

**OFERTA PÚBLICA DE ADQUISICIÓN DE ACCIONES ORDINARIAS DE
GRUPO NUTRESA S.A.**

OFERENTE

IHC CAPITAL HOLDING LLC

CUADERNILLO DE OFERTA

ADVERTENCIA

LA INSCRIPCIÓN EN EL REGISTRO NACIONAL DE VALORES Y EMISORES Y LA AUTORIZACIÓN DE LA PRESENTE OFERTA PÚBLICA DE ADQUISICIÓN NO IMPLICARÁN CALIFICACIÓN NI RESPONSABILIDAD ALGUNA POR PARTE DE LA SUPERINTENDENCIA FINANCIERA DE COLOMBIA ACERCA DE LAS PERSONAS JURÍDICAS INSCRITAS, NI SOBRE EL PRECIO, LA BONDAD O LA NEGOCIABILIDAD DEL VALOR, O DE LA RESPECTIVA EMISIÓN NI SOBRE LA SOLVENCIA DEL EMISOR.

LA INSCRIPCIÓN DE LAS ACCIONES ORDINARIAS DE GRUPO NUTRESA S.A. EN LA BOLSA DE VALORES DE COLOMBIA S.A. Y LA REALIZACIÓN DE LA PRESENTE OFERTA PÚBLICA DE ADQUISICIÓN EN LA BOLSA DE VALORES DE COLOMBIA S.A. NO IMPLICARÁN CALIFICACIÓN NI RESPONSABILIDAD ALGUNA POR PARTE DE LA BOLSA DE VALORES DE COLOMBIA S.A. ACERCA DE LAS PERSONAS JURÍDICAS INSCRITAS, NI SOBRE EL PRECIO, LA BONDAD O LA NEGOCIABILIDAD DEL VALOR, O DE LA RESPECTIVA EMISIÓN NI SOBRE LA SOLVENCIA DEL EMISOR.

SE CONSIDERA INDISPENSABLE LA LECTURA DEL PRESENTE CUADERNILLO DE OFERTA PARA QUE LOS INTERESADOS PUEDAN EVALUAR ADECUADAMENTE LA CONVENIENCIA DE LA OPERACIÓN.

BOGOTÁ D.C., OCTUBRE DE 2022

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[ESPACIO INTENCIONALMENTE DEJADO EN BLANCO]

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INTRODUCCIÓN

IHC Capital Holding LLC, constituida de conformidad con las leyes de Emiratos Árabes Unidos, con domicilio principal en Abu Dabi, (el “**Oferente**”), se encuentra interesado en adquirir como mínimo, 114.438.968 de las acciones ordinarias y en circulación de GRUPO NUTRESA S.A., sociedad anónima constituida y existente bajo las leyes de la República de Colombia, con domicilio principal en Medellín, Colombia, (el “**Emisor**”), que representan el 25% del capital con derecho a voto en circulación del Emisor al corte de 30 de junio de 2022, y como máximo 143.048.710 acciones ordinarias que representan el 31,25% del capital con derecho a voto y en circulación del Emisor al corte de 30 de junio de 2022, de conformidad con la información pública disponible.

La oferta pública de adquisición (la “**OPA**” o la “**Oferta**”) a la que hace referencia el presente cuadernillo de Oferta (el “**Cuadernillo**” o “**Cuadernillo de Oferta**”), la formula el Oferente en desarrollo de lo previsto en los artículos 6.15.2.1.1 y siguientes del Decreto 2555 de 2010 (el “**Decreto 2555**”). La presente Oferta se efectúa respecto de las acciones del Emisor inscritas en la Bolsa de Valores de Colombia (“**BVC**”) y en el Registro Nacional de Valores y Emisores (“**RNVE**”).

Este Cuadernillo de Oferta proporciona a los interesados en la OPA, información sobre el Emisor, el Oferente y la Oferta, y estará a disposición de los accionistas del Emisor en los siguientes lugares:

- Superintendencia Financiera de Colombia
Calle 7 No. 4 - 49, Bogotá D.C., Colombia
- Bolsa de Valores de Colombia S.A.
Página web: <https://www.bvc.com.co> Opción: Finánciate -> Prospectos.
- Sociedad Comisionista de Bolsa:
Servivalores GNB Sudameris S.A. Comisionista de Bolsa
Carrera 7 No. 75 - 85/87 - Piso 3, Bogotá D.C., Colombia
Página web: <https://www.servivalores.gnbsudameris.com.co/>
- Oficinas del Oferente:
2do Piso, Royal Group Building, Khalifa Park, PO Box 32619
Abu Dabi, Emiratos Árabes Unidos

Las personas a las cuales se les puede requerir información en relación con este Cuadernillo de Oferta son:

Nombre: Daud Bin Farooq

Cargo: Head of Legal – International Holding Company PJSC

Dirección: 2do Piso, Royal Group Building, Khalifa Park, PO Box 32619,

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Abu Dabi, Emiratos Árabes Unidos
Correo electrónico: daud.farooq@ihcuae.com
Teléfono: +971-2-6448090

Nombre: Juan David Quintero Sánchez
Cargo: Socio – Gómez-Pinzón Abogados
Dirección: Calle 67 # 7 – 35 Of. 1204
Correo electrónico: jquintero@gomezpinzon.com
Teléfono: +57 601 3192900

Nombre: María Eugenia Arbeláez
Cargo: Gerente General de Servivalores GNB Sudameris S.A. Comisionista de Bolsa
Dirección: Carrera 7 No. 75-85/87– Piso 3, Bogotá D.C., Colombia
Correo electrónico: marbeladez@gnbsudameris.com.co
Teléfono: +57 601 3160000 ext. 11018

1. INFORMACIÓN DEL EMISOR

1.1. DENOMINACIÓN SOCIAL

El Emisor de las acciones que el Oferente pretende adquirir se denomina Grupo Nutresa S.A.

1.2. NATURALEZA JURÍDICA

El Emisor es una sociedad anónima constituida y existente bajo las leyes de la República de Colombia, identificado con el NIT 890.900.050-1. El Emisor se encuentra inscrito en la BVC desde el 1 de septiembre de 1981¹.

1.3. DOMICILIO

El Emisor tiene su domicilio principal en la Carrera 43 A 1 A Sur 143 de la ciudad de Medellín, Colombia.

1.4. CONSTITUCIÓN Y REFORMAS ESTATUTARIAS

El Emisor fue constituido mediante escritura pública No. 1.043 el 12 de abril de 1920 de la Notaría 1ª de Medellín.

¹ Según información pública disponible en el RNVE.

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Los estatutos sociales del Emisor han sido modificados en las fechas que se indican a continuación, según la información extraída del certificado de existencia y representación legal de fecha 7 de septiembre de 2022 expedido por la Cámara de Comercio de Medellín:

	NO. DE DOCUMENTO	FECHA	NOTARÍA
1.	1057	14/04/1920	1 de Medellín
2.	1540	02/06/1920	1 de Medellín
3.	1857	27/08/1924	1 de Medellín
4.	2166	10/10/1924	1 de Medellín
5.	1604	30/06/1926	1 de Medellín
6.	370	13/02/1928	1 de Medellín
7.	1244	14/10/1932	1 de Medellín
8.	1793	06/09/1939	2 de Medellín
9.	817	05/03/1945	2 de Medellín
10.	1196	18/03/1950	2 de Medellín
11.	547	15/03/1955	2 de Medellín
12.	472	06/03/1957	2 de Medellín
13.	2409	27/06/1960	6 de Medellín
14.	1396	09/05/1962	6 de Medellín
15.	904	13/03/1964	6 de Medellín
16.	1236	25/03/1965	6 de Medellín
17.	1515	01/04/1968	6 de Medellín
18.	2666	10/06/1969	6 de Medellín
19.	3020	18/06/1974	6 de Medellín
20.	2706	26/06/1979	6 de Medellín
21.	662	02/03/1983	11 de Medellín
22.	2494	31/08/1983	11 de Medellín
23.	1964	17/06/1987	11 de Medellín
24.	2437	19/06/1992	11 de Medellín
25.	2032	28/04/1993	11 de Medellín
26.	2021	15/05/1995	11 de Medellín
27.	2508	19/06/1997	11 de Medellín
28.	4291	27/12/1999	11 de Medellín
29.	1259	03/05/2001	11 de Medellín
30.	921	24/04/2002	20 de Medellín
31.	3503	23/12/2002	20 de Medellín
32.	784	30/03/2004	20 de Medellín
33.	2924	30/09/2005	20 de Medellín
34.	2925	30/09/2005	20 de Medellín
35.	1005	03/04/2006	20 de Medellín
36.	1068	05/04/2011	20 de Medellín
37.	1146	23/04/2013	20 de Medellín

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38.	1707	13/05/2015	20 de Medellín
39.	1312	11/04/2019	20 de Medellín
40.	211	31/01/2022	20 de Medellín
41.	2712	17/08/2022	20 de Medellín

1.5. TÉRMINO DE DURACIÓN

De acuerdo con el artículo 4 de los estatutos sociales del Emisor, su duración es hasta el 12 de abril de 2050, sin perjuicio de que pueda prorrogarse antes de su vencimiento por voluntad de las Asamblea de Accionistas, mediante reforma estatutaria aprobada y solemnizada legalmente; o anticiparse su terminación, de igual modo, por decisión de la Asamblea de Accionistas o por alguna de las demás causales que establece la ley.

1.6. OBJETO SOCIAL

De acuerdo con el Artículo 5 de los estatutos sociales del Emisor, el Emisor tiene por objeto social:

“La inversión o aplicación de recursos o disponibilidades de la Compañía en empresas organizadas bajo cualquiera de las formas autorizadas por la ley, sean nacionales o extranjeras y que tengan por objeto la explotación de cualquier actividad económica lícita, o en bienes corporales o incorporeales con la finalidad de precautelación del capital.”

1.7. CAPITAL SOCIAL

A la fecha del presente Cuadernillo de Oferta, el capital social del Emisor es el siguiente, según se extrae del certificado de existencia y representación del Emisor de fecha 7 de septiembre de 2022 expedido por la Cámara de Comercio de Medellín:

CAPITAL SOCIAL	VALOR	ACCIONES	VALOR NOMINAL
Autorizado	COP\$5.000.000.000	1.000.000.000	COP\$5,00
Suscrito	COP\$2.300.617.290	460.123.458	COP\$5,00
Pagado	COP\$2.300.617.290	460.123.458	COP\$5,00

De conformidad con la información disponible en el RNVE con corte al 30 de junio de 2022, de las 460.123.458 acciones emitidas del Emisor, 457.755.869 se encuentran actualmente en circulación.

1.8. COMPOSICIÓN ACCIONARIA

De acuerdo con la información pública disponible a la fecha del presente Cuadernillo de Oferta, los veinticinco (25) principales accionistas del Emisor, al 30 de junio de 2022, son los siguientes:

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	DESCRIPCIÓN	NO. DE ACCIONES	%
1.	Grupo de Inversiones Suramericana S.A.	161.287.111	35,23
2.	Nugil S.A.S.	142.327.231	31,09
3.	Grupo Argos S.A.	45.526.494	9,95
4.	Microinversiones S.A.	10.871.984	2,38
5.	Fondo Bursátil iShares Colcap	6.443.146	1,41
6.	Libreville S.A.S.	5.514.904	1,20
7.	Fundación Fraternidad Medellín	4.518.270	0,99
8.	Finesterre S.A.S.	3.806.654	0,83
9.	Multinversiones Bolivar S.A.S	2.862.596	0,63
10.	Palarepas S.A.S.	2.804.653	0,61
11.	Lunapa S.A.S.	2.754.509	0,60
12.	Canapa S.A.S.	2.754.510	0,60
13.	Lanapa S.A.S.	2.754.509	0,60
14.	Fondo Bursátil Horizons Colombia Select de S&P	2.624.345	0,57
15.	Tanana S.A.S.	2.343.636	0,51
16.	PI-Nutresa Fondo de Pensiones Protección	2.292.108	0,50
17.	Patrimonio Autónomo R82A19B8	1.690.000	0,37
18.	Patrimonio Autónomo D12M6098	1.603.841	0,35
19.	Patrimonio Autónomo E03M4691	1.590.000	0,35
20.	Patrimonio Autónomo B63M1S20	1.502.102	0,33
21.	Patrimonio Autónomo F36B0211	1.492.101	0,33
22.	Patrimonio Autónomo M29P72N9	1.480.000	0,32
23.	Patrimonio Autónomo AM1092O5	1.380.000	0,30
24.	Patrimonio Autónomo I779E6OA	1.351.000	0,30
25.	Patrimonio Autónomo C86807Z0	1.350.000	0,29
26.	Otros Accionistas		9,36
	TOTAL	457.755.869	100,00

2. INFORMACIÓN DEL OFERENTE

2.1. DENOMINACIÓN SOCIAL

El Oferente se denomina IHC Capital Holding LLC.

2.2. NATURALEZA JURÍDICA

El Oferente es una sociedad de responsabilidad limitada (*limited liability company*) debidamente constituida y existente bajo las leyes de Emiratos Árabes Unidos.

