565</b>              | 2,589,956               | <b>5,925,095</b>               | 770,567                 |
| Direct costs   |           | (7,658,147)                    | (2,333,540)             | <b>(3,919,049)</b>             | (666,338)               |
| <b>Gross profit</b>  |           | <b>3,766,418</b>               | 256,416                 | <b>2,006,046</b>               | 104,229                 |
| General and administrative expenses  |           | (509,856)                      | (78,701)                | <b>(238,450)</b>               | (26,770)                |
| Share of profit of joint ventures  |           | <b>26,409</b>                  | -                       | <b>11,728</b>                  | -                       |
| Share of (loss)/profit from associates   |           | <b>(30,430)</b>                | 977                     | <b>(16,587)</b>                | 333                     |
| Net changes in fair value of<br>investments carried at fair value<br>through profit and loss |           | <b>201,027</b>                 | -                       | <b>227,328</b>                 | -                       |
| Finance income   |           | <b>14,731</b>                  | 4,514                   | <b>10,640</b>                  | 1,218                   |
| Finance costs  |           | <b>(80,350)</b>                | (13,774)                | <b>(46,552)</b>                | (3,620)                 |
| Other income   |           | <b>191,382</b>                 | 15,392                  | <b>23,723</b>                  | 5,238                   |
| Foreign exchange gain/(loss)   |           | <b>58,390</b>                  | -                       | <b>(61,863)</b>                | -                       |
| <b>Profit before tax</b>   |           | <b>3,637,721</b>               | 184,824                 | <b>1,916,013</b>               | 80,628                  |
| Corporate tax benefit for the period   |           | <b>10,779</b>                  | -                       | <b>6,598</b>                   | -                       |
| <b>Profit after tax</b>  |           | <b>3,648,500</b>               | 184,824                 | <b>1,922,611</b>               | 80,628                  |
| <b>Profit/(loss) attributable to:</b>  |           |                                |                         |                                |                         |
| Owners of the Company  |           | <b>2,155,785</b>               | 186,252                 | <b>1,324,163</b>               | 81,341                  |
| Non-controlling interests  |           | <b>1,492,715</b>               | (1,428)                 | <b>598,448</b>                 | (713)                   |
| <b>Profit after tax</b>  |           | <b>3,648,500</b>               | 184,824                 | <b>1,922,611</b>               | 80,628                  |
| Basic earnings per share in AED  | <b>26</b> | <b>0.35</b>                    | 186,252                 | <b>0.13</b>                    | 81,341                  |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

**Interim condensed consolidated statement of other comprehensive income  
for the nine-month period ended 30 September 2021**

|   | 9-months ended 30<br>September  |                                 | 3-months ended 30<br>September  |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | 2021<br>(unaudited)<br>AED ‘000 | 2020<br>(unaudited)<br>AED ‘000 | 2021<br>(unaudited)<br>AED ‘000 | 2020<br>(unaudited)<br>AED ‘000 |
| <b>Profit after tax</b>   | <b>3,648,500</b>                | 184,824                         | <b>1,922,611</b>                | 80,628                          |
| <i>Items that may be reclassified subsequently to profit or loss:</i>           |                                 |                                 |                                 |                                 |
| Fair value gain on investments in debt instruments measured at FVTOCI and sukuk | 706                             | -                               | (1,745)                         | -                               |
| Fair value gain arising on hedging instruments during the period                | 2,153                           | -                               | 1,127                           | -                               |
| Exchange differences arising on translation of foreign operations               | (53,713)                        | -                               | 58,915                          | -                               |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>      |                                 |                                 |                                 |                                 |
| Fair value gain on investments in equity instruments designated as FVTOCI       | 427,287                         | -                               | 287,287                         | -                               |
|   | <b>376,433</b>                  | -                               | <b>345,584</b>                  | -                               |
| <b>Total comprehensive income for the period</b>                                | <b>4,024,933</b>                | 184,824                         | <b>2,268,195</b>                | 80,628                          |
| <b>Total comprehensive income/(loss) attributable to:</b>                       |                                 |                                 |                                 |                                 |
| Owners of the Company   | 2,552,779                       | 186,252                         | 1,623,781                       | 81,341                          |
| Non-controlling interests   | 1,472,154                       | (1,428)                         | 644,414                         | (713)                           |
|   | <b>4,024,933</b>                | 184,824                         | <b>2,268,195</b>                | 80,628                          |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

**Interim condensed consolidated statement of changes in equity  
for the nine-month period ended 30 September 2021**

|  | Share<br>capital<br>AED ‘000 | Statutory<br>reserve<br>AED ‘000 | Contributed<br>capital<br>AED ‘000 | Restricted<br>reserve<br>AED ‘000 | Investments<br>revaluation<br>reserve<br>AED ‘000 | Currency<br>translation<br>reserve<br>AED ‘000 | Hedging<br>reserve<br>AED ‘000 | Retained<br>earnings<br>AED ‘000 | Equity<br>attributable to<br>the Owners of<br>the parent<br>AED ‘000 | Non-controlling<br>interests<br>AED ‘000 | Total<br>equity<br>AED ‘000 |
|--|------------------------------|----------------------------------|------------------------------------|-----------------------------------|---|--|--------------------------------|----------------------------------|--|--|-----------------------------|
| Balance at 1 January 2020 (audited)  | 300                          | 150                              | 357,610                            | 72,379                            | -   | -  | -                              | 757,320                          | 1,187,759  | 36,508                                   | 1,224,267                   |
| Total comprehensive income/ (loss) for<br>the period   | -                            | -                                | -                                  | -                                 | -   | -  | -                              | 186,252                          | 186,252  | (1,428)                                  | 184,824                     |
| <b>Balance at 30 September 2020<br/>(unaudited)</b>  | <b>300</b>                   | <b>150</b>                       | <b>357,610</b>                     | <b>72,379</b>                     | <b>-</b>  | <b>-</b>                                       | <b>-</b>                       | <b>943,572</b>                   | <b>1,374,011</b>   | <b>35,080</b>                            | <b>1,409,091</b>            |
| Balance at 1 January 2021 (audited)  | 300                          | 150                              | 214,335                            | 72,379                            | -   | -  | -                              | 727,819                          | 1,014,983  | 30,477                                   | 1,045,460                   |
| Profit for the period  | -                            | -                                | -                                  | -                                 | -   | -  | -                              | 2,155,785                        | 2,155,785  | 1,492,715                                | 3,648,500                   |
| Other comprehensive income/(loss) for<br>the period  | -                            | -                                | -                                  | -                                 | 419,669   | (24,077)                                       | 1,402                          | -                                | 396,994  | (20,561)                                 | 376,433                     |
| Total comprehensive income / (loss)<br>for the period  | -                            | -                                | -                                  | -                                 | <b>419,669</b>                                    | <b>(24,077)</b>                                | <b>1,402</b>                   | <b>2,155,785</b>                 | <b>2,552,779</b>   | <b>1,472,154</b>                         | <b>4,024,933</b>            |
| Equity arising from transfer of<br>ownership of entities under<br>common control (note 23)       | -                            | -                                | 9,752,071                          | -                                 | -   | -  | -                              | 137,169                          | 9,889,240  | 2,477,702                                | 12,366,942                  |
| Acquisition of non-controlling interests   | -                            | -                                | -                                  | -                                 | -   | -  | -                              | 255,443                          | 255,443  | (259,964)                                | (4,521)                     |
| Increase in share capital (note 21)  | 9,999,700                    | -                                | (9,966,406)                        | -                                 | -   | -  | -                              | (33,294)                         | -  | -  | -                           |
| Non-controlling interests arising from<br>transfer of entities under common<br>control (note 23) | -                            | -                                | -                                  | -                                 | -   | -  | -                              | -                                | -  | 212,525                                  | 212,525                     |
| Dividend   | -                            | -                                | -                                  | -                                 | -   | -  | -                              | -                                | -  | (1,587,747)                              | (1,587,747)                 |
| Net movement in restricted reserve   | -                            | -                                | -                                  | 63,804                            | -   | -  | -                              | (63,798)                         | 6  | -  | 6                           |
| Non-controlling interests arising on<br>incorporation of a new subsidiary                        | -                            | -                                | -                                  | -                                 | -   | -  | -                              | -                                | -  | 60                                       | 60                          |
| <b>Balance at 30 September 2021<br/>(unaudited)</b>  | <b>10,000,000</b>            | <b>150</b>                       | <b>-</b>                           | <b>136,183</b>                    | <b>419,669</b>                                    | <b>(24,077)</b>                                | <b>1,402</b>                   | <b>3,179,124</b>                 | <b>13,712,451</b>  | <b>2,345,207</b>                         | <b>16,057,658</b>           |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows  
for the nine-month period ended 30 September 2021**

|  | <b>9-month period ended 30 September</b> |             |
|--|--|-------------|
|  | <b>2021</b>                              | 2020        |
|  | <b>(unaudited)</b>                       | (unaudited) |
|  | <b>AED ‘000</b>                          | AED ‘000    |
| <b>Cash flows from operating activities</b>  |  |             |
| Profit before tax for the period   | <b>3,637,721</b>                         | 184,824     |
| <b>Adjustment for non-cash charges and other items:</b>                                |  |             |
| Depreciation of property, plant and equipment  | <b>283,749</b>                           | 70,620      |
| Amortisation of intangible assets  | <b>3,743</b>                             | 168         |
| Amortisation of right-of-use assets  | <b>13,872</b>                            | 5,401       |
| Depreciation of investment properties  | <b>4,778</b>                             | 3,739       |
| Provision for employees’ end of service benefits                                       | <b>49,202</b>                            | 17,755      |
| Remeasurement of biological assets   | <b>(2,611)</b>                           | -           |
| Share of loss/(profit) from associates   | <b>30,430</b>                            | (977)       |
| Loss on partial disposal of associate  | <b>6,659</b>                             | -           |
| Share of profit from joint ventures  | <b>(26,409)</b>                          | -           |
| Loss on derivatives  | <b>(1,346)</b>                           | -           |
| Interest expense on lease liabilities  | <b>8,364</b>                             | -           |
| Gain on disposal of property, plant and equipment                                      | <b>(4,776)</b>                           | -           |
| Loss on lease cancellation   | <b>2,446</b>                             | -           |
| Net changes in fair value of investments carried at fair value through profit and loss | <b>(201,027)</b>                         | -           |
| Finance income   | <b>(14,731)</b>                          | (4,514)     |
| Finance costs  | <b>71,986</b>                            | 13,774      |
| Provision for slow moving and obsolete inventories                                     | <b>1,767</b>                             | (193)       |
| Amortisation of borrowing costs  | <b>534</b>                               | -           |
| Charge/(reversal) charge impairment loss allowance on financial assets                 | <b>42,121</b>                            | (599)       |
| <b>Movements in working capital</b>  | <b>3,906,472</b>                         | 289,998     |
| Decrease/(increase) in inventories   | <b>1,704</b>                             | (44,405)    |
| Decrease/(increase) in trade and other receivables                                     | <b>206,572</b>                           | (6,430)     |
| Increase in contract assets  | <b>(135,434)</b>                         | (334,627)   |
| Decrease in due from related parties   | <b>474,674</b>                           | 94,729      |
| Increase in Islamic financing assets   | <b>(455,236)</b>                         | -           |
| Increase in development-in-progress  | <b>(240)</b>                             | -           |
| Increase in contract liabilities   | <b>769,075</b>                           | 261,766     |
| Decrease in trade and other payables   | <b>(522,784)</b>                         | (13,772)    |
| (Decrease)/increase in due to related parties  | <b>(1,301,911)</b>                       | 18,361      |
| Movement in deferred tax   | <b>1,745</b>                             | -           |
| Decrease in margins against letters of guarantee                                       | <b>(161,693)</b>                         | -           |
| Decrease in Wakala deposits with islamic financial institutions                        | <b>(41,140)</b>                          | -           |
| <b>Cash generated from operating activities</b>  | <b>2,741,804</b>                         | 265,620     |
| Employees’ end of service benefit paid   | <b>(64,263)</b>                          | (7,791)     |
| Income tax paid  | <b>(2,363)</b>                           | -           |
| <b>Net cash generated from operating activities</b>                                    | <b>2,675,178</b>                         | 257,829     |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows  
for the nine-month period ended 30 September 2021 (continued)**

|  | <b>9-month period ended 30 September</b>             |  |
|--|--|--|
|  | <b>2021</b><br><b>(unaudited)</b><br><b>AED ‘000</b> | <b>2020</b><br><b>(unaudited)</b><br><b>AED ‘000</b> |
| <b>Cash flows from investing activities</b>                          |  |  |
| Payments for purchases of property, plant and equipment              | (261,949)  | (132,995)  |
| Cash inflow on business combination of entities under common control | 1,118,499  | -  |
| Proceeds from disposal of property, plant and equipment              | 9,136  | -  |
| Payments for purchases of investment properties                      | -  | (560)  |
| Payments for purchases of intangible assets                          | (1,533)  | -  |
| Payments for purchases of biological assets                          | (3)  | -  |
| Dividend received from associates                                    | 2,455  | 1,080  |
| Payments for purchases of investment securities                      | (307,178)  | -  |
| Proceeds from disposal of investment securities                      | 32,308   | -  |
| Payment of right-of-use assets                                       | (1,777)  | -  |
| Deposit placed with banks  | (25,457)   | 10,934   |
| Movement in restricted cash  | (38,274)   | -  |
| Finance income received  | 13,255   | 4,515  |
| <b>Net cash generated form/ (used in) investing activities</b>       | <b>539,482</b>                                       | <b>(117,026)</b>                                     |
| <b>Cash flows from financing activities</b>                          |  |  |
| Repayment of bank borrowings   | (542,189)  | (11,664)   |
| Proceeds from bank borrowings  | 555,271  | -  |
| Dividend paid to minority shareholders                               | (508,247)  | -  |
| Movement in minority interests                                       | (4,428)  | -  |
| Finance costs paid   | (50,466)   | (13,774)   |
| Payment of lease liabilities   | (20,821)   | (2,151)  |
| Payment of derivatives   | (11,813)   | -  |
| <b>Net cash used in financing activities</b>                         | <b>(582,693)</b>                                     | <b>(27,589)</b>                                      |
| <b>Net increase in cash and cash equivalents</b>                     | <b>2,631,967</b>                                     | <b>113,214</b>                                       |
| Foreign currency translation   | (53,713)   | -  |
| Cash and cash equivalent at the beginning of the period              | 52,072   | 387,358  |
| <b>Cash and cash equivalents at the end of the period (Note 15)</b>  | <b>2,630,326</b>                                     | <b>500,572</b>                                       |
| <b>Non-cash transactions:</b>  |  |  |
| Acquisition of associate paid by Parent on behalf of the Company     | (241,587)  | -  |
| Net assets transferred under common control transaction (Note 23)    | 11,248,171   | -  |
| Dividend declared by Pure Health to non-controlling interests        | 1,075,500  | -  |

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021****1 General information**

Alpha Dhabi Holding PJSC (the “Company”) (formerly “Trojan Holding LLC”) is a Public Joint Stock Company registered in the Emirate of Abu Dhabi, United Arab Emirates. The Company’s registered address is P.O. Box 111059, Abu Dhabi, United Arab Emirates.

Prior to April 2021, Trojan Holding LLC, as the Company was known then, was a limited liability company also registered in Abu Dhabi. During April 2021, the shareholders approved to change the name of the Company to Alpha Dhabi Holding and to increase its paid-up share capital to AED 10,000,000,000 (UAE Dirhams 10 billion). Additionally, on 10 May 2021, the shareholders approved to change the legal status of the Company from a limited liability company to a public joint stock company. The registration of the change in name and the increase of share capital was completed during the period.

The Company’s ordinary shares were listed on the Abu Dhabi Securities Exchange on 27 June 2021.

The principal activities of the Company and its subsidiaries (“the Group”) carried out both in the UAE and abroad include:

- Medical services including management of testing laboratories with their related logistics, management of hospitals and medical clinics;
- Engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works.
- Engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries
- Oil and gas transmission engineering consultancy oil and gas production facilities operations and management services
- Islamic banking and financial services including Shariah compliant loans and deposits;
- Tourism related investments, development and management;
- Industrial production related investments, development and management;
- Forestry and natural vegetation management including farming, agricultural related investments and management;
- Production and supply of ready-mix concrete;
- Investment in a diverse range of industries;
- Ready mix and dry-mix concrete and mortar manufacturing;
- Manufacturing, supply, installation and fabrication of aluminium and glass panels;
- Security services; and
- Manufacturing of motor vehicles.

The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and were effective from the 2 January 2021. The Group shall apply and adjust their status in accordance with the provisions thereof by no later than one year from the date on which this Decree-Law takes effect.

## Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2021 (continued)

### 2 Basis of preparation

These interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial assets carried at fair value through other comprehensive income, fair value through profit and loss, derivative financial instruments and biological assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These interim condensed consolidated financial statements for the nine months ended 30 September 2021 have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed consolidated financial statements are prepared in United Arab Emirates Dirhams (AED), which is the Group’s functional and presentation currency and all values are rounded to the nearest thousands (AED’000) except where otherwise stated.

These interim condensed consolidated financial statements as at 30 September 2021 include the financial performance and position of the Group as disclosed in its annual consolidated financial statements for the year ended 31 December 2020 and new subsidiaries acquired during the current period as disclosed in Note 23.

### 3 Application of new and revised International Financial Reporting Standards (IFRS)

a) Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2021.

- *Interest Rate Benchmark Reform –Phase 2*

The amendments in Interest Rate Benchmark Reform- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

b) New standards and amendments issued but not yet effective

- *Classification of Liabilities as Current or Non-Current - amendments to IAS 1 (effective from 1 January 2023)*. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the interim condensed consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current;

- *Reference to the Conceptual Framework - Amendments to IFRS 3 (effective from 1 January 2022)*. The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard;

- *Amendment to IAS 12 (effective from 1 January 2023)*. The deferred tax related to assets and liabilities arising from a single transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****3 Application of new and revised International Financial Reporting Standards (IFRS)  
(continued)**

## b) New standards and amendments issued but not yet effective (continued)

- *Property, Plant and Equipment - Proceeds before Intended Use - amendments to IAS 16 (effective from 1 January 2022)*. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss;
- *Onerous Contracts - Cost of Fulfilling a Contract - amendments to IAS 37 (effective from 1 January 2022)*. The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract);
- *IFRS 17: Insurance Contracts (effective from 1 January 2023)*. IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2023;
- *Amendments to IFRS Insurance Contracts (effective from 1 January 2023)*. IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published in 2017.
- *Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture. (Effective date deferred indefinitely. Adoption is still permitted).
- *Annual Improvements to IFRS Standards 2018–2020 (effective from 1 January 2022)*. The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective from January 1, 2022), IFRS 9 Financial Instruments (effective from January 1, 2022), IFRS 16 Leases (effective date not yet decided) and IAS 41 Agriculture (effective from January 1, 2022).
- *Extension of the Temporary Exemption from Applying IFRS 9 (Amendment to IFRS 4) (effective from 1 January 2023)*. The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 ‘Insurance contracts’ from applying IFRS 9 ‘Financial Instrument’, so that entities would be required to apply IFRS 9
- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023)*. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****3 Application of new and revised International Financial Reporting Standards (IFRS)  
(continued)**

## b) New standards and amendments issued but not yet effective (continued)

- *Definition of Accounting Estimates - Amendments to IAS 8 (effective from 1 January 2023)*. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in interim condensed consolidated financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The above stated new standards and amendments are not expected to have any significant impact on the interim condensed consolidated financial statements of the Group. There are no other applicable new standards and amendments to published standards or International Financial Reporting Interpretations Committee “IFRIC” interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial statements of the Group.

**4 Summary of significant accounting policies**

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020. In addition, results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

Transactions under common control

A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Transactions giving rise to transfer of interests in entities, which are under the common control of the Group are accounted for using the pooling of interest method and presented in these interim condensed consolidated financial statements as continuation of the Group’s financial statements. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity at transferred date. The components of equity of the acquired entities are added to the same components within Group equity, except those which are eliminated on consolidation and for reserves which are added to restricted reserve. Any difference between the consideration paid and capital of the acquiree is recognised directly in equity.

These transactions are accounted for under the pooling of interest method, where the consolidated financial statements of the Company are presented as continuation of the existing entities on the principle of ultimate control and, therefore, outside the scope of IFRS 3 Business Combination.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Goodwill**

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill arising on the acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Group’s assets in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**Taxation**

Income tax (expense) / benefit comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Taxation (continued)***Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

*Value added tax (VAT)*

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the interim condensed consolidated statement of financial position.

**Biological assets**

Biological assets are recognised only when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the Group; and the fair value or cost of the net asset can be measured reliably.

Biological assets, for which fair values cannot be measured reliably; are measured at cost less depreciation and any accumulated impairment losses. The cost of a biological asset consists of its purchase price and other direct expenses directly attributable to the assets.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Islamic financing and investments – products, definitions and income recognition**

Sharia is the Islamic law which is essentially derived from the Quran and Sunnah that governs beliefs and conducts of human beings. The Group incorporates the Sharia rules and principles in its activities.

Wakala investments

Wakala deposit is an agreement whereby the Group (the Muwakkil) provides certain amount of funds (the Wakala Capital) to an agent (the Wakeel) to invest it in a Sharia compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel, who is entitled to a fixed fee (the Wakala Fee) as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. The Muwakkil bears the loss unless caused by the default, negligence or violation of any of the terms and conditions of the Wakala by the Wakeel.

Estimated income from Wakala deposits is amortized on a time-apportioned basis over the period, adjusted by actual income when declared by the Wakeel, whereas the losses are charged to profit or loss on their declaration by the Wakeel.

Istisna'a

Istisna'a is a sale contract between two parties whereby one party (Sani' or seller) undertakes to construct, for the other party (Mustasni' or buyer), a specific asset or property according to certain pre-agreed specifications in consideration of a pre-determined price to be delivered during a pre-agreed period of time. The work undertaken is not restricted to be accomplished by the Sani' alone and the whole or part of the construction can be undertaken by third parties under the control and responsibility of the Sani'. Under an Istisna'a contract, the Group could be the Sani' or the Mustasni'.

Murabaha

A Murabaha Contract whereby the Group (the Seller) sells an asset to the Client (the Purchaser), on a deferred payment basis, after purchasing the asset, which the Seller has purchased and acquired, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha purchase price, payable by the Purchaser, comprises the cost of the asset and an agreed profit amount. The Purchaser usually pays the Murabaha Sale price on an instalment basis over the period of the Murabaha contract. Where the income is quantifiable, it is recognised on a time-apportioned basis over the period of the Murabaha contract.

Ijarah

Ijarah is an agreement whereby the Group (Lessor) leases an asset to the customer (Lessee) (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and promise to lease), against certain rental payments for specific lease term/periods, payable on a fixed or variable rental basis. Leased assets are usually residential properties or commercial real estate.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Islamic financing and investments – products, definitions and income recognition (continued)***Ijarah (continued)*

The Ijarah agreement specifies the leased asset, duration of the lease term, as well as the basis for rental calculation, the timing of rental payments and responsibilities of both parties during the lease term. The customer provides the Group with an undertaking to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Group retains the ownership of the assets throughout the lease term. At the end of the lease term, upon fulfilment of all the obligations by the customer under the Ijarah agreement, the Group will sell the leased asset to the customer at a nominal value based on a sale undertaking given by the Group.

Income is recognized on an accrual basis over the lease term based on the fixed rental amount outstanding (which predominantly represents the cost of the leased asset).

*Musharaka*

Musharaka is used to provide venture capital or project finance. The Group and customer contribute towards the capital of the Musharaka. Usually a special purpose Group or a partnership is established as a vehicle to undertake the Musharaka. Profits are shared according to a pre-agreed profit distribution ratio but losses are borne according to the capital contributions. Capital contributions may be in cash or in kind, as valued at the time of entering into the Musharaka.

Estimated profit is amortized on a time-apportioned basis over the period, adjusted by actual profit when received, whereas the losses are charged to profit or loss on their declaration.

*Sukuk*

Sukuks are asset backed Sharia compliant trust certificates.

**Financial instruments**

The Group classifies its financial instruments in the following categories: financial assets or financial liabilities and measures them at fair value through profit or loss (“FVTPL”), amortised cost and fair value through other comprehensive income (“FVTOCI”). Management determines the classification of financial instruments at the time of initial recognition based on the requirements of IFRS 9.

*Recognition and derecognition*

Financial assets and financial liabilities are recognised in the Group’s interim condensed consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Financial instruments (continued)***Recognition and derecognition (continued)*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or is sold to another party. On derecognition of a financial asset (except for equity investments designated as FVTOCI), the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised through other comprehensive income and accumulated in equity is recognised in the interim condensed consolidated statement of profit or loss.

Upon derecognition of equity instruments where the Group had elected FVTOCI option, gains or losses are not recognised in the interim condensed consolidated statement of profit or loss. Correspondingly, the Group transfers such gains or losses including their respective accumulated balance in reserves directly to retained earnings.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the interim condensed consolidated statement of profit or loss.

*Measurement*

Upon recognition, financial assets and financial liabilities are initially measured at fair value plus (in the case of a financial asset or financial liability not classified as FVTPL) transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets that are classified as FVTPL, the transaction costs are taken directly to the interim condensed consolidated statement of profit or loss.

**Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

These include cash and cash equivalents, wakala deposits, trade and other receivables, due from related parties, financing assets and other financial assets.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Financial instruments (continued)****Financial assets at fair value through other comprehensive income (FVTOCI)**

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

These include Group’s sukuk portfolio.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

**Financial assets at fair value through profit and loss (FVTPL)**

All financial assets other than those mentioned above are classified as measured at FVTPL. These includes Group’s portfolio of investment securities of quoted and unquoted equity instruments

On initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial liabilities**

Financial liabilities are liabilities where the Group has a contractual obligation to deliver cash or another financial asset or exchange financial instruments under conditions that are potentially unfavourable to the Group.

Financial liabilities are subsequently measured at amortised cost, except for financial liabilities at FVTPL. These includes margin deposits, trade and other payables, contract and other liabilities.

FVTPL classification is applied financial liabilities designated as such at initial recognition. Gains and losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to the changes in credit risk of that liability) and partially in profit or loss (the remaining amount of change in the fair value of the liability). The Group has not designated any liability as FVTPL.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Financial instruments (continued)****Business model assessment****- Financial assets at amortised cost or at FVTOCI**

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how group of financial assets are managed together to achieve a particular business objective. The Group’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group’s business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called ‘worst case’ or ‘stress case’ scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated;
- reported to the entity’s key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Financial instruments (continued)****Business model assessment (continued)****- Financial assets at FVTPL**

These are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in profit or loss.

***Assessment whether contractual cash flows are solely payments of principal and profit***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending costs and profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows
- leverage features
- prepayment and extension terms
- terms that limit the Group's claim to cash flows from specified assets
- features that modify consideration of the time value of money

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring to the customer.

***Contract revenue***

Contract revenue comprises revenue from execution of contracts relating to dredging activities and associated land reclamation works. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the interim condensed consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

***Laboratory diagnostics distribution***

The company sells medical equipment, reagents, and consumables to end-user laboratories across the UAE, revenue is recognised when control of the goods has transferred, being when goods have been delivered to end-user laboratories location.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)****4 Summary of significant accounting policies (continued)****Revenue recognition (continued)***Laboratory management services*

The company entered into an agreement with Ministry of Health and Prevention to operate hospitals and primary healthcare centers laboratories starting 17 October 2017. Management has identified its performance obligations under this contract as series of distinct services (laboratory tests) that are substantially the same and that have the same pattern of transfer to the customer. The company compensation within this contract is subject to annual maximum value on only one of the categories of patients (the “Compensation Cap”), the annual cap will remain in effect until implementation of mandatory health insurance in the Northern Emirates. Management has determined that the transaction price considering the impact of Compensation Cap and variability in the number of tests is variable considerations. Revenue relating to laboratory management services is recognised over time.

**Changes in judgements and estimation uncertainty**

The preparation of these interim condensed consolidated financial statements, in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2020, except as given below.

*Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. The carrying amount of goodwill at the reporting date is 879,598 thousand (2020: nil) [Note 6]. No impairment was recorded in the current or prior period.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**5 Property, plant and equipment**

|  | Land<br>AED ‘000 | Buildings<br>AED ‘000 | Machinery and<br>equipment<br>AED ‘000 | Motor<br>vehicles<br>AED ‘000 | Furniture<br>and fixtures<br>AED ‘000 | Office<br>equipment<br>AED ‘000 | Capital work<br>in progress<br>AED ‘000 | Other<br>assets<br>AED ‘000 | Leasehold<br>improvement<br>AED ‘000 | Total<br>AED ‘000 |
|--|------------------|-----------------------|--|-------------------------------|---------------------------------------|---------------------------------|---|-----------------------------|--------------------------------------|-------------------|
| <b>At 31 December 2020</b>   |                  |                       |  |                               |                                       |                                 |   |                             |                                      |                   |
| Cost   | -                | 236,570               | 949,174                                | 278,437                       | 24,855                                | 28,916                          | 149,736                                 | -                           | -                                    | 1,667,688         |
| Accumulated depreciation   | -                | (145,425)             | (665,515)                              | (212,653)                     | (23,241)                              | (25,566)                        | -                                       | -                           | -                                    | (1,072,400)       |
| Net carrying value   | -                | 91,145                | 283,659                                | 65,784                        | 1,614                                 | 3,350                           | 149,736                                 | -                           | -                                    | 595,288           |
| <b>Nine-month period ended<br/>30 September 2021<br/>(unaudited)</b> |                  |                       |  |                               |                                       |                                 |   |                             |                                      |                   |
| Opening net carrying value   | -                | 91,145                | 283,659                                | 65,784                        | 1,614                                 | 3,350                           | 149,736                                 | -                           | -                                    | 595,288           |
| Addition   | -                | 13,671                | 37,896                                 | 41,269                        | 5,928                                 | 10,623                          | 143,261                                 | -                           | 9,301                                | 261,949           |
| Depreciation charge  | -                | (42,814)              | (83,833)                               | (127,049)                     | (9,681)                               | (15,662)                        | -                                       | (2,556)                     | (2,154)                              | (283,749)         |
| Assets arising under<br>common control<br>transaction (Note 23)      | 225,233          | 1,215,388             | 968,461                                | 2,954,171                     | 50,753                                | 80,255                          | 287,484                                 | 12,000                      | 26,488                               | 5,820,233         |
| Others/reclassification  | -                | (97)                  | -                                      | 120                           | 1                                     | (39)                            | (1)                                     | -                           | -                                    | (16)              |
| Transfer   | -                | (1,583)               | 15,188                                 | 1,054                         | 1,150                                 | (2,318)                         | (13,491)                                | -                           | -                                    | -                 |
| Disposals net carrying value   | -                | (57)                  | (106)                                  | (420)                         | (3,131)                               | (646)                           | -                                       | -                           | -                                    | (4,360)           |
| <b>Closing net carrying value</b>                                    | <b>225,233</b>   | <b>1,275,653</b>      | <b>1,221,265</b>                       | <b>2,934,929</b>              | <b>46,634</b>                         | <b>75,563</b>                   | <b>566,989</b>                          | <b>9,444</b>                | <b>33,635</b>                        | <b>6,389,345</b>  |
| <b>At 30 September 2021<br/>(unaudited)</b>                          |                  |                       |  |                               |                                       |                                 |   |                             |                                      |                   |
| Cost   | 225,233          | 2,261,510             | 2,205,213                              | 6,727,452                     | 233,423                               | 346,296                         | 566,989                                 | 151,182                     | 46,221                               | 12,763,519        |
| Accumulated depreciation   | -                | (985,857)             | (983,948)                              | (3,792,523)                   | (186,789)                             | (270,733)                       | -                                       | (141,738)                   | (12,586)                             | (6,374,174)       |
| <b>Net carrying value</b>  | <b>225,233</b>   | <b>1,275,653</b>      | <b>1,221,265</b>                       | <b>2,934,929</b>              | <b>46,634</b>                         | <b>75,563</b>                   | <b>566,989</b>                          | <b>9,444</b>                | <b>33,635</b>                        | <b>6,389,345</b>  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**6 Goodwill and intangible assets**

|  | <b>30 September<br/>2021<br/>AED ‘000<br/>(unaudited)</b> | 31 December<br>2020<br>AED ‘000<br>(audited) |
|--|---|--|
| Balance at the beginning of the period/year                              | 274   | 464  |
| Goodwill arising on transactions under common control (Note 23)          | <b>879,598</b>  | -  |
| Intangible assets arising on transactions under common control (Note 23) | <b>44,942</b>   | -  |
| Additions  | <b>1,533</b>  | 15   |
| Amortisation charge for the period/year                                  | <b>(3,743)</b>  | (205)  |
|  | <hr/>   | <hr/>  |
| <b>Balance at the end of the period/year</b>                             | <b>922,604</b>  | 274  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| Breakdown of goodwill and intangibles is as follows:                     |   |  |
| Goodwill   | <b>879,598</b>  | -  |
| Intangibles assets   | <b>43,006</b>   | 274  |
|  | <hr/>   | <hr/>  |
|  | <b>922,604</b>  | 274  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |

**Goodwill**

As on 30 September 2021, goodwill of AED 879,598 (31 Dec 2020: Nil) has arisen on the acquisitions of:

- (i) 100% interest in Murban (BVI) Holdings Inc. amounting to AED 404,761 thousand (31 December 2020: nil);
- (ii) 100% shares of Hill View Resorts (Seychelles) Limited, Lindere Villas (Seychelles) Limited and Jayanne (Seychelles) Limited amounting to AED 46,910 thousand (31 December 2020: nil);
- (iii) 80% shares in ANEWA Engineering Pvt LTD amounting to AED 5,057 thousand (31 December 2020: nil); and
- (iv) 65.10% shares in National Marine Dredging Company PJSC amounting to AED 422,870 thousand (31 December 2020: nil).

**Murban (BVI) Holdings**

Goodwill of AED 404.7 million has been recognized on the acquisition of Sitax Holding Limited, Sitax Investment Ltd and I&T Management Private Limited. Fair value of the net assets acquired was AED 69.3 million and consideration paid was AED 474 million.

**Hill View Resorts (Seychelles) Limited**

Goodwill of AED 46.9 million has been recognized on the acquisition of Hill View Resorts (Seychelles) Limited for a total consideration of AED 143.8 million. Fair value of the net assets acquired was AED 96.9 million.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**6 Goodwill and intangible assets**

**Goodwill (continued)**

**ANEWA Engineering Pvt LTD**

Goodwill of AED 5.1 million has been recognized on the acquisition of an 80% stake in ANEWA Engineering Pvt LTD through one of its subsidiaries NPCC Engineering Limited, India. As at the date of acquisition, the fair value of net assets acquired amounted to AED 12,749 thousand against the consideration of AED 7,692 thousand.

**National Marine Dredging Company PJSC**

Goodwill of AED 422.9 million has been recognized for the acquisition of 65.1% stake in National Marine Dredging Company PJSC through its wholly owned subsidiaries Sogno Commercial Investment – Sole Proprietorship LLC and WAS Two Commercial Investment – Sole Proprietorship LLC. As at the date of acquisition, the provisional fair values of the identifiable assets and liabilities assumed amounted to AED 4,962 million against the total equity of AED 4,539.1 million.

In accordance with IFRS 3 “Business Combinations”, the acquisition is accounted for based on provisional fair values of the identifiable assets acquired and liabilities which will be finalised within 12 months from the date of acquisition. The finalization of the purchase price allocation may result in a change in fair value of assets and liabilities acquired.

**Intangible assets:**

Intangible assets of AED 43,006 thousand (31 Dec 2021: 274 thousand) mainly comprise of:

- project under development and software of AED 28,637 thousand as on 30 September 2021(31 December 2020: Nil); and
- licenses, software and trademark of AED 14,369 thousand as on 30 September 2021 (31 December 2020: AED 274 thousand)

**7 Leases**

**Right-of-use assets**

The movement in right-of-use assets during the period/year is as follows:

|   | <b>30 September<br/>2021<br/>AED ‘000<br/>(unaudited)</b> | 31 December<br>2020<br>AED ‘000<br>(audited) |
|---|---|--|
| At the beginning of the period/year                           | <b>70,838</b>   | 79,366                                       |
| Addition during the period/year                               | <b>15,480</b>   | -  |
| Assets arising on transactions under common control (Note 23) | <b>419,263</b>  | -  |
| Amortisation for the period/year                              | <b>(13,872)</b>   | (8,528)                                      |
| Cancellation  | <b>(15,139)</b>   | -  |
|   | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>                          | <b>476,570</b>  | 70,838                                       |
|   | <hr/> <hr/>   | <hr/> <hr/>                                  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**7 Leases (continued)**

Lease liabilities

Movement of lease liabilities is as follows:

|  | <b>30 September<br/>2021<br/>AED ‘000<br/>(unaudited)</b> | 31 December<br>2020<br>AED ‘000<br>(audited) |
|--|---|--|
| At the beginning of the period/year                    | 73,366  | 78,750                                       |
| Arising on transactions under common control (Note 23) | 403,808   | -  |
| Additions  | 13,702  | 4,783  |
| Interest expense                                       | 8,364   | -  |
| Cancellation   | (12,692)  | -  |
| Less: payment of lease liabilities                     | (20,821)  | (10,167)                                     |
| <b>At the end of the period/year</b>                   | <b>465,727</b>  | <b>73,366</b>                                |

Lease liabilities as of 30 September 2021 and 31 December 2020 are presented in the interim condensed consolidated statement of financial position as follows:

|   | <b>30 September<br/>2021<br/>AED ‘000<br/>(unaudited)</b> | 31 December<br>2020<br>AED ‘000<br>(audited) |
|---|---|--|
| Amounts due for settlement within 12 months | 24,779  | 10,076                                       |
| Amounts due for settlement after 12 months  | 440,948   | 63,290                                       |
|   | <b>465,727</b>  | <b>73,366</b>                                |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**8 Investment properties**

|  | <b>AED ‘000</b> |
|--|-----------------|
| <b>Cost</b>  |                 |
| At 1 January 2020  | 268,938         |
| Transfer to a related party                                | (139,978)       |
| Additions during the year                                  | 1,185           |
| Transfers  | (5,346)         |
|  | <hr/>           |
| At 31 December 2020  | 124,799         |
| Assets arising under common control transactions (Note 23) | 283,421         |
|  | <hr/>           |
| <b>At 30 September 2021</b>                                | <b>408,220</b>  |
|  | <hr/> <hr/>     |
| <b>Accumulated depreciation</b>                            |                 |
| At 1 January 2020  | 15,113          |
| Charge for the year  | 9,584           |
| Transfer to a related party                                | (9,584)         |
|  | <hr/>           |
| At 31 December 2020  | 15,113          |
| Charge for the period                                      | 4,778           |
| Arising under common control transactions (Note 23)        | 32,917          |
|  | <hr/>           |
| <b>At 30 September 2021</b>                                | <b>52,808</b>   |
|  | <hr/> <hr/>     |
| <b>Carrying value</b>                                      |                 |
| <b>At 30 September 2021</b>                                | <b>355,412</b>  |
|  | <hr/> <hr/>     |
| At 31 December 2020  | 109,687         |
|  | <hr/> <hr/>     |

Investment properties as on 30 September 2021 and 31 December 2020 comprise of land and residential properties in United Arab Emirates, Iraq and Seychelles.