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2.3. DOMICILIO

El Oferente tiene su domicilio principal en el 2do Piso, Royal Group Building, Khalifa Park, PO Box 32619, Abu Dabi, Emiratos Árabes Unidos.

2.4. CONSTITUCIÓN

El Oferente fue constituido mediante el Memorando y Acta Constitutiva (*Memorandum of Incorporation & Articles of Association*) de fecha 26 de septiembre de 2019.

2.5. DURACIÓN

El Oferente tiene un término de duración de cincuenta (50) años, renovable automáticamente por periodos consecutivos de veinticinco (25) años cada uno, salvo que se dé por terminada de otra forma conforme a las disposiciones respectivas de las leyes aplicables o mediante resolución especial aprobada en tal sentido.

2.6. OBJETO SOCIAL

El Oferente tiene por objeto social en general obtener ganancias mediante la participación en la operación de diferentes tipos de negocios comerciales, industriales, contractuales, de servicios, de bienes raíces y/u otros tipos de negocios y actividades económicas (según sea el caso), específicamente incluyendo – sin limitación – todos/cualquiera de los objetos y/o las actividades correspondientes de los siguientes:

1. Servicios de Gestión de Empresas, e inversión en todo tipo de proyectos, además de cualquier otra actividad relevante.
2. Todos los requisitos, materiales y trabajos que puedan ser parte integral, complementaria, colateral, incidental, relacionada con, o esencial para, los objetos / las actividades antes mencionadas y de conformidad con las leyes regentes, las normas y regulaciones de los mismos.

2.7. DISTRIBUCIÓN DEL CAPITAL SOCIAL Y COMPOSICIÓN ACCIONARIA

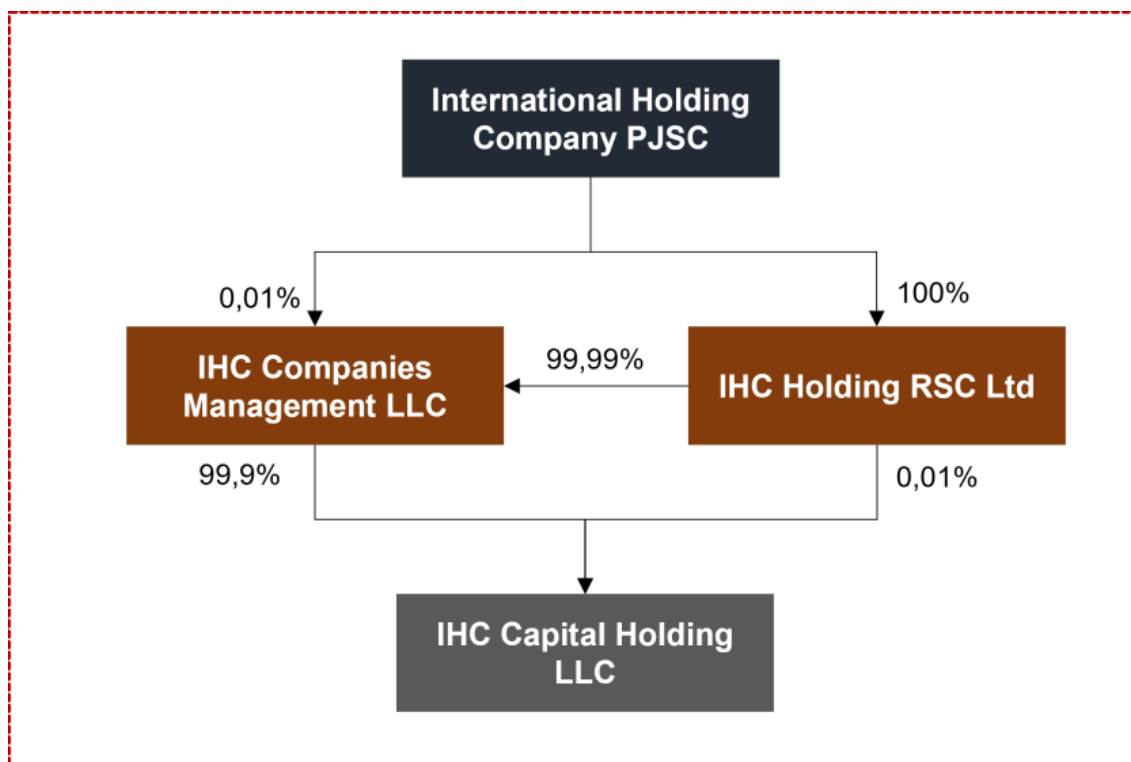
A la fecha del presente Cuadernillo de Oferta, la distribución del capital social del Oferente es la siguiente:

Parte	Número de Acciones	Monto	%
IHC Companies Management LLC	9.999	AED 299.970	99,99%
IHC Holding RSC Ltd.	1	AED 30	0,01%
Total	10.000	AED 300.000	100%

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En el cuadro de arriba, “AED” significa dirhams de Emiratos Árabes Unidos, la moneda de curso legal en los Emiratos Árabes Unidos. Con corte al 30 de junio de 2022, AED\$ 1 es equivalente USD\$ 0,27².

2.8. SITUACIÓN DE SUBORDINACIÓN Y GRUPO EMPRESARIAL



Los dos accionistas directos del Oferente son IHC Companies Management LLC (“**IHC Management**”), sociedad constituida bajo las leyes de Emiratos Árabes Unidos e identificada con No. 2608410, quien ostenta un noventa y nueve coma nueve por ciento (99,9%) de la participación accionaria del Oferente y IHC Holdings RSC LTD (“**IHC RSC**”), sociedad constituida bajo las leyes de Emiratos Árabes Unidos e identificada con el No. 000002711, quien ostenta el cero coma cero uno por ciento (0,01%) de la participación accionaria del Oferente. El objeto social de IHC Management es la prestación de servicios de administración de compañías e instituciones privadas, al igual que el desarrollo de actividades de inversión, constitución y administración de empresas comerciales. IHC RSC es una sociedad de objeto restringido (*restricted scope company*) cuyo objeto social es efectuar diferentes tipos de inversiones.

Por su parte, el accionista único de IHC RSC es International Holding Company PJSC (“**IHC**”), sociedad igualmente constituida bajo las leyes de Emiratos Árabes Unidos, identificada con el No. 354 y listada en la bolsa de valores de Abu Dabi (Abu Dhabi Securities Exchange, “**ADX**”). Los accionistas de IHC Management son IHC RSC, quien ostenta el noventa y nueve coma nueve

² Según la información disponible en <https://www.forbes.com/advisor/money-transfer/currency-converter/aed-usd/>.

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por ciento (99,9 %) de la participación accionaria de IHC Management e IHC quien ostenta el cero coma cero uno por ciento (0,01%) de la participación accionaria de IHC Management. El objeto social de IHC es desarrollar actividades de inversión, constitución y administración de empresas comerciales, prestar servicios de administración de facilidades, exportar bienes, prestar servicios relacionados con campos y facilidades de *oil and gas*, entre otros.

De conformidad con las leyes de los Emiratos Árabes Unidos que rigen la existencia y actividades de IHC Management, IHC RSC e IHC, y según se describe en el numeral 8 del presente Cuadernillo de Oferta, los estados financieros consolidados de IHC con corte al 31 de diciembre de 2021 incluyen la información financiera consolidada del Oferente, IHC Management, IHC RSC e IHC. De acuerdo con la regulación contable aplicable, estas entidades no están obligadas a emitir estados financieros independientes de los estados financieros consolidados de IHC, esta última la entidad controlante de las tres mencionadas anteriormente.

2.9. ORGANIZACIÓN DEL OFERENTE

El Oferente (de ser necesario) según requieran la naturaleza de su negocio / actividades y las leyes y regulaciones aplicables, podrá estar sujeto, con respecto a su gerencia y operaciones, al control y la autoridad de cualquiera de los siguientes (o de ambos):

- A. Una junta gerencial / de directores; y/o
- B. Un gerente general.

2.9.1. JUNTA

La Asamblea General podrá, de tiempo en tiempo y mediante una resolución especial que considere adecuada: (a) conformar y designar a la Junta; (b) renovar dicha designación; (c) reemplazar a la Junta o a cualquier Miembro de la Junta; (d) especificar la remuneración y el número de Miembros de la Junta y la distribución de los Cargos de la Junta (si hubiera) entre ellos; y/o (e) especificar y definir los poderes y jurisdicciones de la misma.

La Junta estará conformada por cualquier número de miembros, pero por no más de cinco (5) miembros.

Actualmente, y de conformidad con las leyes aplicables al Oferente, las cuales no requieren que este tenga una junta directiva u órgano equivalente, el Oferente no cuenta con una junta directiva u órgano equivalente, distinto a la junta directiva de IHC.

2.9.2. GERENTE GENERAL

La Asamblea General o la Junta autorizada (si existiera) designará, despedirá y especificará los poderes, la descripción del empleo, las remuneraciones y demás del Gerente General. A la fecha, el único Gerente General del Oferente es el Sr. Syed Basar Shueb Syed Shueb.

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Salvo por los demás poderes y autoridades conferidos por el documento constitutivo al Gerente General, y sujeto a cualquier resolución aprobada por la Asamblea General o la Junta, el Gerente General tendrá los poderes y autoridades adecuados para manejar, operar y representar al Oferente en todos los asuntos relacionados con el negocio habitual del Oferente o inherentes al mismo.

2.9.3. AUDITOR EXTERNO

Los estados financieros consolidados de IHC, los cuales incluyen la información financiera del Oferente, son auditados por Ernst&Young, actuando en calidad de auditor externo independiente.

3. FINALIDAD DE LA OFERTA

La presente Oferta se lleva a cabo en desarrollo de lo previsto en los artículos 6.15.2.1.1 y siguientes del Decreto 2555 con la finalidad de adquirir, por parte del Oferente, como mínimo, 114.438.968 de las acciones ordinarias y en circulación del Emisor, que representan el 25% del capital con derecho a voto en circulación del Emisor al corte de 30 de junio de 2022, y como máximo 143.048.710 acciones ordinarias que representan el 31,25% del capital con derecho a voto y en circulación del Emisor al corte de 30 de junio de 2022, de conformidad con la información pública disponible. El Oferente adelanta la Oferta de manera independiente, siguiendo las políticas de inversión internas del Oferente, dentro de las cuales se contempla una política de inversión global y de diversificación de industrias y de mercados por regiones. Dentro de los objetivos de inversión y diversificación global en activos estratégicos, el Oferente no actúa de manera conjunta con otra compañía o entidad, o persona diferente al Oferente, en el contexto de la finalidad de la presente Oferta.

Una vez se adquieran las acciones del Emisor, se espera que éste continúe desarrollando su objeto social tal y como se ha venido desarrollando hasta ahora. De esta forma, en la actualidad, no existen planes ni se ha tomado decisión alguna en relación con: (i) utilización de los activos; (ii) modificación a los estatutos u órganos de administración diferentes a los que le asistiría en su condición de accionista del Emisor en ejercicio de sus derechos políticos, y en las mismas condiciones de cualquier otro accionista en ejercicio de sus derechos; (iii) cancelación de la inscripción de las acciones ordinarias del Emisor en el RNVE; o (iv) dejar de cotizar las acciones ordinarias del Emisor en la BVC.

No obstante lo anterior, el Oferente, al igual que cualquier inversionista con una participación relevante en una compañía, podrá evaluar en el futuro, dependiendo de los resultado de la OPA y las condiciones de mercado, la conveniencia o posibilidad de hacer inversiones o desinversiones en algunas líneas de negocio del Emisor, vender activos del Emisor o realizar alianzas estratégicas con inversionistas locales y/o extranjeros para el desarrollo de los negocios del Emisor, hacer inversiones o desinversiones con el objetivo de disminuir el nivel de endeudamiento del Emisor y generar valor para todos los accionistas del Emisor. En este caso, cualquier operación de dicha naturaleza estará sujeta a las aprobaciones societarias y gubernamentales que se requieran, de conformidad con la legislación vigente aplicable. En este mismo sentido, el Oferente podrá evaluar la conveniencia o posibilidad de realizar cambios en los estatutos sociales, para efectos

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de cumplir con la estrategia a corto, mediano y largo plazo que el Oferente, junto con la administración del Emisor, definan para el Emisor.

Tal y como se establece en el numeral 4.11 del presente Cuadernillo, a la fecha del presente Cuadernillo y durante la vigencia de la presente Oferta, el Oferente no es ni será parte de ningún tipo de acuerdo o contrato que tenga por finalidad regular, de manera alguna, el ejercicio de los derechos políticos derivados de las acciones del Emisor, con el objeto de ejercer control o consolidar una situación de control en el Emisor. No obstante lo anterior, el Oferente, al igual que cualquier otro accionista del Emisor, una vez se finalice la Oferta podrá evaluar la conveniencia o posibilidad de llegar a acuerdos con otros inversionistas del Emisor para ejercer sus derechos políticos. En este caso, cualquier acuerdo de dicha naturaleza deberá ceñirse a lo establecido en la regulación vigente aplicable, incluyendo la necesidad de la obtención de autorizaciones requeridas o revelación de dichos acuerdos en los términos que le sean aplicables, y dará cumplimiento a las normas correspondientes propias del mercado de valores colombiano, incluyendo el artículo 6.15.2.1.22 del Decreto 2555 sobre ofertas públicas sobrevinientes si en el futuro el Oferente llegase a cumplir con los presupuestos allí establecidos, y cualquier otra norma correspondiente de cara a los derechos y mecanismos de protección que puedan tener los accionistas del Emisor de conformidad con la regulación vigente aplicable.