For plots of land and certain residential properties, the last external valuation was performed by an independent valuer not connected with the Group as on 31 December 2020.

For certain residential properties, an internal valuation was performed on 31 December 2020.

There has been no significant change in fair value at 30 September 2021, and the fair values approximate the carrying value as on that date.

The investments are classified as a level 3 investments in the fair value hierarchy. There have been no transfers between levels during the period.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**9 Investment in associates**

|   | <b>30 September<br/>2021<br/>AED ‘000<br/>(unaudited)</b> | 31 December<br>2020<br>AED ‘000<br>(audited) |
|---|---|--|
| At the beginning of the period/year                 | 2,706   | 4,092  |
| Arising under common control transactions (Note 23) | 400,660   | -  |
| Acquired during the period *                        | 241,587   | -  |
| Reclassification                                    | 393   | -  |
| Share of (loss)/profit for the period/year          | (30,430)  | 954  |
| Partial disposal during the period/year             | (25,459)  |  |
| Dividends received                                  | (2,455)   | (2,340)                                      |
|   | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>                | <b>587,002</b>  | <b>2,706</b>                                 |
|   | <hr/> <hr/>   | <hr/> <hr/>                                  |

\* The Group acquired a 40% equity stake in Burjeel Medical Centre (Yas mall) LLC and D Club Cleaning Services LLC (collectively known as Response Plus Medical Services - RPM group) for a consideration of AED 241.6 Million on 30 April 2021. On 14 September 2021, the Group disposed a 4% shareholding of RPML which was subsequently listed as Response Plus Holding PrJSC on the Abu Dhabi Securities Exchange ('ADX') secondary market.

All of the below associates are accounted for using the equity method in these interim condensed consolidated financial statements as set out in the Group's accounting policies. Details of the Group's associates at the reporting date are as follows:

| Name of associates  | Proportion of ownership<br>interest and voting power<br>held |             | Place of<br>registration<br>and<br>operation | Principal activities                            |
|---|--|-------------|--|---|
|   | 30- Sept-2021  | 31 Dec-2020 |  |   |
| Century Real Estate Management<br>LLC   | 13%  | 18%         | U.A.E.                                       | Management of labour camps and<br>accommodation |
| Abu Dhabi Mountain Gate<br>Property Investment LLC                              | 18%  | 18%         | U.A.E.                                       | Real estate investment                          |
| Al Jazira Technical Solutions &<br>Consulting LLC                               | 35%  | 35%         | U.A.E.                                       | Consulting in computer devices and<br>equipment |
| Principia SAS   | 33%  | -           | France                                       | Engineering and consultancy                     |
| Canal Sugar S.A.E.  | 33%  | -           | Egypt  | Sugar farming and production                    |
| Response Plus Holding PrJSC<br>(formerly Response Plus<br>Medical Services LLC) | 36%  | -           | U.A.E.                                       | Healthcare services                             |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**9 Investment in associates (continued)**

Latest available financial information of the Group’s two major associates as of period the ended 30 September 2021 are summarised below:

|  | <b>Canal Sugar<br/>S.A.E.<br/>AED ‘000<br/>(unaudited)</b> | <b>Response Plus<br/>Holding PrJSC<br/>AED ‘000<br/>(unaudited)</b> | <b>Total<br/>AED ‘000<br/>(unaudited)</b> |
|--|--|---|---|
| Non-current assets                           | 2,878,681  | 13,405  | 2,892,086                                 |
| Current assets                               | 231,615  | 280,486   | 512,101                                   |
| <b>Total assets</b>                          | <b>3,110,296</b>   | <b>293,891</b>  | <b>3,404,187</b>                          |
| Non-current liabilities                      | 304,412  | 6,096   | 310,508                                   |
| Current liabilities                          | 1,803,651  | 63,624  | 1,867,275                                 |
| <b>Total liabilities</b>                     | <b>2,108,063</b>   | <b>69,720</b>   | <b>2,177,783</b>                          |
| <b>Net assets</b>                            | <b>1,002,233</b>   | <b>224,171</b>  | <b>1,226,404</b>                          |
| <b>Group’s share of net assets</b>           | <b>330,737</b>   | <b>80,702</b>   | <b>411,438</b>                            |
| <b>Revenue</b>                               | <b>69,958</b>  | <b>175,007</b>  | <b>244,965</b>                            |
| <b>(Loss)/profit for the period</b>          | <b>(109,866)</b>   | <b>36,342</b>   | <b>(73,524)</b>                           |
| <b>Share of profit/(loss) from associate</b> | <b>(36,256)</b>  | <b>14,375</b>   | <b>(21,881)</b>                           |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**10 Investment securities**

Financial assets carried at fair value through profit or loss and financial assets carried at fair value through other comprehensive income as of 30 September 2021 are classified as follows:

| 30 September 2021 (unaudited)  | 30 September 2021  |                                     |                   | 31 December 2020<br>(audited)<br>Total<br>AED ‘000 |
|--|--------------------|-------------------------------------|-------------------|--|
|  | Quoted<br>AED ‘000 | (unaudited)<br>Unquoted<br>AED ‘000 | Total<br>AED ‘000 |  |
| <i>Financial assets carried at fair value through profit and loss</i>            |                    |                                     |                   |  |
| Equity instruments   | 890,238            | 554,919                             | 1,445,157         | -  |
| Investment in funds  | 18,593             | -                                   | 18,593            | -  |
|  | <b>908,831</b>     | <b>554,919</b>                      | <b>1,463,750</b>  | -  |
| <i>Financial assets carried at fair value through other comprehensive income</i> |                    |                                     |                   |  |
| Equity instruments   | 4,136,358          | 194                                 | 4,136,552         | -  |
| Sukuk  | 543,299            | -                                   | 543,299           | -  |
| Amortized cost debt instrument   | -                  | 8                                   | 8                 | -  |
|  | 4,679,657          | 202                                 | 4,679,859         | -  |
| Less: impairment loss allowances   | -                  | (1,848)                             | (1,848)           | -  |
|  | <b>5,588,488</b>   | <b>553,273</b>                      | <b>6,141,761</b>  | -  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**10 Investment securities (continued)**

|  | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|--|---|--|
| <i>Financial assets carried at fair value through profit and loss</i>                |   |  |
| Non-current  | <b>298,593</b>  | -  |
| Current  | <b>1,165,157</b>  | -  |
| <i>Financial assets carried at fair value through other<br/>comprehensive income</i> |   |  |
| Non-current  | <b>4,576,526</b>  | -  |
| Current  | <b>101,485</b>  | -  |
|  | <hr/> <b>6,141,761</b> <hr/>                              | <hr/> - <hr/>                                |
| Non-current  | <b>4,875,119</b>  | -  |
| Current  | <b>1,266,642</b>  | -  |
|  | <hr/> <b>6,141,761</b> <hr/>                              | <hr/> - <hr/>                                |
| <b>Total</b>   | <b>6,141,761</b>  | -  |

ECL impairment on the sukuk is included in revaluation reserve for debt investments carried at FVTOCI and recognised in other comprehensive income.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**10 Investment securities (continued)**

|  | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|--|---|--|
| <b><u>Quoted securities</u></b>                    |   |  |
| <b><i>FVTPL investments</i></b>                    |   |  |
| At the beginning of the period/year                | -   | -  |
| Arising from common control transactions (Note 23) | <b>412,251</b>  | -  |
| Additions during the period                        | <b>295,553</b>  | -  |
| Unrealised fair value gain                         | <b>201,027</b>  | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>               | <b>908,831</b>  | -  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b><i>FVTOCI investments</i></b>                   |   |  |
| At the beginning of the period/year                | -   | -  |
| Arising from common control transactions (Note 23) | <b>4,271,902</b>  | -  |
| Additions during the period                        | <b>11,580</b>   | -  |
| Disposal during the period                         | <b>(31,482)</b>   | -  |
| Unrealised fair value gain                         | <b>427,657</b>  | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>               | <b>4,679,657</b>  | -  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b><u>Unquoted securities</u></b>                  |   |  |
| <b><i>FVTPL investments</i></b>                    |   |  |
| At the beginning of the period/year                | -   | -  |
| Arising from common control transactions (Note 23) | <b>554,919</b>  | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>               | <b>554,919</b>  | -  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b><i>FVTOCI investments</i></b>                   |   |  |
| At the beginning of the period/year                | -   | -  |
| Arising from common control transactions (Note 23) | <b>168</b>  | -  |
| Additions during the period                        | <b>45</b>   | -  |
| Foreign exchange loss                              | <b>(19)</b>   | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>               | <b>194</b>  | -  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b><i>Debt instruments at amortised cost</i></b>   |   |  |
| At the beginning of the period/year                | -   | -  |
| Arising from common control transactions (Note 23) | <b>499</b>  | -  |
| Disposal during the period                         | <b>(490)</b>  | -  |
| Unrealised fair value loss                         | <b>(1)</b>  | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>               | <b>8</b>  | -  |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**11 Islamic financing assets**

|   | <b>30 September<br/>2021<br/>AED<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>AED<br>(audited)<br>AED ‘000 |
|---|---|---|
| Murabaha financing  | 1,708,387   | -   |
| Ijarah financing  | 256,592   | -   |
| Other financing   | 5,853   | -   |
|   | <hr/>   | <hr/>   |
| Total financing   | 1,970,832   | -   |
| Deferred income   | (315,025)   | -   |
| Profit in suspense  | (2,745)   | -   |
|   | <hr/>   | <hr/>   |
| Total   | 1,653,062   | -   |
| Less: impairment loss allowance                                       | (138,000)   | -   |
|   | <hr/>   | <hr/>   |
|   | 1,515,062   | -   |
|   | <hr/>   | <hr/>   |
| Allocated in the interim condensed statement of financial position as |   |   |
| - Current   | 348,616   | -   |
| - Non-current   | 1,166,446   | -   |
|   | <hr/>   | <hr/>   |
|   | 1,515,062   | -   |
|   | <hr/>   | <hr/>   |

Allocation and maturity profile of Ijarah financing as on 30 September 2021 is as follow;

|   | <b>30 September<br/>2021<br/>AED<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>AED<br>(audited)<br>AED ‘000 |
|---|---|---|
| <b>Maturity profile</b>                           |   |   |
| Not later than one year                           | 23,545  | -   |
| Later than one year but not later than five years | 119,193   | -   |
| Later than five years                             | 134,224   | -   |
|   | <hr/>   | <hr/>   |
| Gross Ijarah                                      | 276,962   | -   |
| Less: Deferred income                             | (20,370)  | -   |
|   | <hr/>   | <hr/>   |
| Net Ijarah  | 256,592   | -   |
|   | <hr/>   | <hr/>   |
| <b>Net Present value</b>                          |   |   |
| Not later than one year                           | 22,427  | -   |
| Later than one year but not later than five years | 107,142   | -   |
| Later than five years                             | 127,023   | -   |
|   | <hr/>   | <hr/>   |
| <b>Total net present value</b>                    | 256,592   | -   |
|   | <hr/>   | <hr/>   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**11 Islamic financing asset (continued)**

Movement in impairment loss allowance during the period/year ended is as follow.