El Oferente, haciendo uso de sus derechos bajo la regulación del mercado de valores en Colombia, una vez adjudicada y liquidada la Oferta por la BVC, podría seguir adquiriendo acciones ordinarias del Emisor en el mercado secundario de acuerdo con la regulación aplicable. En este caso, cualquier operación de dicha naturaleza estará sujeta al cumplimiento de las leyes vigentes aplicables.

A la fecha y bajo las condiciones a hoy, el Oferente no tiene la intención de formular ofertas por sociedades relacionadas con el Emisor. En relación con sociedades listadas en bolsa, el Oferente, como cualquier otro inversionista, podrá evaluar la conveniencia en un futuro de adquirir acciones de este tipo de sociedades. En este caso, cualquier operación de dicha naturaleza estará sujeta al cumplimiento de las leyes vigentes aplicables. Lo anterior no puede ser entendido como una restricción a la capacidad del Oferente para, en el futuro y como cualquier otro inversionista, adquirir acciones de cualquier entidad listada en bolsa, incluyendo mediante ofertas públicas de adquisición.

4. CARACTERÍSTICAS DE LA OFERTA

4.1. VALORES OBJETO DE LA OFERTA

Los valores que el Oferente ofrece adquirir son acciones ordinarias del Emisor, que están inscritas en el RNVE y en la BVC. Dichos valores conceden los derechos y obligaciones establecidos en la ley aplicable de Colombia y en los estatutos sociales del Emisor.

4.2. DESTINATARIOS DE LA OFERTA

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La Oferta se dirige a todos los accionistas del Emisor (los “**Destinatarios**”), de conformidad con la regulación de la República de Colombia.

4.3. CANTIDAD DE ACCIONES OBJETO DE LA OFERTA

El Oferente ofrece adquirir como mínimo, 114.438.968 de las acciones ordinarias y en circulación del Emisor, que representan el 25% del capital con derecho a voto en circulación del Emisor al corte de 30 de junio de 2022, y como máximo 143.048.710 acciones ordinarias que representan el 31,25% del capital con derecho a voto y en circulación del Emisor al corte de 30 de junio de 2022, de conformidad con la información pública disponible.

De acuerdo con lo dispuesto en el artículo 3.3.3.14 del Reglamento de la BVC, en caso de que no exista una oferta competidora y el número de aceptaciones de la Oferta no iguale la cantidad mínima de valores mencionada en el presente Cuadernillo de Oferta, el Oferente podrá modificar la cantidad mínima ofrecida, a través de Servivalores GNB Sudameris S.A. Comisionista de Bolsa

El trámite de adjudicación entre aceptantes se regirá por el procedimiento previsto en los artículos 3.3.3.13 y siguientes del Reglamento de la BVC y 3.9.1.5 de la Circular Única de la BVC.

4.4. PRECIO

El precio de compra que ofrece pagar el Oferente por cada acción ordinaria del Emisor es de quince dólares de los Estados Unidos de América (USD\$ 15,00), pagadero en efectivo y en pesos colombianos (“**COP**”) o en dólares de los Estados Unidos de América, según se indica en el numeral 4.5 del presente Cuadernillo de Oferta (el “**Precio**”).

4.5. FORMA DE PAGO

De conformidad con lo establecido en el artículo 3.3.3.15 del Reglamento de la BVC, el pago del Precio se realizará en efectivo, y dicho pago se deberá realizar dentro de los tres (3) días hábiles contados a partir del día siguiente de la Fecha de Adjudicación (según se define más adelante). De acuerdo con lo anterior, el Oferente informa que la presente OPA se liquidará de contado bursátil en T+3, donde “T” corresponde a la fecha en la cual la BVC informe a la SFC y al mercado el resultado de la operación (la “**Fecha de Adjudicación**”) y “+3” indica que el cumplimiento de la operación se realizará el tercer día hábil bursátil contado a partir del día hábil siguiente a la Fecha de Adjudicación y con sujeción a las normas propias del mercado público de valores.

La liquidación y compensación de las operaciones se realizará a través del sistema de compensación y liquidación de la BVC.

La respectiva sociedad comisionista a través de la cual actúe cada uno de los vendedores deberá cumplir con la entrega de lo vendido en condiciones de ser transferido al Oferente y libre de gravámenes, limitaciones al dominio, limitaciones al ejercicio de los derechos contenidos en el

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título y de cualquier demanda, medida cautelar o pleito pendiente que pueda afectar la propiedad o su libre negociabilidad y deberá entregar la cantidad total objeto de venta en idéntica forma, esto es, mediante entrega del total vendido por transferencia electrónica en el Depósito Centralizado de Valores de Colombia – DECEVAL S.A. (“**Deceval**”). No será permitido cumplir las operaciones con la entrega de títulos físicos.

En todo caso, la transferencia deberá cumplir con lo dispuesto en los artículos 3.3.3.15 y 3.3.6.1 del Reglamento de la BVC, el capítulo 5 del reglamento de operaciones de Deceval y las demás normas que le sean aplicables.

Para aquellos Destinatarios que opten por recibir el pago en pesos colombianos, para efectos de calcular el Precio por acción en Pesos se usará la TRM (tasa representativa del mercado) publicada y certificada por la Superintendencia Financiera de Colombia vigente en la Fecha de Adjudicación. Este cálculo se realizará redondeándolo a dos (2) cifras decimales.

De conformidad con el artículo 3.3.3.15 del Reglamento de la BVC, para aquellos Destinatarios que opten por recibir el pago en el exterior, el pago se hará directamente por el Oferente en dólares estadounidenses.

Para efectos de lo anterior, los Destinatarios de la Oferta que opten por recibir el pago en el exterior en dólares de los Estados Unidos de América, deberán cumplir con la normativa cambiaria aplicable para el efecto, el siguiente procedimiento y/o aquel otro que se defina en el instructivo operativo que expida la BVC:

- (i) Informar, a través de su comisionista de bolsa, al momento de la aceptación de la Oferta su deseo de recibir el pago en el exterior en dólares de los Estados Unidos de América.
- (ii) Enviar a más tardar a las 5:00 p.m. (hora Colombia) del último día del período de aceptaciones (ver numeral 5.2 del presente Cuadernillo de Oferta) al correo electrónico que se indicará en el aviso de oferta:
 - a. una comunicación suscrita por el Destinatario, en el formato que se publicará en el link indicado en el aviso de oferta, el cual estará disponible durante el período de aceptaciones, mediante la cual:
 - i. indique el número de formulario asignado a la aceptación presentada a la BVC y el número de acciones objeto de dicha aceptación;
 - ii. manifieste su deseo de recibir su pago en el exterior de forma directa entre las partes, en dólares de los Estados Unidos de América;
 - iii. indique el número de la cuenta bancaria en la cual quiere recibir su pago (número de cuenta, código ABA, código Swift, dirección del banco);
 - iv. certifique que para efectos de esta operación cumple con todas las normas cambiarias aplicables, especialmente tratándose de residentes colombianos, aquellas relacionadas con sus cuentas de compensación y registros de la inversión extranjera del Oferente; y

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- v. autorice de manera expresa a Servivalores GNB Sudameris S.A. Comisionista de Bolsa, sociedad comisionista a través de la que actúa el Oferente, para que una vez transmitido el mensaje Swift correspondiente al pago, en nombre del Destinatario informe a la BVC para que ésta, en los términos del artículo 3.3.3.15 del Reglamento de la BVC, declare cumplida la operación y proceda a realizar la entrega de los valores correspondientes a través del depósito respectivo.
- b. cualquier otra información que se indique en el link publicado en el aviso de oferta y/o el instructivo operativo expedido por la BVC.

Se le informa a los Destinatarios que hayan optado por recibir el pago en el exterior en dólares de los Estados Unidos de América que cualquier requisito de carácter cambiario, contable, legal, tributario, entre otros, que deba cumplir el Destinatario de la Oferta frente a las autoridades colombianas será de su exclusiva responsabilidad. Adicionalmente, se informa a los Destinatarios de la Oferta que hayan vendido sus acciones al Oferente en el marco de esta OPA y hayan manifestado su deseo de recibir el pago en el exterior en dólares de los Estados Unidos de América, pero no cumplan con el procedimiento establecido para el efecto, incluyendo la entrega de los documentos requeridos, que recibirán el pago en pesos colombianos a través de los procedimientos bursátiles establecidos.

Finalmente se informa que, tratándose de inversionistas de capital del exterior de portafolio de conformidad con la regulación cambiaria aplicable, estos únicamente podrán recibir el pago en pesos colombianos y de conformidad con lo dispuesto en el instructivo operativo que expida la BVC para el efecto.

4.6. GARANTÍA A SER CONSTITUIDA POR EL OFERENTE

De conformidad con lo dispuesto en el artículo 6.15.2.1.11 del Decreto 2555, los artículos 3.3.3.2 y siguientes del Reglamento de la BVC, y los artículos 3.9.1.1 y siguientes de la Circular Única de la BVC, el Oferente deberá constituir a favor de la BVC, para respaldar el cumplimiento de las obligaciones resultantes de esta OPA, una garantía que cubra por lo menos el cincuenta por ciento (50%) del valor total de la OPA, equivalente a la suma de mil setenta y dos millones ochocientos sesenta y cinco mil trescientos veinticinco dólares de los Estados Unidos de América (USD\$ 1.072.865.325). El valor mínimo de la garantía resulta de multiplicar: (i) el Precio ofrecido por acción que es de quince dólares de los Estados Unidos de América (USD\$ 15,00); por (ii) el máximo de acciones objeto de la presente Oferta equivalente a 143.048.710 acciones ordinarias del Emisor, por (iii) el cincuenta por ciento (50%), que corresponde al porcentaje de la garantía según el precio de la OPA y cuyo resultado es equivalente a 9.521.272 salarios mínimos legales mensuales vigentes, es decir más de 1.224.000 salarios mínimos legales mensuales vigentes. Para calcular el porcentaje de la garantía, se ha utilizado una tasa de cambio equivalente a COP\$4.437,31 por cada dólar de los Estados Unidos de América, correspondiente al promedio para el mes de septiembre de 2022 de la Tasa Representativa de Mercado.

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La anterior garantía será una carta de crédito *stand-by*, cuyo beneficiario será la BVC, expedida por First Abu Dhabi Bank, por un monto de mil setenta y dos millones ochocientos sesenta y cinco mil quinientos dólares de los Estados Unidos de América (USD\$ 1.072.865.500), el cual es un poco mayor al valor correspondiente al cincuenta por ciento (50%) del valor total de la OPA. Lo anterior de acuerdo con lo previsto en el numeral 2 del artículo 6.15.2.1.11 del Decreto 2555, el numeral 2 del artículo 3.3.3.3. del Reglamento de la BVC y el numeral 7 del artículo 3.9.1.1. de la Circular de la BVC.

La garantía se constituirá a más tardar el día hábil anterior a la publicación del primer aviso de oferta y se extenderá como mínimo hasta los quince (15) días calendario siguientes a la fecha en que expire el plazo para el pago de las acciones objeto de la Oferta, y en todo caso deberá estar vigente hasta que se cumpla la operación. Sin perjuicio de lo anterior, una vez se cumpla la operación, el Oferente podrá solicitar la cancelación de la garantía a la BVC.

4.7. DECLARACIÓN RELATIVA AL ENDEUDAMIENTO DEL OFERENTE PARA LA FINANCIACIÓN DE LA OFERTA

A la fecha de presentación de este Cuadernillo de Oferta, el Oferente declara que la adquisición de acciones del Emisor se hará con recursos propios y/o con recursos provenientes de un crédito con First Abu Dhabi Bank, cuyos recursos serán suficientes y estarán disponibles para cumplir con las operaciones derivadas de la Oferta. El Oferente también podrá celebrar con bancos locales y/o internacionales mecanismos de cobertura o liquidez de corto plazo para cubrir el riesgo de cambio de USD a COP.

4.8. RELACIÓN DE VALORES DEL EMISOR DE LOS CUALES ES TITULAR, DIRECTA O INDIRECTAMENTE EL OFERENTE

El Oferente no es titular ni beneficiario real de ninguna acción del Emisor a la fecha de presentación de este Cuadernillo de Oferta. Las personas que hacen parte de una situación de subordinación o de grupo empresarial con el Oferente, no son titulares ni beneficiarios reales de ninguna acción del Emisor a la fecha de presentación de este Cuadernillo de Oferta.

Aflaj Investment LLC, una entidad relacionada del Oferente, es propietaria del cuarenta y nueve coma noventa y nueve por ciento (49,99%) de las acciones de Nugil Overseas S.A., una entidad panameña que a su turno es la única accionista de Nugil S.A.S., una sociedad por acciones simplificada colombiana. En virtud de dicha participación accionaria Aflaj Investment LLC no tiene, de manera individual y en su condición de accionista minoritario, capacidad decisoria sobre Nugil Overseas S.A. o Nugil S.A.S. Como se evidencia en el numeral 1.8 de este Cuadernillo de Oferta y de conformidad con la información pública disponible en el RNVE al 30 de junio de 2022, Nugil S.A.S., sociedad sobre la cual Aflaj Investment LLC no tiene capacidad decisoria, a la fecha del presente Cuadernillo es propietario de 142.327.231 acciones ordinarias del Emisor, que equivalen al 31,09% de las acciones ordinarias del Emisor.

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Aflaj Investment LLC e International Holding Company PJSC³ tienen un accionista común, que es Royal Group Companies Management LLC, una sociedad igualmente constituida bajo las leyes de Emiratos Árabes Unidos. Sin embargo, no existe relación de subordinación entre el Oferente y Aflaj Investment LLC y éstos actúan de manera independiente. En la actualidad Royal Group Management LLC es accionista del 15,22%⁴ de International Holding Company PJSC, sociedad listada en la bolsa de valores de Abu Dabi, y del 0,01% de Aflaj Investment LLC, y tiene un amplio conjunto de inversiones y negocios separados en actividades como medios, comercio, financiamiento, bienes raíces, construcción, tecnología de la información, entre otros, incluyendo sus inversiones en Aflaj Investment LLC e International Holding Company PJSC.

4.9. VALORES DEL EMISOR ADQUIRIDOS POR EL OFERENTE EN LOS ÚLTIMOS DOCE (12) MESES

El Oferente no ha adquirido acciones del Emisor durante los últimos doce (12) meses.

4.10. ACUERDOS ENTRE EL OFERENTE Y LOS MIEMBROS DE LOS ÓRGANOS DE ADMINISTRACIÓN DEL EMISOR

Se deja constancia que a la fecha del presente Cuadernillo de Oferta ni el Oferente, ni las demás sociedades vinculadas del Oferente, ni otras personas que actúen por cuenta de éste o concertadamente con éste, tienen acuerdos expresos o tácitos con miembros de los órganos de administración del Emisor. A la fecha del presente Cuadernillo, el Oferente tampoco ha concedido o reservado ventajas específicas a los miembros de órganos de administración del Emisor.

4.11. ACUERDO DE VOTO EN RELACIÓN CON EL EMISOR Y OTROS CONTRATOS

Se manifiesta que, a la fecha del presente Cuadernillo, y durante la vigencia de la Oferta, el Oferente no es ni será parte de ningún tipo de acuerdo o contrato que tenga por objeto regular, de manera alguna, el ejercicio de los derechos políticos derivados de las acciones del Emisor, con el objeto de ejercer control o consolidar una situación de control en el Emisor.

Adicionalmente, se manifiesta que, a la fecha del presente Cuadernillo, y durante la vigencia de la Oferta, el Oferente no ha celebrado otros acuerdos, contratos y relaciones de otra naturaleza, en relación con las acciones del Emisor, adicionales a los acuerdos, contratos y relaciones que se informan en el presente Cuadernillo.

4.12. OTROS ACUERDOS RELACIONADOS CON EL OFERENTE

³ Por favor referirse al numeral 2.8 de este Cuadernillo respecto a la composición accionaria del Oferente.

⁴ Según la información pública disponible en <https://www.adx.ae/english/pages/productsandservices/securities/selectcompany/company-info.aspx?listedcompanyid=AEI000201014&pnavTitle=International%20Holding%20Company%20PJSC>

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El Oferente ha suscrito una carta de intención en virtud de la cual manifestó su intención de buena fe de participar como accionista no controlante en el capital de JGDB Holding S.A., sociedad panameña y accionista único de JGDB Holding S.A.S., quien es accionista de Grupo de Inversiones Suramericana S.A. Dicha participación a ser adquirida potencialmente por el Oferente en JGDB Holding S.A. está sujeta a ciertas autorizaciones por parte de la Superintendencia Financiera de Colombia bajo las normas aplicables a la adquisición directa o indirecta de 10% o más de acciones de instituciones financieras colombianas. La Superintendencia Financiera de Colombia otorgó su autorización para esta transacción el 27 de abril de 2022.

A la fecha del presente Cuadernillo, el Oferente no ha adquirido participación alguna en JGDB Holding S.A.

5. FORMULACIÓN DE ACEPTACIONES

5.1. PROCEDIMIENTO PARA FORMULAR ACEPTACIONES

Los Destinatarios pueden formular aceptaciones de la Oferta a través de cualquier sociedad comisionista de bolsa miembro de la BVC dentro del Período de Aceptaciones, el cual se define en el numeral 5.2 del Cuadernillo de Oferta.

Las aceptaciones deberán ser remitidas bajo los procedimientos indicados por la BVC mediante el instructivo operativo que se expida para tal efecto.

5.2. PERIODO DE ACEPTACIONES

Las aceptaciones a la Oferta deberán presentarse dentro del plazo de diez (10) días hábiles, contados desde la fecha de inicio del plazo para la recepción de aceptaciones, es decir, desde el onceavo (11°) día hábil siguiente a la fecha en que se publique el primer aviso de oferta, en el período comprendido entre el 3 de noviembre de 2022 y el 18 de noviembre de 2022 inclusive (el “**Periodo de Aceptaciones**”), en la BVC, en el horario comprendido entre las 9:00 a.m. y la 1:00 p.m., de conformidad con lo previsto en el artículo 6.15.2.1.7, el numeral 8 del artículo 6.15.2.1.12, el Literal h) del numeral 2 del artículo 6.15.2.1.13 del Decreto 2555 y el artículo 3.3.3.10 del Reglamento de la BVC. De conformidad con lo previsto en el Decreto 2555, la fecha en la cual se inicie el plazo para la recepción de aceptaciones de la Oferta no será inferior a cinco (5) días hábiles contados a partir de la fecha en que se publique el primer aviso de oferta.

No obstante lo anterior, el Oferente podrá prorrogar el plazo, si así lo comunicara mediante un aviso publicado en el mismo medio en que se publique el aviso de oferta inicial, siempre que el plazo inicial de la Oferta y su prórroga no supere el plazo máximo de treinta (30) días hábiles contados a partir de la fecha en que se inicie el plazo para la recepción de aceptaciones y, en todo caso, atendiendo lo dispuesto en el artículo 6.15.2.1.7 del Decreto 2555.

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Los avisos de oferta se publicarán de manera física y/o electrónica en al menos dos (2) diarios de amplia circulación de la siguiente lista: El Tiempo, El Espectador, La República, Portafolio, El Colombiano y El País.

5.3. GASTOS DE COMISIONISTAS, ACEPTACIÓN Y LIQUIDACIÓN

Correrán por cuenta de los Destinatarios los gastos de aceptación y liquidación de la OPA y demás costos asociados, incluyendo los honorarios y gastos de sus asesores legales, financieros y demás asesores, la contratación de comisionistas de bolsa, al igual que los tributos que resulten de esta operación. La contratación de una firma comisionista de bolsa, requisito indispensable para aceptar la presente Oferta, implicará eventualmente el pago de una comisión a cargo del aceptante de la OPA por la ejecución de la operación de la venta de las acciones. La mencionada comisión está gravada con el impuesto al valor agregado - IVA del 19%.

Sin perjuicio de lo anterior, como parte de la estrategia para facilitar el acceso de los Destinatarios a la OPA, el Oferente podrá acordar con sociedades comisionistas de bolsa pagar ciertas comisiones, según se indique en los avisos de oferta.

5.4. FORMA Y PLAZO PARA RECIBIR EL PAGO DEL PRECIO

De conformidad con el numeral 4.5 del presente Cuadernillo de Oferta, el pago del Precio se realizará en efectivo, de contado bursátil T+3, donde “T” corresponde a la Fecha de Adjudicación y “+3” indica que el cumplimiento de la operación se realizará el tercer día hábil bursátil contado a partir del día hábil siguiente a la Fecha de Adjudicación y con sujeción a las normas propias del mercado público de valores.

5.5. FORMALIDADES QUE DEBEN CUMPLIR LOS DESTINATARIOS DE LA OFERTA PARA MANIFESTAR SU ACEPTACIÓN

Los Destinatarios interesados en aceptar la Oferta podrán hacerlo a través de cualquier sociedad comisionista miembro de la BVC.

Las aceptaciones deberán ser remitidas por los Destinatarios bajo los procedimientos indicados por la BVC mediante el instructivo operativo que se expida para tal efecto.

5.6. SOCIEDAD COMISIONISTA DE BOLSA POR CONDUCTO DE LA CUAL SE EFECTUARÁ LA OPERACIÓN DE COMPRA

La operación de compra será realizada a través de Servivalores GNB Sudameris S.A. Comisionista de Bolsa, con domicilio en la ciudad Bogotá D.C., en la Carrera 7 No. 75-85/87–Piso 3, Bogotá D.C., Colombia, teléfono +57 601 3160000.

6. AUTORIZACIONES

OFERTA PÚBLICA DE ADQUISICIÓN DE ACCIONES ORDINARIAS DE GRUPO NUTRESA S.A.

6.1. AUTORIZACIONES CORPORATIVAS

El Oferente no requiere ningún tipo de autorizaciones corporativas para la presente Oferta.

6.2. AUTORIZACIONES GUBERNAMENTALES

6.2.1. AUTORIZACIÓN DE LA SFC

La presente OPA se realiza después de obtener la correspondiente autorización por parte de la SFC, mediante Oficio No. 2022163954-021-000 proferido el día 18 de octubre de 2022.

6.2.2. OTRAS AUTORIZACIONES

A la fecha, la presente Oferta no requiere autorización, notificación o concepto previo por parte de la Superintendencia de Industria y Comercio en la medida que no se cumplen los presupuestos establecidos en el artículo 9 de la Ley 1340 de 2009 para que se active el control de integraciones empresariales en Colombia y no se encuentra sometida a ninguna otra autorización o concepto de autoridades administrativas, nacionales o extranjeras, diferentes a las mencionadas en este Cuadernillo.

A la fecha, el Oferente ha cumplido con la obtención de las autorizaciones previas de las autoridades gubernamentales, según se requiere por las normas colombianas aplicables, para el lanzamiento de la OPA en los términos del presente Cuadernillo. El Oferente ha adelantado las consultas legales necesarias, y ha contactado con otra(s) autoridad(es) para determinar la necesidad de actuaciones posteriores conforme los resultados de la Oferta. Adicionalmente, en desarrollo y dependiendo de los resultados de la Oferta, el Oferente procederá a notificar a las autoridades correspondientes nacionales y extranjeras para lo de su competencia conforme llegue a ser necesario según la ley aplicable.

7. CERTIFICACIONES Y OTRAS MANIFESTACIONES

Con el presente Cuadernillo de Oferta no se presenta certificación de una banca de inversión en la medida en que no se utilizó esa clase de entidad para estructurar la OPA.

7.1. CERTIFICACIONES DEL OFERENTE SOBRE LA VERACIDAD DEL CUADERNILLO DE OFERTA

Según consta en la certificación que se adjunta al presente Cuadernillo de Oferta como **Anexo B** el señor Syed Basar Shueb Syed Shueb identificado con pasaporte número YKRP71468, actuando como representante legal del Oferente, ha certificado, en lo de su competencia, que la información contenida en el Cuadernillo de Oferta es veraz, completa y precisa y que no se presentan omisiones, vacíos, imprecisiones o errores que puedan afectar la decisión de los futuros aceptantes de la OPA.

OFERTA PÚBLICA DE ADQUISICIÓN DE ACCIONES ORDINARIAS DE
GRUPO NUTRESA S.A.

7.2. CERTIFICACIÓN DEL OFERENTE EN RELACIÓN CON LA INEXISTENCIA DE PREACUERDOS

Tal y como consta en el documento que se adjunta como **Anexo C** al presente Cuadernillo de Oferta, el Syed Basar Shueb Syed Shueb identificado con pasaporte número YKRP71468, actuando como representante legal del Oferente, ha manifestado, bajo la gravedad del juramento, que a la fecha del presente Cuadernillo de Oferta no existen acuerdos previos relacionados con los Destinatarios de la OPA, diferentes a los contenidos en el Cuadernillo de Oferta.

En este sentido, se indica en este Cuadernillo que a la fecha del presente Cuadernillo de Oferta no existe ningún preacuerdo entre el Oferente y ninguno de los accionistas del Emisor para efectos de o relacionados con la presente operación de OPA.

8. INFORMACIÓN FINANCIERA DEL OFERENTE

Como Anexos al presente Cuadernillo de Oferta se adjunta la siguiente información:

ANEXO D

Estados financieros consolidados de IHC con corte al 31 de diciembre de 2021, que incluyen la información financiera consolidada del Oferente, IHC Management e IHC RSC. De conformidad con la normativa contable aplicable al Oferente, IHC Management e IHC RSC, estas entidades no están obligadas a emitir estados financieros independientes a los estados financieros consolidados de IHC, quien es la sociedad controlante de las tres sociedades anteriores.