|  | <b>30 September<br/>2021<br/>AED<br/>(unaudited)<br/>AED ‘000</b> | <b>31 December<br/>2020<br/>AED<br/>(audited)<br/>AED ‘000</b> |
|--|---|--|
| At the beginning of the period/year      | -   | -  |
| Arising from common control transactions | 127,293   | -  |
| Charge for the period/year               | 11,149  | -  |
| Other Adjustment                         | (442)   | -  |
|  | <hr/>   | <hr/>  |
| <b>At the end of the period/year</b>     | <b>138,000</b>  | <b>-</b>   |
|  | <hr/> <hr/>   | <hr/> <hr/>  |

**12 Trade and other receivables**

|   | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | <b>31 December<br/>2020<br/>(audited)<br/>AED ‘000</b> |
|---|---|--|
| Trade receivables                         | 5,100,964   | 1,196,683  |
| Less: impairment loss allowance           | (155,504)   | (126,908)  |
|   | <hr/>   | <hr/>  |
| Net trade receivables                     | 4,945,460   | 1,069,775  |
| Retention receivables                     | 1,069,277   | 937,985  |
| Less: impairment loss allowance           | (49,947)  | (53,666)   |
|   | <hr/>   | <hr/>  |
| Net retention receivable                  | 1,019,330   | 884,319  |
| Advances to suppliers                     | 1,131,417   | 110,264  |
| Less: impairment loss allowance           | (1,798)   | (1,798)  |
|   | <hr/>   | <hr/>  |
| Net advances to suppliers                 | 1,129,619   | 108,466  |
| Prepayments and deposits                  | 406,602   | 94,097   |
| Other receivables                         | 768,857   | 28,975   |
|   | <hr/>   | <hr/>  |
|   | 8,269,868   | 2,185,632  |
| Less: retention receivables - non-current | (52,514)  | -  |
|   | <hr/>   | <hr/>  |
|   | <b>8,217,354</b>  | <b>2,185,632</b>                                       |
|   | <hr/> <hr/>   | <hr/> <hr/>  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**12 Trade and other receivables (continued)**

The Group measures the provision for impairment of trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the individual debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and retention receivables in accordance with the simplified approach set out in IFRS 9.

|  | <b>AED ‘000</b> |
|--|-----------------|
| <i>Trade and retention receivables</i>   |                 |
| At 1 January 2020                        | <b>152,374</b>  |
| Net re-measurement of loss allowance     | <b>28,200</b>   |
|  | <hr/>           |
| At 1 January 2021                        | <b>180,574</b>  |
| Net re-measurement of loss allowance     | <b>(41,452)</b> |
| Write off                                | <b>(35)</b>     |
| Arising from common control transactions | <b>66,364</b>   |
|  | <hr/>           |
| <b>At 30 September 2021</b>              | <b>205,451</b>  |
|  | <hr/> <hr/>     |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**13 Contract assets**

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

|                                 | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---------------------------------|---|--|
| <i>Contract assets</i>          |   |  |
| Amounts due from customers      | <b>5,244,024</b>  | 1,384,027                                    |
| Work-in-progress                | <b>710,312</b>  | -  |
| Less: impairment loss allowance | <b>(102,810)</b>  | (25,558)                                     |
|                                 | <hr/> <b>5,851,526</b> <hr/>                              | <hr/> 1,358,469 <hr/>                        |

Contract assets includes those with related parties of AED 343,889 million (2020: 287 million) [Note 14].

Work-in-progress have been incurred on elements of one of the Group’s major projects, on which the Group is not contractually entitled to recognise revenue until the various work packages are completed and handed over. While the work packages have yet to be handed over, during 2021 a significant number of packages are scheduled to be completed and handed over, which will result in a winding down of the balance throughout the remainder of 2021 and following years.

Allocation of total contracts assets into current and non-current is as under:

|                        | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|------------------------|---|--|
| <i>Contract assets</i> |   |  |
| Current                | <b>5,559,297</b>  | 1,358,469                                    |
| Non-current            | <b>292,229</b>  | -  |
|                        | <hr/> <b>5,851,526</b> <hr/>                              | <hr/> 1,358,469 <hr/>                        |

The Group measures the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the respective industries.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**13 Contract assets (continued)**

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9:

|  | <b>Total<br/>AED ‘000</b> |
|--|---------------------------|
| Balance as at 1 January 2020             | <b>15,809</b>             |
| Net re-measurement of loss allowance     | <b>9,749</b>              |
|  | <hr/>                     |
| Balance as at 1 January 2021             | <b>25,558</b>             |
| Arising from common control transactions | <b>779</b>                |
| Net re-measurement of loss allowance     | <b>76,473</b>             |
|  | <hr/>                     |
| <b>Balance as at 30 September 2021</b>   | <b>102,810</b>            |
|  | <hr/> <hr/>               |

**14 Related parties**

Related parties are the shareholders, key management and the entities in which the shareholders have the ability to control or exercise significant influence in the operating and financial decisions. The Group maintains balances with the related parties that arise from commercial transactions at agreed rates between related parties as follows:

|  | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|--|---|--|
| <b>Due from related parties:</b>             |   |  |
| Joint ventures                               | <b>334,864</b>  | -  |
| Entities managed by key management personnel | <b>371,752</b>  | -  |
| Fellow subsidiary                            | <b>115,938</b>  | 83,953                                       |
| Others                                       | <b>140,650</b>  | 80,597                                       |
|  | <hr/>   | <hr/>  |
|  | <b>963,204</b>  | 164,550                                      |
| Less: impairment loss allowance              | <b>(45,748)</b>   | (69,701)                                     |
|  | <hr/>   | <hr/>  |
|  | <b>917,456</b>  | 94,849                                       |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**14 Related parties (continued)**

|  | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|--|---|--|
| <b>Due to related parties:</b>               |   |  |
| Entities managed by key management personnel | <b>1,075,500</b>  | -  |
| Shareholder/parent company                   | <b>242,489</b>  | -  |
| Joint venture partner                        | -   | 27,061                                       |
| Others                                       | <b>272,118</b>  | 16,591                                       |
|  | <hr/>   | <hr/>  |
|  | <b>1,590,107</b>  | 43,652                                       |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b>Loan from a related party</b>             | <b>13,300</b>   | 13,300                                       |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b>Contract assets (Note 13)</b>             | <b>343,889</b>  | 287,000                                      |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |
| <b>Contract liabilities (Note 19)</b>        | <b>18,206</b>   | 15,314                                       |
|  | <hr/> <hr/>   | <hr/> <hr/>                                  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**14 Related parties (continued)**

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the simplified approach set out in IFRS 9.

|  | <b>Collectively<br/>assessed<br/>AED ‘000</b> | <b>Individually<br/>Assessed<br/>AED ‘000</b> | <b>Total<br/>AED ‘000</b> |
|--|---|---|---------------------------|
| <b>Due form related parties</b>        |   |   |                           |
| Balance as at 1 January 2020           | 3,710   | 84,197  | <b>87,907</b>             |
| Net re-measurement of loss allowance   | (228)   | 1,927   | <b>1,699</b>              |
| Write off during the year              | -   | (19,905)                                      | <b>(19,905)</b>           |
|  | -----   | -----   | -----                     |
| Balance as at 1 January 2021           | 3,482   | 66,219  | <b>69,701</b>             |
| Net re-measurement of loss allowance   | 2,569   | (26,522)                                      | <b>(23,953)</b>           |
|  | -----   | -----   | -----                     |
| <b>Balance as at 30 September 2021</b> | <b>6,051</b>                                  | <b>39,697</b>                                 | <b>45,748</b>             |
|  | =====   | =====   | =====                     |

Significant transactions with related parties during the period comprise:

|                                | <b>9 months ended<br/>30 September</b>   |  | <b>3 months ended<br/>30 September</b>   |  |
|--------------------------------|--|--|--|--|
|                                | <b>2021<br/>AED ‘000<br/>(unaudited)</b> | <b>2020<br/>AED ‘000<br/>(unaudited)</b> | <b>2021<br/>AED ‘000<br/>(unaudited)</b> | <b>2020<br/>AED ‘000<br/>(unaudited)</b> |
| Revenue                        | <b>831,936</b>                           | 117,438                                  | <b>434,930</b>                           | 76,325                                   |
|                                | =====                                    | =====                                    | =====                                    | =====                                    |
| Purchase of goods and services | <b>52,120</b>                            | 3,782                                    | 30,273                                   | 1,948                                    |
|                                | =====                                    | =====                                    | =====                                    | =====                                    |
| Key management compensation    | <b>2,047</b>                             | 9,359                                    | 899                                      | 3,120                                    |
|                                | =====                                    | =====                                    | =====                                    | =====                                    |
| Dividend declared              | <b>1,486,500</b>                         | -  | <b>733,000</b>                           | -  |
|                                | =====                                    | =====                                    | =====                                    | =====                                    |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**15 Cash and bank balances**

|   | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---|---|--|
| Cash in hand and bank   | <b>3,336,238</b>  | 196,592                                      |
| Short term deposits and treasury bills                          | <b>846,395</b>  | 437,134                                      |
|   | <b>4,182,633</b>  | 633,726                                      |
| Less: impairment loss allowance                                 | <b>(7,391)</b>  | (5)  |
| Cash and bank balances  | <b>4,175,242</b>  | 633,721                                      |
| Less: bank overdrafts (Note 18)                                 | <b>(1,053,335)</b>  | (144,520)                                    |
| Less: restricted cash   | <b>(38,274)</b>   | -  |
| Less: short term deposit having maturity more than three months | <b>(460,698)</b>  | (437,134)                                    |
| Add: impairment loss allowance                                  | <b>7,391</b>  | 5  |
| Cash and cash equivalents                                       | <b>2,630,326</b>  | 52,072                                       |

Short term deposits including AED 460.6 million (2020: 435.2 million) are held by the banks as restricted deposits for issuance of letters of guarantee and are not available for day to day operations of the Group. Interest is earned on these short term deposits and ranges from 0.1% to 1.4% per annum (31 December 2020: 0.5% to 2%).

Bank overdraft facilities were availed from various banks. In prior years, bank overdraft facilities were obtained from local banks which were secured by approved payment certificate received from customers. Bank overdrafts are payable on demand.

Balances with banks are assessed to have low credit risks since they are reputable financial institutions selected by the Group. None of the balances with banks at the end of the reporting period are past due.

**16 Wakala deposits with islamic financial institutions**

Wakala deposits include AED 222.8 million mainly invested in financial institutions in UAE (2020: AED nil). These deposits carry profit at market rates. The impairment allowance on such wakala placement amounts to AED 7.6 million (2020: nil).

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**17 Margins against letters of guarantee**

|                      | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|----------------------|---|--|
| Labour guarantees*   | 985,005   | -  |
| Corporate guarantees | 12,683  | -  |
|                      | <u>997,688</u>  | <u>-</u>                                     |

\* These are 100% margins collected by the Group on issuance of letters of guarantee in favour of the Ministry of Human Resources and Emiratization (MOHRE) on behalf of its customers.

**18 Bank borrowings**

Bank borrowings included in the statement of financial position comprise the following:

|                             | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|-----------------------------|---|--|
| Term loan facilities        | 4,846,037   | 127,300                                      |
| Murabaha financing facility | 200,000   | -  |
| Other facilities            | 576,850   | 224,965                                      |
| Bank overdrafts             | 1,053,335   | 144,520                                      |
|                             | <u>6,676,222</u>  | <u>496,785</u>                               |

Allocation of bank borrowings as on 30 September 2021 and 31 December 2020 is as under;

|             | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|-------------|---|--|
| Non-current | 4,522,542   | 238,231                                      |
| Current     | 2,153,680   | 258,554                                      |
|             | <u>6,676,222</u>  | <u>496,785</u>                               |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**18 Bank borrowings (continued)**

The bank borrowings presented in the interim condensed consolidated statement of financial position as on 30 September 2021 and 31 December 2020 consist of the following:

| Loan type                   | Currency | Year of maturity | 30 September<br>2021<br>(unaudited)<br>AED ‘000 | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|-----------------------------|----------|------------------|---|--|
| Term loan 1                 | AED      | 2023             | 88,000  | 127,300                                      |
| Term loan 2                 | AED      | 2028             | 606,028   | -  |
| Term loan 3                 | EUR      | 2030             | 252,720   | -  |
| Term loan 4                 | USD      | 2027             | 1,439,698                                       | -  |
| Term loan 5                 | AED      | 2022             | 66,667  | -  |
| Term loan 6                 | USD      | 2025             | 244,336   | -  |
| Term loan 7                 | USD      | 2028             | 367,500   | -  |
| Term loan 8                 | AED      | 2028             | 281,087   | -  |
| Term loan 9                 | AED      | 2024             | 1,500,000                                       | -  |
| Murabaha financing facility | AED      | 2025             | 200,000   | -  |
| Other facilities 1          | AED      | (*)              | 96,117  | 98,352                                       |
| Other facilities 2          | AED      | 2023             | 480,734   | 126,613                                      |
| Bank overdraft              | AED      |                  | 1,053,335                                       | 144,520                                      |
|                             |          |                  | <hr/>   | <hr/>  |
|                             |          |                  | <b>6,676,222</b>                                | <b>496,785</b>                               |
|                             |          |                  | <hr/> <hr/>                                     | <hr/> <hr/>                                  |

(\*) 48 months from drawdown date

Interest on above bank borrowings charged at the rates ranges from 1.25% to 3% plus 3 months to 6 months EIBOR/EURIBOR.