[ESPACIO INTENCIONALMENTE DEJADO EN BLANCO]

OFERTA PÚBLICA DE ADQUISICIÓN DE ACCIONES ORDINARIAS DE
GRUPO NUTRESA S.A.

ANEXOS

- | | |
|----------------|--|
| ANEXO A | Certificados de existencia y representación legal, o su equivalente para las jurisdicciones extranjeras, de las sociedades relacionadas en el numeral 2.8 del Cuadernillo de Oferta. |
| ANEXO B | Certificación del representante legal del Oferente sobre la veracidad de la información del Cuadernillo de Oferta. |
| ANEXO C | Certificación del representante legal del Oferente en relación con la inexistencia de preacuerdos. |
| ANEXO D | Estados financieros consolidados de IHC con corte al 31 de diciembre de 2021, que incluyen la información financiera consolidada del Oferente, IHC Management e IHC RSC. De conformidad con la normativa contable aplicable al Oferente, IHC Management e IHC RSC, estas entidades no están obligadas a emitir estados financieros independientes a los estados financieros consolidados de IHC, quien es la sociedad controlante de las tres sociedades anteriores. |

Anexo A

Certificados de existencia y representación legal, o su equivalente para las jurisdicciones extranjeras, de las sociedades relacionadas en la Sección 2.8 del Cuadernillo de Oferta.



Commercial License

Emerging Economic Establishment

رخصة تجارية

منشأة اقتصادية ناشئة

License No	:	CN-2858150	:	رقم الرخصة
ADCCI No	:	2608410	:	عضوية الغرفة
Establishment Card MOHRE	:	1053624	:	وزارة الموارد البشرية والتوطين
Establishment Card ICA	:	662208	:	بطاقة المنشأة
Legal Form	:	Limited Liability Company	:	الشكل القانوني
			:	شركة ذات مسؤولية محدودة
			:	اي اتش سي لادارة الشركات ذ.م.م
Trade Name	:	IHC COMPANIES MANAGEMENT L.L.C.	:	الإسم التجاري
Establishment Date	:	27/08/2019	:	تاريخ تأسيس المنشأة
Issue Date	:	09/08/2022	:	تاريخ الإصدار
Expiry Date	:	26/08/2025	:	تاريخ الإنتهاء

الصفة Role	الجنسية Nationality	الملاك / الشركاء Owners / Partners	الرمز No.
شريك Partner	الإمارات العربية المتحدة United Arab Emirates	IHC HOLDING RSC LTD	41784035
شريك Partner	الإمارات العربية المتحدة United Arab Emirates	الشركة العالمية القابضة ش.م.ع. INTERNATIONAL HOLDINGS COMPANY P.J.S.C.	41784014
مدير Manager	الإمارات العربية المتحدة United Arab Emirates	سيد بصير شعيب سيد شعيب SYED BASAR SHUEB SYED SHUEB	41793003

Commercial Activities	:	الأنشطة التجارية
- Management Services of Companies and Private Institutions		- خدمات إدارة الشركات والمؤسسات الخاصة
- Commercial Enterprises Investment, Institution and Management		- الاستثمار في المشروعات التجارية و تأسيسها و ادارتها
Address	:	العنوان
Onwani Address	:	العنوان الموحد

Address : جزيرة ابوظبي, شرق 48, 0 : مبنى, ار جي بروكيور منت ريستركند ليمنت

Onwani Address : العنوان الموحد

وثيقة معتمدة وصادرة بدون توقيع أو ختم من دائرة التنمية الاقتصادية - أبوظبي. للتحقق من صحة البيانات الواردة في الرخصة برجاء زيارة الموقع www.adbc.gov.ae

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Official Email : prpalgroup@gmail.com

Official Mobile : 971501088336

البريد الإلكتروني الرسمي :
رقم التواصل الرسمي :



www.adbc.gov.ae

دون تحمل أي مسؤولية تجاه المحتويات

15483749

CONSULADO DE COLOMBIA
ABU DHABI - EMIRATOS ARABES UNIDOS
AUTENTICACIÓN DE FIRMA
The Colombian Consul
CERTIFIED



That OMAR SALAHUDDIN ABDULLAH, who signs and issues this document, has the legal authority until the date there stated, to hold the position of OFICIAL DE LEGALIZACIONES MIN. REL. EXT. DE EMIRATOS ARABES UNIDOS, MINISTERIO DE RELACIONES EXTERIORES DE EMIRATOS ARABES UNIDOS, and that the signature and stamp appearing in the document are his/her own; he/she is in the custom of using them in all his/her actions.

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MINISTRY OF FOREIGN AFFAIRS OF COLOMBIA
ANGIE PAOLA TAFUR LANDAZABAL
ENCARGADO DE FUNCIONES CONSULARES
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TIMBRE USD 0,00
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Print No.: 1

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Yo, Carlos Julio Carrero, el abajo firmante, Traductor Oficial Inglés – Español en y para la República de Colombia, según Certificado Profesional No. 0314 de fecha 14 de septiembre de 2010; por medio del presente CERTIFICO que el documento adjunto presentado por ante mí para su traducción al idioma español, indica lo siguiente:

Centro de Negocios de Abu **EMIRATOS** DEPARTAMENTO DE
Dabi DESARROLLO ECONÓMICO

Licencia Comercial

Establecimiento Económico Emergente

Licencia No.: CN-2858150
ADCCI No.: 2608410
Tarjeta de Establecimiento MOHRE: 1053624
Tarjeta de Establecimiento ICA: 662208
Forma Jurídica: Sociedad de Responsabilidad Limitada

Nombre Comercial: IHC COMPANIES MANAGEMENT L.L.C.

Fecha de Establecimiento: 27/08/2019

Fecha de Emisión: 09/08/2022

Fecha de Vencimiento: 26/08/2025

Cargo	Nacionalidad	Propietarios/Socios	No.
Socio	Emiratos Árabes Unidos	IHC HOLDINGS RSC LTD	41784035
Socio	Emiratos Árabes Unidos	INTERNATIONAL HOLDINGS COMPANY P.J.S.C.	41784014
Gerente	Emiratos Árabes Unidos	SYED BASAR SHUEB SYED SHUEB	41793003

Actividades Comerciales:

- Servicios de Gestión de Sociedades e Instituciones Privadas
- Inversión, Institución y Gestión de Empresas Comerciales

Dirección:


Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2010

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Correo Oficial: prpalgroup@gm

Teléfono Oficial: 971501088336

[Logo: *Lloyd's Register Quality Assurance* – ISO9001].

[Logo: Cámara de Abu Dabi].

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[Timbre: (Emblema) **Emiratos Árabes Unidos. Ministerio de Relaciones Exteriores y Cooperación Internacional**. Fecha: 13/09/2022 12:26. No.: 22145165633. Tasa: 2000 dírhams. (Código de barras) 15483749].

[Sello húmedo del Ministerio de Relaciones Exteriores y Cooperación Internacional de Emiratos Árabes Unidos, Certificado del Centro de Servicio al Cliente].

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- Reverso -

NOTAS DEL TRADUCTOR:

- 1) Consta una Autenticación de Firma del Consulado de Colombia, Abu Dabi, Emiratos Árabes Unidos, que certifica la firma de Omar Salahuddin Abdullah, Oficial de Legalizaciones, Ministerio de Relaciones Exteriores de los Emiratos Árabes Unidos, emitida el 14 de septiembre de 2022.
- 2) Consta un sello húmedo del Consulado de Colombia para los Emiratos Árabes Unidos.

La presente es una traducción fiel al idioma español del documento adjunto. En fe de lo cual, estampo mi sello y firma a continuación en la ciudad de Bogotá en este día 14 del mes de septiembre de 2022.

Carlos Julio Carrero
Traductor Oficial No. 0314


Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2022



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MINISTERIO DE RELACIONES EXTERIORES
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(Country: - Pays:)

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A été signé par:)

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(Acting in the capacity of:
Agissant en qualité de:)

ENCARGADO DE FUNCIONES CONSULARES

Lleva el sello/estampilla de:
(Bears the seal/stamp of:
Est revêtu du sceau de/timbre de:)

MISIONES DE COLOMBIA EN EL EXTERIOR

Certificado
(Certified - Attesté)

En: **BOGOTA - EN LÍNEA**
(At: - À:)

El: **9/16/2022 9:41:49 a. m.**
(On: - Le:)

Por: **Ministerio de Relaciones Exteriores de Colombia - APOSTILLA / LEGALIZACIÓN**
(By: The Ministry of Foreign Affairs of Colombia - Par: Ministère des Affaires Étrangères de la Colombie)

No.: **L2WJQ94159538**
(Under Number: - Sous le numéro:)

Nombre del Titular: **IHC HOLDING RSC LTD**
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Nom du titulaire:)

Tipo de documento: **CERTIFICACION LICENCIA COMERCIAL**
(Type of document: - Type du document:)

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ABU DHABI GLOBAL MARKET
سوق أبوظبي العالمي

COMMERCIAL LICENSE

رخصة تجارية

Company :

IHC HOLDING RSC LTD

اسم الشركة :

اي اتش سي هولدينغ ريستركتد ليمتد

Registered Number :

000002711

رقم التسجيل :

Type of Legal Entity :

Restricted Scope Company

نوع الجهة القانونية

شركة ذات نطاق محدود

Address : 2458, 24, Al Sila Tower, Abu Dhabi Global
Market Square, Al Maryah Island, Abu Dhabi, United
Arab Emirates

العنوان : 2458, 24, برج السيلع, مربعة سوق أبوظبي العالمي, جزيرة
الماريا, أبوظبي, الامارات العربية المتحدة

Authorised Signatory :

The list of individuals below are severally authorised to
sign on behalf of this company.

Syed Basar Shueb Syed Shueb

اسم المخول بالتوقيع :

إن أي من الأشخاص المذكورين في القائمة أدناه مخول وبشكل منفرد
بالتوقيع نيابة عن هذه الشركة

سيد بصير شعيب سيد شعيب

Business Activities :

Special purpose company

الأنشطة التجارية

شركة ذات غرض خاص

Issue Date :

17 July 2019

تاريخ الإصدار :

Expiry Date :

16 July 2023

تاريخ الانتهاء :

Abu Dhabi Global Market Registration Authority

Verify Document Code COMPANIES-54767947



CONSULADO DE COLOMBIA
ABU DHABI - EMIRATOS ARABES UNIDOS
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**MERCADO GLOBAL DE ABU DABI
LICENCIA COMERCIAL**

Sociedad:

IHC HOLDING RSC LTD

Número registrado:

000002711

Tipo de entidad legal:

Empresa de ámbito restringido

Domicilio:

2458, 24, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dabi, Emiratos Árabes Unidos

Firmante autorizado:

Los individuos listados a continuación están autorizados por separado para firmar en representación de esta sociedad.

Syed Basar Shueb Syed Shueb

Actividades comerciales:

Sociedad con propósito especial

Fecha de emisión: **17 de julio de 2019**

Fecha de vencimiento: **16 de julio de 2023**

(Firmado en original)

Autoridad de Registro del Mercado Global de Abu Dabi

Código de Verificación del Documento SOCIEDADES-54767947

[Timbre: AUTORIDAD DE REGISTRO].

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Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2010

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[Sello húmedo del Ministerio de Relaciones Exteriores y Cooperación Internacional de Emiratos Árabes Unidos, Certificado del Centro de Servicio al Cliente].

- Reverso -

NOTAS DEL TRADUCTOR:

- 1) Consta una Autenticación de Firma del Consulado de Colombia, Abu Dabi, Emiratos Árabes Unidos, que certifica la firma de Omar Salahuddin Abdullah, Oficial de Legalizaciones, Ministerio de Relaciones Exteriores de los Emiratos Árabes Unidos, emitida el 14 de septiembre de 2022.
- 2) Consta un sello húmedo del Consulado de Colombia para los Emiratos Árabes Unidos.

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Carlos Julio Carrero
Traductor Oficial No. 0314



Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2020



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MINISTERIO DE RELACIONES EXTERIORES
LEGALIZACION

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(Country: - Pays:)

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A été signé par:)

TAFUR LANDAZABAL ANGIE PAOLA

Actuando en calidad de:
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Agissant en qualité de:)

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Certificado
(Certified - Attesté)

En: **BOGOTA - EN LÍNEA**
(At: - À:)

El: **9/16/2022 9:41:49 a. m.**
(On: - Le:)

Por: **Ministerio de Relaciones Exteriores de Colombia - APOSTILLA / LEGALIZACIÓN**
(By: The Ministry of Foreign Affairs of Colombia - Par: Ministère des Affaires Étrangères de la Colombie)

No.: **L2WJQ94159538**
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Establishment Card ICA	:		:	الهيئة الاتحادية للهوية والجنسية بطاقة المنشأة
Legal Form	:	Public Joint - Stock	:	شركة مساهمة عامة الاسم التجاري
Trade Name	:	INTERNATIONAL HOLDING COMPANY P.J.S.C.	:	تاريخ تأسيس المنشأة
Establishment Date	:	22/05/1999	:	تاريخ الإصدار
Issue Date	:	20/04/2022	:	تاريخ الانتهاء
Expiry Date	:	16/05/2025	:	

الصفة Role	الجنسية Nationality	المالك / الشركاء Owners / Partners	الرمز No.
مالك Owner	دولة الإمارات العربية المتحدة United Arab Emirates	الشركة العالمية للحفظة ش.م.ع. INTERNATIONAL HOLDING COMPANY P.J.S.C.	TN-2343870

Commercial Activities	:	الأنشطة التجارية
- Commercial Enterprises Investment, Institution and Management	:	- الاستثمار في المشروعات التجارية وتأسيسها وإدارتها
- Facilities Management Services	:	- خدمات إدارة المنشآت
- Exporting	:	- تصدير
- Industrial Enterprises Investment, Institution and Management	:	- الاستثمار في المشروعات الصناعية وتأسيسها وإدارتها
- Onshore And Offshore Oil And Gas Fields And Facilities Services	:	- خدمات حقل ومنشآت النفط والغاز البرية والبحرية
Address	:	جزيرة أبوظبي، شرق 48، 0 : -، مبنى، أر جي بروجكس ملت ريستركتد ليمتد
Onsani Address	:	للموطن الموحد

وثيقة معتمدة وصادرة بدون توقيع أو ختم من دائرة التنمية الاقتصادية - أبوظبي، للتحقق من صحة البيانات الواردة في الرخصة برجاء زيارة الموقع www.adbc.gov.ae

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رقم الترخيص الرسمي :
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نصالح على صحة ختم و توقيع
دائرة التنمية الاقتصادية

دون تحمل أي مسؤولية تجاه المحتويات

15483747

CONSULADO DE COLOMBIA
ABU DHABI - EMIRATOS ARABES UNIDOS
AUTENTICACIÓN DE FIRMA
The Colombian Consul
CERTIFIED



That OMAR SALAHUDDIN ABDULLAH, who signs and issues this document, has the legal authority until the date there stated, to hold the position of OFICIAL DE LEGALIZACIONES MIN. REL. EXT. DE EMIRATOS ARABES UNIDOS, MINISTERIO DE RELACIONES EXTERIORES DE EMIRATOS ARABES UNIDOS, and that the signature and stamp appearing in the document are his/her own; he/she is in the custom of using them in all his/her actions.

The Ministry of Foreign Affairs of Colombia takes no responsibility for the content of the document.

MINISTRY OF FOREIGN AFFAIRS OF COLOMBIA
ANGIE PAOLA TAFUR LANDAZABAL
ENCARGADO DE FUNCIONES CONSULARES
Digitally Signed

Rights USD 17.00
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Date of Issue: 14 septiembre 2022

Print No.: 1



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Yo, Carlos Julio Carrero, el abajo firmante, Traductor Oficial Inglés – Español en y para la República de Colombia, según Certificado Profesional No. 0314 de fecha 14 de septiembre de 2010; por medio del presente CERTIFICO que el documento adjunto presentado por ante mí para su traducción al idioma español, indica lo siguiente:

Centro de Negocios de Abu **EMIRATOS** DEPARTAMENTO DE
Dabi DESARROLLO ECONÓMICO

Licencia Comercial

Establecimiento Económico Emergente

Licencia No.: CN-1002201

ADCCI No.: 354

Tarjeta de Establecimiento MOHRE: 319330

Tarjeta de Establecimiento ICA:

Forma Jurídica: Sociedad Anónima

Nombre Comercial: INTERNATIONAL HOLDING COMPANY P.J.S.C.

Fecha de Establecimiento: 22/05/1999

Fecha de Emisión: 20/04/2022

Fecha de Vencimiento: 16/05/2025

Cargo	Nacionalidad	Propietarios/Socios	No.
Propietario	Emiratos Árabes Unidos	INTERNATIONAL HOLDING COMPANY P.J.S.C.	TN-2343870

Actividades Comerciales:

- Inversión, Institución y Gestión de Empresas Comerciales
- Servicios de Gestión de las Instalaciones
- Exportación
- Inversión, Institución y Gestión de Empresas Industriales
- Servicios de Campos e Instalaciones de Petróleo y Gas en Tierra y Mar

Dirección:


Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2010

Documento aprobado emitido sin la firma o el sello del Departamento de Desarrollo Económico – Abu Dabi. Para verificar la licencia visite la página www.adbc.gov.ae

Correo Oficial: info@ihcuae.ae

Teléfono Oficial: 971501088336

[Logo: *Lloyd's Register Quality Assurance* – ISO9001].

[Logo: Cámara de Abu Dabi].

(Firmado en original)

[Timbre: (Emblema) **Emiratos Árabes Unidos. Ministerio de Relaciones Exteriores y Cooperación Internacional**. Fecha: 13/09/2022 12:26. No.: 22145165635. Tasa: 2000 dírhams. (Código de barras) 15483747].

[Sello húmedo del Ministerio de Relaciones Exteriores y Cooperación Internacional de Emiratos Árabes Unidos, Certificado del Centro de Servicio al Cliente].

www.adbc.gov.ae

- Reverso -

NOTAS DEL TRADUCTOR:

- 1) Consta una Autenticación de Firma del Consulado de Colombia, Abu Dabi, Emiratos Árabes Unidos, que certifica la firma de Omar Salahuddin Abdullah, Oficial de Legalizaciones, Ministerio de Relaciones Exteriores de los Emiratos Árabes Unidos, emitida el 14 de septiembre de 2022.
- 2) Consta un sello húmedo del Consulado de Colombia para los Emiratos Árabes Unidos.

La presente es una traducción fiel al idioma español del documento adjunto. En fe de lo cual, estampo mi sello y firma a continuación en la ciudad de Bogotá en este día 14 del mes de septiembre de 2022.

Carlos Julio Carrero
Traductor Oficial No. 0314


Carlos Julio Carrero
Traductor Oficial Inglés-Español
Resolución No. 0314
Septiembre 14, 2020



REPÚBLICA DE COLOMBIA

MINISTERIO DE RELACIONES EXTERIORES

LEGALIZACION

País: **REPUBLICA DE COLOMBIA**
(Country: - Pays:)

El presente documento público
(This public document - Le présent acte public)

Ha sido firmado por:
(Has been signed by:
A été signé par:)

TAFUR LANDAZABAL ANGIE PAOLA

Actuando en calidad de:
(Acting in the capacity of:
Agissant en qualité de:)

ENCARGADO DE FUNCIONES CONSULARES

Lleva el sello/estampilla de:
(Bears the seal/stamp of:
Est revêtu du sceau de/timbre de:)

MISIONES DE COLOMBIA EN EL EXTERIOR

Certificado
(Certified - Attesté)

En: **BOGOTA - EN LÍNEA**
(At: - À:)

El: **9/19/2022 8:26:40 a. m.**
(On: - Le:)

Por: **Ministerio de Relaciones Exteriores de Colombia - APOSTILLA / LEGALIZACIÓN**
(By: The Ministry of Foreign Affairs of Colombia - Par: Ministère des Affaires Étrangères de la Colombie)

No.: **L2WJT82646511**
(Under Number: - Sous le numéro:)

Nombre del Titular: **INTERNATIONAL HOLDING COMPANY P.J.S.C.**
(Name of the holder of document:
Nom du titulaire:)

Tipo de documento: **FORMATO LICENCIA COMERCIAL**
(Type of document: - Type du document:)

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AFWJO4639970 Expedido (mm/dd/aaaa): 09/14/2022

Firmado Digitalmente por: (Digitally Signed by:)
Ministerio de Relaciones Exteriores de Colombia
RUTH MERY CANO AGUILLON
Reason: DOCUMENT AUTHENTICITY
BOGOTA - COLOMBIA



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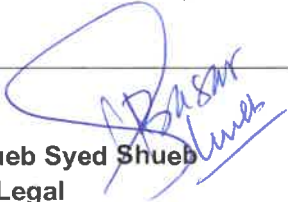
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www.cancilleria.gov.co/legalizaciones



Anexo B

Certificación del representante legal del Oferente sobre la veracidad de la información del Cuadernillo de Oferta.

Abu Dabi, 13 de septiembre de 2022	Abu Dhabi, September 13, 2022
<p>CERTIFICACIÓN DEL REPRESENTANTE LEGAL DE IHC CAPITAL HOLDING LLC SOBRE LA VERACIDAD DEL CONTENIDO DEL CUADERNILLO DE OFERTA</p>	<p>CERTIFICATE OF THE AUTHORIZED OFFICER OF IHC CAPITAL HOLDING LLC REGARDING THE VERACITY OF THE CONTENT OF THE OFFER BOOKLET</p>
<p>El suscrito, en mi calidad de representante legal de la sociedad IHC CAPITAL HOLDING LLC, manifiesto que he verificado el contenido del presente Cuadernillo de Oferta y, por ende, certifico la veracidad de su contenido y advierto que en este no se presentan omisiones, vacíos, imprecisiones o errores de información que revistan materialidad o puedan afectar la decisión de los futuros aceptantes de la Oferta.</p>	<p>The undersigned, acting as authorized officer of IHC CAPITAL HOLDING LLC, hereby declare that I have verified the content of this Offer Booklet and, therefore, I certify the veracity of its content and that there are no omissions, gaps, inaccuracies or errors of information that are material or could affect the decision of future acceptors of the Offer.</p>
 <p>Syed Basar Shueb Syed Shueb Representante Legal IHC CAPITAL HOLDING LLC</p>	 <p>Syed Basar Shueb Syed Shueb Authorized Officer IHC CAPITAL HOLDING LLC</p>

Anexo C

Certificación del representante legal del Oferente en relación con la inexistencia de preacuerdos.

Abu Dabi, 13 de septiembre de 2022	Abu Dhabi, September 13, 2022
CERTIFICACIÓN DEL REPRESENTANTE LEGAL DE IHC CAPITAL HOLDING LLC SOBRE LA INEXISTENCIA DE ACUERDOS RELACIONADOS CON LA OPERACIÓN	CERTIFICATE OF THE AUTHORIZED OFFICER OF IHC CAPITAL HOLDING LLC REGARDING THE NON-EXISTENCE OF AGREEMENTS RELATED TO THE OPERATION
<p>El suscrito, en mi calidad de representante legal de la sociedad IHC CAPITAL HOLDING LLC, manifiesto bajo la gravedad de juramento, que no existen acuerdos previos relacionados con los destinatarios de la oferta pública de adquisición de acciones de GRUPO NUTRESA S.A., diferentes a los contenidos en el Cuadernillo de Oferta.</p> 	<p>The undersigned, acting as authorized officer of IHC CAPITAL HOLDING LLC, hereby declare under oath, that there are no prior agreements related to the addressees of the tender offer for the acquisition of shares of GRUPO NUTRESA S.A., different from those included in the Offer booklet.</p> 
<p>Syed Basar Shueb Syed Shueb Representante Legal IHC CAPITAL HOLDING LLC</p>	<p>Syed Basar Shueb Syed Shueb Authorized Officer IHC CAPITAL HOLDING LLC</p>

Anexo D

Estados financieros consolidados de IHC con corte al 31 de diciembre de 2021, que incluyen la información financiera consolidada del Oferente, IHC Management e IHC RSC.



International Holding Company PJSC

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021



International Holding Company PJSC

DIRECTORS' REPORT

31 DECEMBER 2021

International Holding Company PJSC

DIRECTORS' REPORT

31 December 2021

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report together with the audited consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2021.

Board of Directors

The Directors of the Company are:

Chairman	H.H. Shk Tahnoon Bin Zayed Al Nahyan
Members	Dr. Somar Ajalyaqin Mr. Syed Basar Shueb Ms. Sofia Lasky Mr. Mohammed Nasser Saif Howaiden Al Shamsi

Fiscal year 2021 was a milestone and transformation year in the Group history. The Group achieved great success due to the clear strategy of enhancing its portfolio through acquisitions, strategic investments, restructuring, diversification and divesting. Below is the summary of the main strategic acquisitions performed during the year (other acquisitions are included in note 6 of the audited consolidated financial statements):

- Alpha Dhabi Holding PJSC and its subsidiaries
- Al Qudra Holding PJSC and its subsidiaries
- National Marine Dredging Company and its subsidiaries (A subsidiary of Alpha Dhabi Holding PJSC)
- Emirates Driving Company PJSC and its subsidiary (A subsidiary of Multiply Group PJSC)

Financial highlights

During the year ended 31 December 2021, the Group reported revenue of AED 28,562,490 thousand and profit of AED 11,577,356 thousand (2020: revenue of AED 7,046,569 thousand and profit of AED 3,014,615 thousand). Revenue and profit increased by 305% and 284% respectively.

The Group recorded change in fair value of financial assets carried at fair value through profit or loss amounting to AED 2,271,629 thousand in 2021 as compared to AED 8,692 thousand in 2020 with an increase of AED 2,262,937. This was achieved through strategic investments acquired during the year.