The above bank borrowings are secured against various securities provided to banks as per the terms of the respective agreements including, but not limited to, mortgage over certain non-financial assets of the Group, pledged under the financing facilities. The facilities may stipulate certain financial and/or non-financial covenants including minimum net worth requirements, maximum leverage ratios and other financial ratios.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**19 Contract liabilities**

|   | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---|---|--|
| Amounts related to construction contracts   | 389,063   | 211,158                                      |
| Amounts received in advances from customers | 1,428,913   | 837,744                                      |
|   | <hr/>   | <hr/>  |
|   | <b>1,817,976</b>  | 1,048,902                                    |
|   | <hr/>   | <hr/>  |

Amounts related to construction contracts from external customers and related parties as on period/year end are as under;

|  | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|--|---|--|
| <i>Amounts related to construction contracts</i> |   |  |
| - third parties                                  | 370,857   | 195,844                                      |
| - related parties (Note 14)                      | 18,206  | 15,314                                       |
|  | <hr/>   | <hr/>  |
|  | <b>389,063</b>  | 211,158                                      |
|  | <hr/>   | <hr/>  |

**20 Trade and other payables**

|                                 | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---------------------------------|---|--|
| Trade payables                  | 2,315,277   | 831,711                                      |
| Accruals and other payables     | 4,736,563   | 729,312                                      |
| Provision for project expenses  | 646,513   | 502,164                                      |
| Retentions payable              | 426,302   | 306,742                                      |
| Provision for project delays    | 175,857   | 175,857                                      |
| Dividend payable                | 26,344  | -  |
| Provision for onerous contracts | 95,834  | 6,749  |
|                                 | <hr/>   | <hr/>  |
|                                 | <b>8,422,690</b>  | 2,552,535                                    |
|                                 | <hr/>   | <hr/>  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**21 Share capital**

In April 2021, in Annual General Meeting approved to increase the share capital of the Company to AED 10 billion comprises of 10 billion ordinary shares with par value of AED 1 each as follows, IHC Capital Holding LLC 45%, Infinity Wave Holding LLC by 45% and Chimera Investment LLC by 10%, by capitalising the contributed capital which arise under common control transaction (refer Note 23).

Movement in share capital during the current period is as follows:

|                                 | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|---------------------------------|---|--|
| At the beginning of the period  | <b>300</b>  | <b>300</b>                                   |
| New share capital introduced    | <b>9,999,700</b>  | <b>-</b>                                     |
| <b>At the end of the period</b> | <b>10,000,000</b>   | <b>300</b>                                   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**22 Revenue**

The break down of the Group’s revenue is as follows:

|   | <b>9 months ended 30<br/>September</b> |                    | <b>3 months ended 30<br/>September</b> |                    |
|---|--|--------------------|--|--------------------|
|   | <b>2021</b>                            | <b>2020</b>        | <b>2021</b>                            | <b>2020</b>        |
|   | <b>AED ‘000</b>                        | <b>AED ‘000</b>    | <b>AED ‘000</b>                        | <b>AED ‘000</b>    |
|   | <b>(unaudited)</b>                     | <b>(unaudited)</b> | <b>(unaudited)</b>                     | <b>(unaudited)</b> |
| <i><b>Disaggregation of revenue – over time</b></i>         |  |                    |  |                    |
| Construction contracts                                      | <b>3,178,692</b>                       | 2,433,109          | 1,077,873                              | 718,723            |
| Commercial and industrial services                          | <b>3,989,003</b>                       | -                  | 2,566,289                              | -                  |
| Others  | <b>33,176</b>                          | -                  | 15,130                                 | -                  |
| <i><b>Disaggregation of revenue – point in<br/>time</b></i> |  |                    |  |                    |
| Management and related services                             | <b>3,933,636</b>                       | -                  | 2,137,547                              | -                  |
| Sale of goods   | <b>162,499</b>                         | 156,847            | 66,756                                 | 51,844             |
| Investment income   | <b>127,559</b>                         | -                  | 61,500                                 | -                  |
|   | <b>11,424,565</b>                      | 2,589,956          | 5,925,095                              | 770,567            |

The transaction price allocated to (partially) unsatisfied performance obligations at 30 September 2021 and 2020 are as set out below.

|   | <b>30 September<br/>2021</b> | <b>30 September<br/>2020</b> |
|---|------------------------------|------------------------------|
|   | <b>(unaudited)</b>           | <b>(audited)</b>             |
|   | <b>AED ‘000</b>              | <b>AED ‘000</b>              |
| <i><b>Unsatisfied performance obligations</b></i> |                              |                              |
| Construction contracts                            | <b>6,285,037</b>             | 10,790,951                   |
| Commercial and industrial services                | <b>36,293,305</b>            | -                            |
|   | <b>42,578,342</b>            | 10,790,951                   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control**

Details of the subsidiaries acquired under common control transactions during the period are as follows:

| Name of subsidiary  | Date of Acquisition          | Proportion of equity acquired %<br>30 September 2021 | Principal activity   |
|---|------------------------------|--|--|
| Mawarid Holding Investment L.L.C (i)                        | 1 April 2021                 | 70%  | Forestry, tourism and agriculture  |
| Murban Energy Limited (ii)                                  | 1 April 2021                 | 100%   | Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies. |
| Sogno Commercial Investment – Sole Proprietorship LLC *     | 1 June 2021                  | 100%   | Investment holding   |
| W A S TWO Commercial Investment – Sole Proprietorship LLC * | 1 June 2021                  | 100%   | Investment holding   |
| Sublime Commercial Investment – Sole Proprietorship.        | 1 April 2021                 | 100%   | Investment holding   |
| Pure Health Medical Supplies LLC ** (iv)                    | 1 April 2021 and 1 July 2021 | 63%  | Health care technology and management services   |
| Emirates Gateway Securities Services                        | 1 July 2021                  | 95%  | Security services  |
| Sandstorm Motor Vehicles Manufacturing LLC                  | 1 July 2021                  | 65%  | Manufacturing of motor vehicles  |

\* These wholly owned subsidiaries of the Company collectively hold 65.1% ownership interest of National Marine Dredging Company PJSC (NMDC) (iii).

\*\* On 1 April 2021, 31.5% and on 1 July 2021 additional 31.5% ownership interest in Pure Health Medical Supplies LLC was transferred to the Company under common transaction.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

Details of the assets and liabilities recognised at the date of transfer of ownership are as follows:

|   | Murban<br>Energy<br>Limited | Mawarid<br>Holding<br>Investment<br>L.L.C | Sogno<br>Commercial<br>Investment<br>and W S Two<br>Commercial<br>Investment | Sublime<br>Commercial<br>Investment –<br>Sole<br>Proprietorship. | Pure Health<br>Medical<br>supplies<br>LLC | Emirates<br>Gateway<br>Securities<br>Services<br>LLC | Others *      | Total             |
|---|-----------------------------|---|--|--|---|--|---------------|-------------------|
|   | ----- AED '000 -----        |   |  |  |   |  |               |                   |
| Date of acquisition   | 1 April 2021                | 1 April 2021                              | 1 June 2021  | 1 April 2021   | 1 April 2021                              | 1 July 2021  | 1 July 2021   |                   |
| <b><u>Assets acquired and liabilities recognised at the date of the acquisition</u></b> |                             |   |  |  |   |  |               |                   |
| <b>Non-current assets</b>   |                             |   |  |  |   |  |               |                   |
| Property, plant and equipment   | 1,428,677                   | 163,119                                   | 4,137,592  | -  | 89,213                                    | 183  | 1,449         | 5,820,233         |
| Intangible and Goodwill   | 451,672                     | 33,634                                    | 427,927  | -  | 10,941                                    | -  | 366           | 924,540           |
| Biological assets   | -                           | 19,848                                    | -  | -  | -   | -  | -             | 19,848            |
| Right-of-use assets   | 58,494                      | 26,340                                    | 317,346  | -  | 15,944                                    | -  | 1,139         | 419,263           |
| Investment in associates  | 376,454                     | -   | 24,206   | -  | -   | -  | -             | 400,660           |
| Investment in joint ventures  | -                           | -   | 25,988   | -  | -   | -  | -             | 25,988            |
| Investment Properties   | 31,319                      | 219,185                                   | -  | -  | -   | -  | -             | 250,504           |
| Deferred tax assets   | 8,182                       | -   | 5,261  | -  | -   | -  | -             | 13,443            |
| Islamic financing assets  | -                           | 1,070,975                                 | -  | -  | -   | -  | -             | 1,070,975         |
| Investment in assets carried at FVTOCI  | -                           | 977,917                                   | -  | 3,688,350  | -   | 63   | -             | 4,666,330         |
| Retention receivable  | -                           | 66,671                                    | 34,703   | -  | -   | -  | -             | 101,374           |
| Contract assets   | -                           | -   | -  | -  | 254,262                                   | -  | -             | 254,262           |
| <b>Current assets</b>   |                             |   |  |  |   |  |               |                   |
| Inventories   | 15,364                      | 51,607                                    | 320,589  | -  | 85,144                                    | 2,497  | 13,162        | 488,363           |
| Trade and other receivables   | 245,276                     | 572,274                                   | 3,200,220  | -  | 1,967,588                                 | 156,681  | 23,201        | 6,165,240         |
| Contract assets   | -                           | 46,745                                    | 4,106,004  | -  | 27,085                                    | -  | -             | 4,179,834         |
| Due from related parties  | 1,203,417                   | 41,951                                    | -  | -  | 72,769                                    | -  | 19,226        | 1,337,363         |
| Cash and bank balances  | 502,795                     | 555,143                                   | 702,019  | 5,081  | 112,566                                   | 24,802   | 5,934         | 1,908,340         |
| Investments in fair value through profit and loss                                       | 539,477                     | -   | 32,084   | -  | -   | -  | -             | 571,561           |
| Wakala deposits with Islamic financial institutions                                     | -                           | 181,023                                   | -  | -  | -   | -  | -             | 181,023           |
| <b>Total assets</b>   | <b>4,861,127</b>            | <b>4,026,432</b>                          | <b>13,333,939</b>  | <b>3,693,431</b>   | <b>2,635,512</b>                          | <b>184,226</b>                                       | <b>64,477</b> | <b>28,799,144</b> |