Earning per share (EPS) increased from AED 1.58 per share in 2020 to AED 4.03 per share in 2021 with an increase of 155%.

Total assets amounting to AED 88,980,148 thousand in 2021 as compared to AED 14,012,280 thousand in 2020 with an increase of AED 74,967,868 thousand.

Total equity amounting to AED 56,032,026 thousand in 2021 as compared to AED 7,821,933 thousand with an increase of AED 48,210,093 thousand.

International Holding Company PJSC

DIRECTORS' REPORT continued

31 December 2021

Listing of subsidiaries

During the year, the Group listed the below subsidiaries in the primary and secondary markets in Abu Dhabi Securities Exchange ("ADX"):

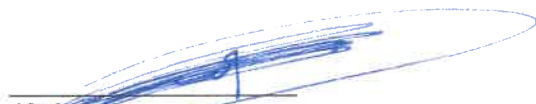
- Alpha Dhabi Holding PJSC – Primary Market
- Multiply Group PJSC – Primary Market
- ESG Emirates Stallions Group PJSC – Secondary Market
- Al Seer Marine Supplies and Equipment Company PJSC – Secondary Market

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 22 March 2022.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2022 will be put to the shareholders at Annual General Meeting.

On behalf of Board of Directors



Chairman
22 March 2022



International Holding Company PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2021, total revenue of the Group amounted to AED 28,562,490 thousand (2020: AED 7,046,569 thousand) (note 27).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed, or involved component auditors to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, and to perform, substantive audit procedures which included overall analytical procedures at the Group, and subsidiary level and performed testing on transactions throughout the year, to assess whether revenues were properly recognised.

Business combinations within the scope of IFRS 3

During the year, the Group has acquired control over the entities as disclosed in note 6.2. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired assets / businesses with those of the Group.

We have obtained the purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group. We involved our internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax ('EBIT'), growth rates and discount rates.

Business combination of entities under common control

During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions were excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 7,259,776 thousand during 2021.

We held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details. We also obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of equity. Additionally, we assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Fair value of investment properties

Investment properties amounting to AED 7,927 million (2020: AED 1,294 million) as at 31 December 2021 (note 9) are stated at cost less accumulated depreciation and impairment. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

The valuations were carried out by internal management specialists and a external valuers (the "Valuers"). In determining properties valuations, the Valuers applies different valuation techniques including investment and comparable methods. The Valuers takes into account property-specific information such as the current tenancy agreements and applies assumptions for discount rates and estimated market rent, which are influenced by prevailing market yields and considers comparable market transactions, to arrive at the valuation.

We involved component auditors in reviewing the properties valuation reports and assessed that the valuation approach for each was in accordance with the established standards for valuation of properties and suitable for use in determining the fair value of properties.

We involved component auditors in assessing the external valuers independence, qualification and expertise and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

The component auditors involved their internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, and consideration of reasonableness of the significant assumptions.

Other information

Other information consists of the information included in the Directors' report and annual report other than the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that for the year ended 31 December 2021:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended), the Memorandum and Articles of Association of the Company;
- iii) the Group has maintained proper books of account;
- iv) the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group; .
- v) investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2021;
- vi) note 32 reflects the disclosures relating to material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2021, any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or of its Memorandum and Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2021.



Signed by:

Raed Ahmad
Partner
Ernst & Young
Registration No 811

22 March 2022
Abu Dhabi

International Holding Company PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Notes	2021 AED'000	2020 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	9,306,889	1,566,985
Intangible assets and goodwill	8	2,442,712	507,404
Right-of-use assets	26	970,813	88,431
Investment properties	9	7,926,902	1,293,721
Investment in associates and joint ventures	10	12,103,106	438,733
Investments in financial assets	11	1,143,972	447,057
Contract assets	17	659,938	-
Trade and other receivables	14	200,411	267,011
Biological assets	15	55,825	-
Due from related parties	32	951	4,706
Loan to related parties	32	20,000	1,200
Deferred tax assets	36	16,938	38
		34,848,457	4,615,286
Current assets			
Inventories	13	899,351	406,959
Development work-in-progress	16	1,349,824	680,312
Biological assets	15	5,363	5,480
Investment in financial assets	11	9,096,931	622,525
Due from related parties	32	1,896,162	344,738
Loan to related parties	32	6,200	-
Contract assets	17	5,201,530	155,773
Trade and other receivables	14	11,213,109	2,598,744
Cash and bank balances	18	20,246,582	3,665,334
		49,915,052	8,479,865
Assets held for sale	19	4,216,639	917,129
		54,131,691	9,396,994
TOTAL ASSETS		88,980,148	14,012,280
EQUITY AND LIABILITIES			
Equity			
Share capital	20	1,821,429	1,821,429
Merger and acquisition reserve		16,668,311	2,119,615
Statutory reserve	21	910,715	332,085
Cumulative changes on revaluation of investments		360,372	49,322
Currency translation reserve		2,038	969
Hedging reserve		1,627	-
Retained earnings		7,329,169	3,145,427
Equity attributable to owners of the Company		27,093,661	7,468,847
Non-controlling interests		28,938,365	353,086
Total equity		56,032,026	7,821,933

International Holding Company PJSC

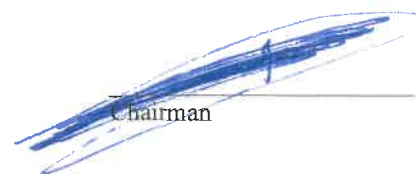
CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

At 31 December 2021

	Notes	2021 AED'000	2020 AED'000
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefit	22	809,804	114,889
Lease liabilities	26	876,906	72,559
Borrowings	23	6,793,019	743,053
Trade and other payables	24	65,201	140,881
Contract liabilities	25	83,663	79,001
Derivative financial instruments		19,559	-
Due to related parties	32	32,963	125,082
Deferred tax liabilities	36	1,885	795
		<u>8,683,000</u>	<u>1,276,260</u>
Current liabilities			
Due to related parties	32	2,141,128	656,673
Lease liabilities	26	117,629	15,950
Borrowings	23	1,663,542	183,106
Derivative financial instruments		26,005	-
Loans from related parties	32	1,007,072	-
Contract liabilities	25	2,762,752	1,134,244
Trade and other payables	24	14,350,562	2,681,131
		<u>22,068,690</u>	<u>4,671,104</u>
Liabilities directly associated with assets held for sale	19	2,196,432	242,983
		<u>24,265,122</u>	<u>4,914,087</u>
Total liabilities		<u>32,948,122</u>	<u>6,190,347</u>
TOTAL EQUITY AND LIABILITIES		<u>88,980,148</u>	<u>14,012,280</u>


 Chief Financial Officer


 Managing Director


 Chairman

The attached notes 1 to 44 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

		2021 AED'000	2020 AED'000
	Notes		
Revenue	27	28,562,490	7,046,569
Cost of revenue	28	(18,395,429)	(4,615,161)
Gross profit		10,167,061	2,431,408
General and administrative expenses	29	(2,233,712)	(477,687)
Selling and distribution expenses	30	(139,465)	(46,503)
Share of profit from investment in associates and joint ventures	10	672,186	948,247
Investment and other income	31	3,266,954	216,411
Loss on partial disposal of an associate	10(iv)	(6,659)	-
Gain on acquisition of subsidiaries	6.2	8,808	4,745
Gain on disposal of subsidiaries	6.3	43,854	-
Finance costs	35	(189,051)	(61,627)
Profit before tax		11,589,976	3,014,994
Taxation	36	(12,620)	(379)
Profit for the year		11,577,356	3,014,615
Attributable to:			
Owners of the Company		7,338,660	2,868,936
Non-controlling interests		4,238,696	145,679
Profit for the year		11,577,356	3,014,615
Basic earnings per share (AED)	33	4.03	1.58

The attached notes 1 to 44 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
Profit for the year		11,577,356	3,014,615
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange difference on translation of foreign operations		9,241	1,211
Change in fair value of hedging instruments		5,523	-
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	(4,253)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	<u>774,020</u>	<u>40,928</u>
Total other comprehensive income		<u>784,531</u>	<u>42,139</u>
Total comprehensive income for the year		<u>12,361,887</u>	<u>3,056,754</u>
Attributable to:			
Owners of the Company		7,909,833	2,911,120
Non-controlling interests		<u>4,452,054</u>	<u>145,634</u>
		<u>12,361,887</u>	<u>3,056,754</u>

The attached notes 1 to 44 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to equity holders of the Company									
	Share capital AED '000	Merger and acquisition reserve AED '000	Statutory reserve AED '000	Cumulative changes on revaluation of investments AED '000	Currency translation reserve AED '000	Hedging reserve AED '000	Retained earnings AED '000	Total AED '000	Non controlling-interests AED '000	Total equity AED '000
Balance at 1 January 2020 (audited)	1,821,429	(219,722)	45,191	8,394	(287)	-	517,476	2,172,481	22,428	2,194,909
Profit for the year	-	-	-	-	-	-	2,868,936	2,868,936	145,679	3,014,615
Other comprehensive income (loss) for the year	-	-	-	40,928	1,256	-	-	42,184	(45)	42,139
Total comprehensive income for the year	-	-	-	40,928	1,256	-	2,868,936	2,911,120	145,634	3,056,754
Transfer to statutory reserve	-	-	286,894	-	-	-	(286,894)	-	-	-
Share based payments (note 37)	-	-	-	-	-	-	-	-	107,166	107,166
Share based payments – awards to certain personnel of the Ultimate Parent Company and its related entities (note 37)	-	-	-	-	-	-	(27,460)	(27,460)	-	(27,460)
Business combination of entities under common control (note 6.1(b))	-	1,740,923	-	-	-	-	-	1,740,923	647	1,741,570
Disposal of partial interest in subsidiaries (note 6.4C)	-	-	-	-	-	-	73,369	73,369	36,240	109,609
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	120	120
Acquisition of investment in financial asset carried at fair value through profit or loss (note 11.2)	-	543,664	-	-	-	-	-	543,664	-	543,664
Acquisition of an associate	-	54,750	-	-	-	-	-	54,750	-	54,750
Acquisition of subsidiaries (note 6.2(b))	-	-	-	-	-	-	-	-	40,851	40,851
Balance at 31 December 2020	1,821,429	2,119,615	332,085	49,322	969	-	3,145,427	7,468,847	353,086	7,821,933
Balance at 1 January 2021	1,821,429	2,119,615	332,085	49,322	969	-	3,145,427	7,468,847	353,086	7,821,933
Profit for the year	-	-	-	-	-	-	7,338,660	7,338,660	4,238,696	11,577,356
Other comprehensive income for the year	-	-	-	568,864	682	1,627	-	571,173	213,358	784,531
Total comprehensive income for the year	-	-	-	568,864	682	1,627	7,338,660	7,909,833	4,452,054	12,361,887
Transfer to statutory reserve	-	-	578,630	-	-	-	(578,630)	-	-	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	(257,814)	-	-	257,814	-	-	-
Business combination of entities under common control (note 6.1(a))	-	7,259,776	-	-	-	-	-	7,259,776	12,667,139	19,926,915
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	-	107,830	107,830
Additional non-controlling interest from acquisitions of subsidiaries at the Group level (note 6.2(a))	-	-	-	-	-	-	(228,383)	(228,383)	228,383	-
Consideration settled by the Ultimate Parent (note 6.2(a))	-	382,154	-	-	-	-	-	382,154	951,253	1,333,407
Acquisition of investment in financial assets carried at fair value through profit and loss (note 11.2)	-	4,976,271	-	-	-	-	-	4,976,271	-	4,976,271
Acquisition of assets from entities under common control (note 6.1(a))	-	2,590,198	-	-	-	-	-	2,590,198	3,113,407	5,703,605
Dividend paid to non-controlling interest (note 42)	-	-	-	-	-	-	-	-	(1,451,522)	(1,451,522)
Share based payments (note 6.4(A))	-	-	-	-	-	-	-	-	52,000	52,000
Acquisition of non-controlling interest (note 6.5)	-	244,538	-	-	-	-	(4,278,064)	(4,033,526)	(478,335)	(4,511,861)
Disposal of partial interest in subsidiaries (note 6.4)	-	(904,241)	-	-	-	-	1,672,345	768,104	5,849,288	6,617,392
Disposal of subsidiaries (note 6.3)	-	-	-	-	387	-	-	387	(21,281)	(20,894)
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	3,135,063	3,135,063
Balance at 31 December 2021	1,821,429	16,668,311	910,715	360,372	2,038	1,627	7,329,169	27,093,661	28,938,365	56,032,026