\* Others include Sandstorm Motor Vehicle Manufacturing LLC and Chechnya Hotel.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

|  | <b>Murban<br/>Energy<br/>Limited</b> | <b>Mawarid<br/>Holding<br/>Investment<br/>L.L.C</b> | <b>Sogno<br/>Commercial<br/>Investment and<br/>W S Two<br/>Commercial<br/>Investment</b> | <b>Sublime<br/>Commercial<br/>Investment –<br/>Sole<br/>Proprietorship<br/>LLC</b> | <b>Pure Health<br/>Medical<br/>Supplies<br/>LLC</b> | <b>Emirates<br/>Gateway<br/>Securities<br/>Services<br/>LLC</b> | <b>Other *</b> | <b>Total</b>      |
|--|--------------------------------------|---|--|--|---|---|----------------|-------------------|
| ----- AED '000-----  |                                      |   |  |  |   |   |                |                   |
| <b>Non-current liabilities</b>                                   |                                      |   |  |  |   |   |                |                   |
| End of service benefits  | 8,402                                | 69,890  | 438,176  | -  | 5,326   | 19,940  | 61             | <b>541,795</b>    |
| Lease liabilities  | 40,172                               | 23,479  | 307,669  | -  | 9,502   | -   | 146            | <b>380,968</b>    |
| Bank borrowings  | 817,201                              | 597,610   | 1,556,876  | 1,500,000  | 62,940  | -   | -              | <b>4,534,627</b>  |
| Other non-current liabilities                                    | -                                    | 61,461  | -  | -  | -   | -   | -              | <b>61,461</b>     |
| Loan from a related party  | -                                    | -   | -  | -  | 82,833  | -   | -              | <b>82,833</b>     |
| <b>Current liabilities</b>                                       |                                      |   |  |  |   |   |                |                   |
| Lease liabilities  | 7,138                                | 1,935   | 8,402  | -  | 4,385   | -   | 980            | <b>22,840</b>     |
| Borrowings   | 130,274                              | 113,634   | 1,271,117  | -  | 27,271  | -   | -              | <b>1,542,296</b>  |
| Due to related parties   | 186,687                              | 8,605   | -  | 34,892   | 1,264,774   | 36,267  | -              | <b>1,531,225</b>  |
| Margins against letter of guarantees                             | -                                    | 1,159,381   | -  | -  | -   | -   | -              | <b>1,159,381</b>  |
| Trade and other Payables   | 153,523                              | 1,101,804   | 4,730,781  | -  | 345,531   | 28,325  | 2,287          | <b>6,362,251</b>  |
| <b>Total liabilities</b>   | <b>1,343,397</b>                     | <b>3,137,799</b>                                    | <b>8,313,021</b>   | <b>1,534,892</b>   | <b>1,802,562</b>                                    | <b>84,532</b>   | <b>3,474</b>   | <b>16,219,677</b> |
| <b>Net assets at the date of transfer</b>                        | <b>3,517,730</b>                     | <b>888,633</b>                                      | <b>5,020,918</b>   | <b>2,158,539</b>   | <b>832,950</b>                                      | <b>99,694</b>   | <b>61,003</b>  | <b>12,579,467</b> |
| <b>Less: net assets attributable to Non-Controlling interest</b> | <b>-</b>                             | <b>(209,701)</b>                                    | <b>(2,824)</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>       | <b>(212,525)</b>  |
| <b>Net assets attributable to owners of the Group</b>            | <b>3,517,730</b>                     | <b>678,932</b>                                      | <b>5,018,094</b>   | <b>2,158,539</b>   | <b>832,950</b>                                      | <b>99,694</b>   | <b>61,003</b>  | <b>12,366,942</b> |

**Net asset as on the date of transfer under common control allocated as:**

|   |                   |
|---|-------------------|
| Contributed capital                       | 9,752,071         |
| Non-controlling interest                  |                   |
| - Allocation to non-controlling interest  | 2,477,702         |
| - Acquisition of non-controlling interest | (255,443)         |
| Retained earnings                         |                   |
| - Allocation to retained earnings         | 137,169           |
| - Acquisition of non-controlling interest | 255,443           |
|   | <b>12,366,942</b> |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

- (i) Following are the subsidiaries which the Company controls through its partially owned subsidiary Mawarid Holding Investment LLC.

| <b>Sr. No.</b> | <b>Name of subsidiary</b>  | <b>Percentage of ownership<br/>30 Sep 2021</b> | <b>Country of incorporation</b> | <b>Principal activities</b>   |
|----------------|--|--|---------------------------------|---|
| 1              | Telal Resort L.L.C   | <b>100%</b>                                    | U.A.E                           | Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; investment in, incorporation and management of tourist enterprises.  |
| 2              | Aqua Power Technology L.L.C  | <b>100%</b>                                    | U.A.E                           | Trading in agricultural machinery, equipment and supplies.  |
| 3              | Mawarid Services Company L.L.C   | <b>100%</b>                                    | U.A.E.                          | Facilities management services, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment. |
| 4              | Barari Natural Resources L.L.C   | <b>100%</b>                                    | U.A.E.                          | Forest and park management, parks construction and maintenance and trading in agricultural machinery.   |
| 5              | Mawarid Center for Research and Scientific Laboratories L.L.C.                                 | <b>100%</b>                                    | U.A.E.                          | Veterinarian hospital and research activities   |
| 6              | Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship L.L.C | <b>100%</b>                                    | U.A.E.                          | Investment, and management of tourist enterprises, commercial, and industrial enterprises, and agricultural enterprises.  |
| 7              | Mawarid Nurseries LLC  | <b>100%</b>                                    | U.A.E                           | Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

| <b>Sr.<br/>No.</b> | <b>Name of subsidiary</b>                        | <b>Percentage<br/>of ownership<br/>30 Sep 2021</b> | <b>Country of<br/>incorporation</b> | <b>Principal activities</b>  |
|--------------------|--|--|-------------------------------------|--|
| 8                  | Pure Health (FZE)                                | <b>90%</b>   | U.A.E.                              | Trading in pharmaceuticals and related products.   |
| 9                  | Pure Health Medical Supplies (FZE)               | <b>90%</b>   | U.A.E.                              | General trading and trading in pharmaceuticals and related products.   |
| 10                 | Pure CS IT Infrastructure L.L.C                  | <b>90%</b>   | U.A.E.                              | IT Infrastructure  |
| 11                 | Aafaq Islamic Finance P.S.C.                     | <b>80.2%</b>                                       | U.A.E.                              | Financing and investing activities that are conducted in accordance with Islamic Sharia Laws   |
| 12                 | National Bank of Sudan                           | <b>61.13%</b>                                      | The Republic of Sudan               | Financing and investing activities   |
| 13                 | Mawarid Security Services L.L.C                  | <b>100%</b>  | U.A.E.                              | General security services and public security guarding services.   |
| 14                 | Emirates Safety Laboratory L.L.C                 | <b>100%</b>  | U.A.E.                              | Compliance certification for building construction products  |
| 15                 | Dicon Investment L.L.C.                          | <b>100%</b>  | U.A.E.                              | Investment in industrial, agricultural and commercial enterprises and management   |
| 16                 | Al Twasol Al Mutamiz Guidance L.L.C <sup>1</sup> | <b>100%</b>  | U.A.E.                              | Workers and employees guidance centre  |
| 17                 | Twasol Business Men Service L.L.C – Dubai        | <b>100%</b>  | U.A.E                               | Administrative services, businessmen services, Transactions follow-up services, Non-specialized facilities management, Typing and documents photocopying services. |
| 18                 | Twasol Business Men Services L.L.C – Ajman       | <b>100%</b>  | U.A.E                               | Administrative services, business services, transactions follow-up services, non-specialized facilities management, typing and documents photocopying services.    |
| 19                 | Info Nine Smart Solutions L.L.C                  | <b>80%</b>   | U.A.E                               | Designing computer systems and communication equipment   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

| <b>Sr.<br/>No.</b> | <b>Name of subsidiary</b>                               | <b>Percentage of<br/>ownership<br/>30 Sep 2021</b> | <b>Country of<br/>incorporation</b> | <b>Principal activities</b>  |
|--------------------|---|--|-------------------------------------|--|
| 20                 | Twasol Business Men<br>Services L.L.C – Br Abu<br>Dhabi | <b>100%</b>  | U.A.E                               | Administrative services,<br>business services, transactions<br>follow-up services, non-<br>specialized facilities<br>management, typing and<br>documents photocopying<br>services. |
| 21                 | Best Twasol Government<br>Services L.L.C                | <b>100%</b>  | U.A.E                               | Administrative services,<br>business services, transactions<br>follow-up services, non-<br>specialized facilities<br>management, typing and<br>documents photocopying<br>services. |
| 22                 | Al Forsan Tadbeer Center<br>L.L.C – Dubai               | <b>100%</b>  | U.A.E                               | Administrative services,<br>business services, transactions<br>follow-up services, non-<br>specialized facilities<br>management, typing and<br>documents photocopying<br>services. |
| 23                 | Dicon of Twafouq Services<br>L.L.C                      | <b>100%</b>  | U.A.E                               | Operating TWA-FOUQ service<br>centres that are licensed by the<br>Ministry of Human Resources<br>& Emiratization (MOHRE).  |
| 24                 | Two Five 55 Healthcare<br>Investment L.L.C.             | <b>90%</b>   | U.A.E.                              | Investment in commercial<br>enterprise & management and<br>healthcare enterprise &<br>development  |
| 25                 | Pure Health Medical Billing<br>Services L.L.C           | <b>90%</b>   | U.A.E.                              | Medical billing services   |
| 26                 | Union Health Facilities<br>Management L.L.C.            | <b>90%</b>   | U.A.E.                              | Facilities management services   |
| 27                 | Campaign facilities<br>Management Services<br>LLC       | <b>100%</b>  | U.A.E                               | Facilities management services   |
| 28                 | Mawarid Hotels and<br>hospitality LLC                   | <b>100%</b>  | U.A.E.                              | Management of Hotels, tourist<br>resorts and hotel apartments  |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

| <b>Sr.<br/>No.</b> | <b>Name of subsidiary</b>                           | <b>Percentage of<br/>ownership<br/>30 Sep 2021</b> | <b>Country of<br/>incorporation</b> | <b>Principal activities</b>   |
|--------------------|---|--|-------------------------------------|---|
| 29                 | Mawarid International<br>Development Company<br>LLC | <b>100%</b>  | U.A.E.                              | Real estate development<br>construction, consultancy<br>project development and<br>project management services.<br><br>Investment, institution and<br>management of tourist,<br>entertainment and real estate<br>enterprises. |
| 30                 | Magenta Investments LLC                             | <b>80%</b>   | U.A.E.                              | Investment in healthcare<br>enterprises & development<br>and commercial enterprises &<br>management   |
| 31                 | Pure Capital Investment LLC                         | <b>90%</b>   | U.A.E.                              | Investment in Commercial<br>Enterprises & Management  |
| 32                 | Magenta Medical Investment<br>LLC                   | <b>100%</b>  | U.A.E.                              | Investment in healthcare<br>enterprises & development   |
| 33                 | Magenta Medical Requisites<br>Trading LLC           | <b>100%</b>  | U.A.E.                              | Trading of Paper products,<br>medical and surgical articles<br>& requisites, laboratories tools<br>& requisites, para<br>pharmaceutical products and<br>equipment for people of<br>determination.                             |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

(ii) Following are the subsidiaries which the Company controls through its wholly owned subsidiary Murban Energy Limited.

| Sr.<br>No. | Name of subsidiary  | Percentage of<br>ownership<br>30 Sep 2021 | Country of<br>incorporation | Principal activities   |
|------------|---|---|-----------------------------|--|
| 1          | Abu Dhabi United Hospitality<br>– Sole Proprietorship<br>L.L.C.                         | 100%                                      | UAE                         | Tourism investments, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering |
| 2          | St. Regis Saadiyat Island<br>Resort Abudhabi  | 100%                                      | UAE                         | Hotels   |
| 3          | Al Wathba A Luxury<br>Collection Desert Resort<br>& Spa – Sole<br>Proprietorship L.L.C. | 100%                                      | UAE                         | Fitness club, relaxation and massage centre  |
| 4          | Le Noir Cafe – Sole<br>Proprietorship L.L.C.  | 100%                                      | UAE                         | Foodstuff catering, hospitality services and restaurants   |
| 5          | Etihad International<br>Hospitality LLC – Sole<br>Proprietorship L.L.C.                 | 100%                                      | UAE                         | Hospitality services, cleaning services, onshore and offshore gas field and facilities services and foodstuff catering.                            |
| 6          | Int'l Fresh Harvest Fruits and<br>Vegetables Trading - Sole<br>Proprietorship LLC       | 100%                                      | UAE                         | Trading of foodstuff   |
| 7          | Hill View (Seychelles)<br>Limited   | 100%                                      | Seychelles                  | Hotel resort   |
| 8          | Lindere Villas (Seychelles)<br>Limited  | 100%                                      | Seychelles                  | Dormant entity   |
| 9          | Jayanne (Seychelles) Limited  | 100%                                      | Seychelles                  | Dormant entity   |
| 10         | Murban BVI Holding Inc.<br>(BVI)  | 100%                                      | British Virgin<br>Island    | Holding company (dormant entity)   |
| 11         | Sitax Investment Ltd (BVI)  | 100%                                      | British Virgin<br>Island    | Holding company (dormant entity)   |
| 12         | Sitax Holding Ltd (BVI)   | 100%                                      | British Virgin<br>Island    | Holding company (dormant entity)   |
| 13         | I&T Management Pvt. Ltd<br>(Maldives)   | 100%                                      | British Virgin<br>Island    | Tourist resort operation   |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

(iii) As stated above, Sogno Commercial Investment – Sole Proprietorship LLC and WAS Two Commercial Investment collective hold ownership interest in National Marine Dredging Company PJSC (NMDC) of 65.1%. Accordingly, following are the subsidiaries which the Company controls through NMDC.

| <b>Sr. No.</b> | <b>Name of subsidiary</b>  | <b>Percentage of ownership<br/>30 Sep 2021</b> | <b>Country of incorporation</b> | <b>Principal activities</b>  |
|----------------|--|--|---------------------------------|--|
| 1              | National Petroleum Construction Company PJSC (“NPCC”)                        | 100%   | UAE                             | Engineering Construction and Procurement   |
| 2              | Emarat Europe Fast Building Technology System Factory L.L.C. (Emarat Europe) | 100%   | UAE                             | Manufacturing and supply of precast concrete   |
| 3              | National Marine Dredging Company (Industrial)                                | 100%   | UAE                             | Manufacturing of steel pipes and steel pipe fittings and holding 1% investment in the Group’s subsidiaries                         |
| 4              | ADEC Engineering Consultancy L.L.C.  | 100%   | UAE                             | Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services |
| 5              | Abu Dhabi Marine Dredging Co S.P.C.  | 100%   | Bahrain                         | Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts              |
| 6              | National Marine and Infrastructure India Private Limited                     | 100%   | India                           | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction                        |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

Following are the subsidiaries where the Company has indirect control through its partially owned subsidiaries NMDC in NPCC.

| Name of subsidiary                               | Percentage of ownership<br>30 Sep 2021 | Country of incorporation | Principal activities                     |
|--|--|--------------------------|--|
| <b>Subsidiaries of NPCC</b>                      |  |                          |  |
| National Petroleum Construction Co. (Saudi) LTD. | 100%                                   | Saudi Arabia             | Engineering Construction and procurement |
| NPCC Engineering Limited                         | 100%                                   | India                    | Engineering                              |
| ANEWA Engineering Pvt. Ltd.                      | 80%                                    | India                    | Engineering                              |

Further these interim condensed consolidated financial statements include the following Branches, Joint ventures and joint operations and their effective ownership as at 30 September 2021 are listed below:

| Name of entity                   | Percentage of ownership<br>30 Sep 2021 | Country of incorporation | Principal activities  |
|----------------------------------|--|--------------------------|---|
| <b>Branches of NMDC</b>          |  |                          |   |
| National Marine Dredging Company | <b>Branch</b>                          | Saudi Arabia             | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |
| National Marine Dredging Company | <b>Branch</b>                          | Egypt                    | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |
| National Marine Dredging Company | <b>Branch</b>                          | Maldives                 | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |
| National Marine Dredging Company | <b>Branch</b>                          | UAE                      | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |
| National Marine Dredging Company | <b>Branch</b>                          | UAE                      | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**23 Transactions under common control (continued)**

| Name of subsidiary   | Percentage of<br>ownership<br>30 Sep 2021 | Principal activities  |
|--|---|---|
| <b>Joint Venture of NMDC</b>                                     |   |   |
| The Challenge Egyptian Emirates Egypt<br>Marine Dredging Company | <b>49%</b>                                | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction |
| <b>Joint Operations of NPCC</b>                                  |   |   |
| Technip – NPCC - Satah Full Field                                | <b>50%</b>                                | Engineering, Procurement and Construction   |
| NPCC – Technip – UZ-750(EPC-1)                                   | <b>40%</b>                                | Engineering, Procurement and Construction   |
| NPCC – Technip UL -2   | <b>50%</b>                                | Engineering, Procurement and Construction   |
| NPCC – Technip AGFA  | <b>50%</b>                                | Engineering, Procurement and Construction   |
| NPCC – Technip JV – US GAS CAP FEED                              | <b>50%</b>                                | Engineering, Procurement and Construction   |

(iv) Following is the subsidiary which the Company controls through its partially owned subsidiary Pure Health Medical Supplies LLC.

| Sr.<br>No. | Name of subsidiary                                  | Percentage<br>of ownership<br>30 Sep 2021 | Country of<br>incorporation | Principal activities  |
|------------|---|---|-----------------------------|---|
| 1          | Pure Health Investment –<br>Sole proprietorship LLC | <b>100%</b>                               | U.A.E                       | Health services enterprise investment, institution and management |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**24 Contingent liabilities**

|                      | <b>30 September<br/>2021<br/>(unaudited)<br/>AED ‘000</b> | 31 December<br>2020<br>(audited)<br>AED ‘000 |
|----------------------|---|--|
| Letter of guarantees | <b>11,593,807</b>   | 4,347,759                                    |
| Letters of credit    | <b>647,987</b>  | 478,853                                      |
| Capital commitments  | <b>370,013</b>  | 106,301                                      |
| Purchase commitments | <b>1,551,557</b>  | -  |

The above bank guarantees, and letters of credit are issued in the normal course of business.

**25 Segment information**

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of financial performance and internal reports about components of the Group in order to allocate resources to the segment and to assess its performance. For operating purposes, the Group is organised into following business segments or revenue streams:

- (i) Industrial income which provide dredging and associated land reclamation works;
- (ii) Construction and real estate, which provides contraction work relating to commercial and residential buildings, infrastructure development and civil construction works and rental income from properties;
- (iii) Health care which provides medical laboratory management services, residency visa testing and laboratory diagnostics distribution; and
- (iv) Services, other and unallocated which comprise management services, hotel room rental income and from related ancillary activities and investment and islamic finance income.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**25 Segment information**

The following table presents revenue and profit information for the Group's operating segments:

|  | <b>Industrial<br/>AED '000</b> | <b>Construction<br/>and real<br/>estate<br/>AED '000</b> | <b>Healthcare<br/>AED '000</b> | <b>Services and<br/>other<br/>segments<br/>AED '000</b> | <b>Eliminations<br/>AED '000</b> | <b>Total<br/>AED '000</b> |
|--|--------------------------------|--|--------------------------------|---|----------------------------------|---------------------------|
| <b>For the period ended 30<br/>September 2021</b>            |                                |  |                                |   |                                  |                           |
| Revenue  | 3,160,099                      | 3,316,014  | 3,915,010                      | 1,038,226   | (4,784)                          | <b>11,424,565</b>         |
| Direct costs   | (2,787,475)                    | (3,034,517)  | (1,258,468)                    | (582,353)   | 4,666                            | <b>(7,658,147)</b>        |
| <b>Gross profit</b>  | <b>372,624</b>                 | <b>281,497</b>   | <b>2,656,542</b>               | <b>455,873</b>  | <b>(118)</b>                     | <b>3,766,418</b>          |
| General and<br>administrative<br>expenses                    | 19,787                         | (63,485)   | (233,621)                      | (232,537)   | -                                | <b>(509,856)</b>          |
| Share of profit of joint<br>ventures                         | 3,987                          | 22,422   | -                              | -   | -                                | <b>26,409</b>             |
| Share of profit/(loss)<br>from associates                    | 530                            | 382  | 14,375                         | (45,717)  | -                                | <b>(30,430)</b>           |
| Net movement in the fair<br>value through profit<br>and loss | (3,484)                        | -  | -                              | 204,511   | -                                | <b>201,027</b>            |
| Finance income   | 6,070                          | 2,260  | -                              | 6,401   | -                                | <b>14,731</b>             |
| Finance costs  | (19,617)                       | (25,482)   | (6,010)                        | (29,241)  | -                                | <b>(80,350)</b>           |
| Other income   | 7,910                          | 162,388  | (8,900)                        | 30,175  | (191)                            | <b>191,382</b>            |
| Foreign exchange<br>gain/(loss)                              | 14,070                         | -  | (269)                          | 44,589  | -                                | <b>58,390</b>             |
| <b>Profit before tax</b>                                     | <b>401,877</b>                 | <b>379,982</b>   | <b>2,422,117</b>               | <b>434,054</b>  | <b>(309)</b>                     | <b>3,637,721</b>          |
| Corporate tax benefit  | 13,145                         | -  | -                              | (2,366)   | -                                | <b>10,779</b>             |
| <b>Profit after tax</b>                                      | <b>415,022</b>                 | <b>379,982</b>   | <b>2,422,117</b>               | <b>431,688</b>  | <b>(309)</b>                     | <b>3,648,500</b>          |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**25 Segment information (continued)**

The following table presents segment assets and liabilities of the Group's operating segments as at 30 September 2021.

|                             | <b>Industrial<br/>AED '000</b> | <b>Construction<br/>and Real<br/>Estate<br/>AED '000</b> | <b>Healthcare<br/>AED '000</b> | <b>Services<br/>and other<br/>segments<br/>AED '000</b> | <b>Eliminations<br/>AED '000</b> | <b>Total<br/>AED '000</b> |
|-----------------------------|--------------------------------|--|--------------------------------|---|----------------------------------|---------------------------|
| <b>At 30 September 2021</b> |                                |  |                                |   |                                  |                           |
| Non-current assets          | 4,915,652                      | 4,934,822  | 651,323                        | 4,709,971   | (313)                            | <b>15,211,455</b>         |
| Current assets              | 8,325,076                      | 4,746,119  | 3,645,075                      | 5,675,103   | (863,002)                        | <b>21,528,371</b>         |
| Non-current liabilities     | 2,120,187                      | 1,914,286  | 11,706                         | 1,616,643   | -                                | <b>5,662,822</b>          |
| Current liabilities         | 5,629,016                      | 3,770,774  | 2,498,930                      | 3,983,633   | (863,007)                        | <b>15,019,346</b>         |

The Group has aggregated its geographical segments into UAE and International. UAE segment includes projects in the UAE, while International segment includes operations in Egypt, Kingdom of Saudi Arabia, Bahrain, India, Kuwait, Maldives, Seychelles and East Africa

The following table shows the Group's geographical segment analysis

|                           | <b>30 September 2021 (unaudited)</b> |                                   |                           |
|---------------------------|--------------------------------------|-----------------------------------|---------------------------|
|                           | <b>UAE<br/>AED '000</b>              | <b>International<br/>AED '000</b> | <b>Total<br/>AED '000</b> |
| <b>Revenue</b>            | <b>10,075,428</b>                    | <b>1,349,137</b>                  | <b>11,424,565</b>         |
| <b>Gross profit</b>       | <b>3,749,754</b>                     | <b>16,664</b>                     | <b>3,766,418</b>          |
| <b>Non-current assets</b> | <b>14,146,782</b>                    | <b>1,064,673</b>                  | <b>15,211,455</b>         |

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**26 Earnings per share**

The following reflects the profit and share data used in the earnings per share computations:

|   | <u>9-months ended 30 September</u> |                     | <u>3-months ended 30 September</u> |                     |
|---|------------------------------------|---------------------|------------------------------------|---------------------|
|   | <b>2021</b><br><b>(unaudited)</b>  | 2020<br>(unaudited) | <b>2021</b><br><b>(unaudited)</b>  | 2020<br>(unaudited) |
| Profit for the period attributable to equity holders of the parent – AED ‘000 | <b>2,155,785</b>                   | 186,252             | <b>1,324,163</b>                   | 81,341              |
| Weighted average number of ordinary shares issued (million)                   | <b>6,088</b>                       | 0.001               | <b>10,000</b>                      | 0.001               |
| Basic earnings per share (AED)  | <b>0.35</b>                        | 186,252             | <b>0.13</b>                        | 81,341              |

No figure for diluted earnings per share has been presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

**27 Fair value of financial assets and liabilities**

The Group follows the below hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets and liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

The Group uses Level 1, 2 and 3 hierarchies for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The carrying amounts of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

**Notes to the interim condensed consolidated financial statements  
for the nine-month period ended 30 September 2021 (continued)**

**28 Derivative financial instruments**

In order to reduce their exposure to interest rate fluctuations on variable interest bearing loans and borrowings (Note 18) the Group has entered into interest rate swap arrangements with counter-party banks excluding margins for a notional amount that matches the outstanding interest bearing loans and borrowings. The Group is required to pay a fixed rate of 3.15% to 4.27% per annum and receive a EIBOR per annum and required to pay a fixed rate of 0.80% per annum and receive a 3-month LIBOR per annum. The derivative instruments had a negative fair value of AED 50.9 million at 30 September 2021 in the condensed interim consolidated statement of financial position. The following table summarises certain information relating to the derivatives as of 31 December 2020 and 30 September 2021:

|                       | Notional amount |                 | Derivative liabilities |                 | Derivative assets |                 | Fix leg on instrument |      |
|-----------------------|-----------------|-----------------|------------------------|-----------------|-------------------|-----------------|-----------------------|------|
|                       | 2021<br>AED'000 | 2020<br>AED'000 | 2021<br>AED'000        | 2020<br>AED'000 | 2021<br>AED'000   | 2020<br>AED'000 | 2021                  | 2020 |
| Financial instruments | 1,299,927       | -               | 50,908                 | -               | -                 | -               | 0.8% to<br>4.27%      | -    |

Allocation of derivative financial instruments as on 30 September and 31 December 2020 is as follow

|              | 30<br>September<br>2021<br>(unaudited)<br>AED '000 | 31<br>December<br>2020<br>(audited)<br>AED '000 |
|--------------|--|---|
| Non-Current  | 38,482   | -   |
| Current      | 12,426   | -   |
| <b>Total</b> | <b>50,908</b>                                      | <b>-</b>  |

**29 Seasonality of results**

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the nine months period ended 30 September 2021 and 2020.

**30 Approval of interim condensed consolidated financial statements**

The interim condensed consolidated financial statements were approved by management and authorised for issue on 24 October 2021.