The attached notes 1 to 44 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

		2021 AED'000	2020 AED'000
	Notes		
OPERATING ACTIVITIES			
Profit before tax		11,589,976	3,014,994
Adjustments for:			
Depreciation of property, plant and equipment	7	634,931	88,521
Amortisation of intangible assets	8	122,972	68,104
Depreciation of investment properties	9	64,819	52,290
Depreciation of right-of-use assets	26	74,689	17,516
Amortisation of biological asset	15	6,870	5,954
Impairment loss on non-financial assets	28	55,249	50,316
Investment properties written off	9	104	-
Share of profit from investment in associates and joint ventures	10	(672,186)	(948,247)
Gain on disposal of property, plant and equipment	31	(8,477)	(3,302)
Gain on acquisition of subsidiaries	6.2	(8,808)	(4,745)
Gain on disposal of subsidiaries	6.3	(43,854)	-
Loss on partial disposal of an associate	10(iv)	6,659	-
Change in fair value of biological assets	15	(5,630)	(328)
Allowance for slow moving inventories	13	188,710	21,724
Allowance for expected credit losses	29	462,159	29,998
Interest and dividend income	31	(203,759)	(30,462)
Write back of other payables	31	-	(106,030)
Unwinding of discounting of long-term receivables	31	(27,986)	(24,439)
Share base payments	37	46,000	79,706
Covid-19 rent concession	31	(3,848)	(2,584)
Change in the fair value of financial assets carried at fair value through profit or loss	31	(2,271,629)	(8,692)
Reversal of bad debts written off	31	(518,685)	-
Fair value gain on revaluation of previously held equity interest	31	(40,988)	-
Provision for employees' end of service benefit	22	162,101	39,625
Finance costs	35	<u>189,051</u>	<u>61,627</u>
Operating cash flows before changes in working capital		9,798,440	2,401,546
Working capital changes:			
Decrease (increase) in inventories		45,610	(185,176)
Increase in biological assets		(27,118)	(5,229)
Decrease (increase) in due from related parties		1,503,042	(75,097)
Increase in loan to related parties		(25,000)	-
Increase in trade and other receivables, including contract assets		(959)	(1,109,100)
Increase in development work in progress		(24,326)	(15,056)
Decrease (increase) in assets held for sales		236,106	(67,561)
(Decrease) increase in due to related parties		(1,044,029)	519,322
Increase in loan from related parties		910,939	-
Increase in trade and other payables, including contract liabilities		<u>1,663,940</u>	<u>946,373</u>
Cash generated from operations		13,036,645	2,410,022
Employees' end of service benefit paid	22	(159,993)	(11,463)
Tax paid		(15,439)	(78)
Finance costs paid		<u>(157,747)</u>	<u>(50,295)</u>
Net cash generated from operating activities		<u>12,703,466</u>	<u>2,348,186</u>

International Holding Company PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
INVESTING ACTIVITIES			
Movement in term deposits and margin accounts with an original maturity more than three months		(708,402)	(194,430)
Addition to property, plant and equipment		(932,018)	(214,153)
Addition to intangible assets	8	(28,041)	(6,975)
Proceeds from sale of property, plant and equipment		26,668	4,975
Cash acquired on business combination of entities under common control	6.1	4,637,951	417,001
Cash acquired on acquisition of assets from entities under common control	6.1	371,776	-
Net cash acquired (paid) on acquisition of subsidiaries	6.2	141,428	(185,465)
Proceed from disposal of subsidiaries, net of cash disposed	6.3	322,979	-
Proceeds from disposal of shares of subsidiaries	6.4	1,998,100	109,609
Cash paid on acquisition of non-controlling interest	6.5	(757,339)	-
Purchase of investment properties	9	(84,700)	(224,453)
Purchase of investment in associates and joint ventures	10	(1,451,681)	(30,590)
Cash received on partial disposal of shareholding in an associate	10(iv)	18,800	-
Dividend received from associates and joint ventures	10	553,890	637,635
Purchase of investment in financial assets	11	(2,127,285)	(550,106)
Proceed from sale of investment in financial assets	11	313,230	149,675
Interest and dividend received	31	<u>203,759</u>	<u>30,462</u>
Net cash generated from (used in) investing activities		<u>2,499,115</u>	<u>(56,815)</u>
FINANCING ACTIVITIES			
Net repayment of borrowings		(1,230,758)	(92,021)
Proceeds from share-based payments	37	6,000	-
Capital injection by non-controlling interest		3,135,063	-
Dividend paid to non-controlling interest	42	(1,451,522)	-
Payment to non-controlling interests towards contributed capital		(20,000)	-
Repayment of lease liabilities	26	<u>(80,883)</u>	<u>(17,957)</u>
Net cash generated from (used in) financing activities		<u>357,900</u>	<u>(109,978)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR			
		15,560,481	2,181,393
Cash and cash equivalents at beginning of the year		3,460,353	1,284,853
Effect of foreign exchange rate changes		<u>(5,508)</u>	<u>(5,893)</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	<u>19,015,326</u>	<u>3,460,353</u>

Significant non-cash transactions are disclosed in note 6, 10 and 11 to the consolidated financial statements.

The attached notes 1 to 44 form part of these consolidated financial statements.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

1 GENERAL INFORMATION

International Holding Company PJSC (the “Company” or “IHC”) is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness The Ruler of Abu Dhabi on 23 November 1998. The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates. Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The main activities of the Group are;

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing catering, re-packaging and wrapping services; and
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services.
- sport enterprises investment, institution, management services;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management and development related services of plots and real estate;
- performing technical, commercial and contracting services related to marine works;
- importing, maintaining, trading and other services relating to spare parts, industrial machineries and equipment;
- medical and health care services including management of testing laboratories with their related logistics, operating medical laboratories, distributing medical supplies and devices and management of hospitals and medical clinics;
- wholesale and trading of cosmetics, personal care and other grooming related services;
- motorcycle trading, repairing and rentals;
- 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 productions facilities operations and management services;
- Islamic banking and financial services including shariah compliant loans and deposits;
- tourism related investments, development and management;
- forestry and natural vegetation management including farming, agricultural related investments and management;
- manufacturing and supply of concrete and other industrial products including installation and fabrication of aluminium and glass panels;
- organisation and event management, newspaper advertisement and other services related to advertisement designing and production; and
- coaching and training of motor vehicle drivers and management of driving license issuance related services.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 22 March 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in compliance with the applicable provisions of the Company’s Article of Association and the UAE Federal Law No. (2) of 2015 (as amended). Federal Law by Decree No 32 of 2021, which repeals and replaces Federal Law No. 2 of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021, and is effective from 2 January 2022. The Group is in the process of reviewing the new law and will apply the requirements thereof no later than one year from the date on which the new Decree Law came into effect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets, biological assets and derivative financial instruments which are stated fair value.

2.3 Functional and presentation currency

The consolidated financial statements are presented in UAE Dirhams (“AED”), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED ‘000) except when otherwise indicated.

2.4 Basis for consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company's subsidiaries as at 31 December 2021 and 31 December 2020 are as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
IHC Holdings RSC Limited	United Arab Emirates	Investment Company.	100%	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management.	100%	100%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Education Holding LLC (i)	United Arab Emirates	Education services enterprises investment, institution and management.	100%	-
IHC Healthcare Holding LLC (i)	United Arab Emirates	Health Services Enterprises Investment, Institution and management.	100%	-
IHC West Investment - Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
ESG Emirates Stallions Group PJSC (Formerly "Emirates Stallions Properties LLC")	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	85%	100%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in property, plant and equipment of fish farming.	80%	80%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	75.36%	71.98%
Zee Store PJSC	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	74.41%	71.18%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	100%	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	100%	100%
Serenity Aviation Holding LLC(i)	United Arab Emirates	Aviation consultancy and commercial enterprises investment, institution and management.	50%	-
Matrix International Solutions LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	80%	80%
Multiply Group PJSC (formerly "Multiply Marketing Consultancy LLC")	United Arab Emirates	Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading. .	31.77%	100%
Royal Technology Solutions LLC	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services.	100%	100%
Easy Lease Motorcycle Rental PSC	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	49.57%	45.07%
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and researches, development and innovation in chemical solutions, geological and geophysical consultancy, studies and researches.	80%	85%
Quant Lase Lab LLC	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.	80%	80%
Al Seer Marine Supplies and Equipment Company PJSC (formerly "Al Seer Marine Supplies and Equipment Company LLC")	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	44.96%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
Qausar Energy Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Alpha Technologies Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Tamouh Healthcare Group LLC (i)	United Arab Emirates	Medical services related to COVID-19.	100%	-
West Investments SPV RSC Ltd.	United Arab Emirates	Investment Company.	100%	100%
Fooj Fire Fighting Services LLC (i)	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations.	75%	-
Retiro Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	-
Playa Properties LLC (i)	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	-
Apex Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	60%	-
Shory Technology LLC (i)	United Arab Emirates	Information Technology Network Services.	70%	-
Alpha Dhabi Holding PJSC(ii) (formerly "Trojan Holding LLC")	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and abroad, primarily through its subsidiaries.	45.41%	-
Afkar Financial & Property Investments LLC (ii)	United Arab Emirates	Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.	60%	-
CH Artillgence LLC (i)	United Arab Emirates	Investment holding company.	100%	-
Blink Biz Holding LLC (i)	United Arab Emirates	Commercial Service, Real estate, Industrial, contracting and other type of business.	70%	-
Al Qudra Holding PJSC (ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management and investment in properties.	67.9%	-
Rebound Limited (i)	United Arab Emirates	Facilitating global trade of recycled plastic.	100%	-
Theta Bidco Limited (i)	England	Investment Holding Company.	70%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of ESG Emirates Stallions Group PJSC (formerly “Emirates Stallions Properties LLC”):</u>				
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Technical, commercial and contracting services specifically marine work contract.	100%	100%
Gulf Dunes Landscaping and Agricultural Services LLC	United Arab Emirates	Landscaping design and execution.	100%	100%
Century Real Estate Management LLC	United Arab Emirates	Labour camp management.	79.85%	82%
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction projects management consultancy.	100%	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction.	100%	100%
Royal Development Company d.o.o Beograd - Vracar	Serbia	Hotel accommodation.	100%	100%
ESG Companies Management - SP LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	100%	-
ESG Capital Holding LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution & Management.	100%	-
Anse La Mouche Property Development LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	99.99%	99.99%
WFC Holding - Sole Proprietorship LLC	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	70%	100%
<u>Below are the subsidiaries of WFC Holding - sole proprietorship LLC:</u>				
Workforce Connexion LLC	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	100%	100%
Corporate Solutions Consultants LLC	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	100%	100%
Multi Serve Typing and Transactions Follow Up LLC	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	100%	100%
Tamouh Integrated Business Services LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Connect Outsourcing Temporary Employment LLC (ii)	United Arab Emirates	Employees provision services and onshore and offshore oil and gas fields and facilities services	100%	-
<u>Below are the subsidiaries of Zee Store PJSC:</u>				
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	United Arab Emirates	Storehouses and warehouses management and operations.	100%	100%
Tamween Group LLC (i)	United Arab Emirates	Holding Company.	100%	-
Royal Horizon Holding LLC (ii)	United Arab Emirates	Holding Company.	60%	-
Zee Stores International LLC (i)	United Arab Emirates	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Royal Horizon Holding LLC:</u>				
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	100%	-
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	100%	-
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores.	100%	-
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products.	100%	-
<u>Subsidiaries of Tamween Group LLC:</u>				
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products.	100%	100%
AGRINV SPV RSC	United Arab Emirates	Investment Company.	100%	100%
<u>Subsidiary of AGRINV SPV RSC:</u>				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	99.99%	99.99%
<u>Below are the subsidiaries of Multiply Group PJSC (formerly “Multiply Marketing Consultancy LLC”):</u>				
Multiply Companies Management - Sole Proprietorship LLC (i)	United Arab Emirates	Management Services of Companies and Private Institutions.	100%	-
MG Communications Holding LLC (i)	United Arab Emirates	Investing establishing and managing technology projects. Commercial and Industrial Enterprises Investment, Institution and Management.	100%	-
MG Wellness Holding LLC (i)	United Arab Emirates	Health, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	-
MG Digital Holding LLC (i)	United Arab Emirates	Investing establishing and managing technology projects. Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	-
MG Utilities Holding LLC (i)	United Arab Emirates	Infrastructure, Commercial and Real Estate Services Enterprises Investment, Institution and Management.	100%	-
MG Ventures Holding LLC (i)	United Arab Emirates	Commercial, Agricultural and Industrial Enterprises Investment, Institution and Management.	100%	-
Viola Communications LLC (ii)	United Arab Emirates	Commercial publication printing.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2021</i>	<i>2020</i>
<i>Below are the subsidiaries of Multiply Group PJSC (formerly “Multiply Marketing Consultancy LLC”):</i> continued				
Spranza Commercial Investment - Sole Proprietorship LLC (ii)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
Emirates Driving Company PJSC (ii)	United Arab Emirates	Drivers training and road safety education	48.01%	-
Norm Commercial Investment – Sole Proprietorship LLC (iv)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	100%	-
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
Omorfia Group LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	-
<i>Below are the subsidiaries of Emirates Driving Company:</i>				
Tabieah Property Investment – Sole Proprietorship LLC	United Arab Emirates	Manage investment properties	100%	-
<i>Below are the subsidiaries of Omorfia Group LLC:</i>				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services.	100%	100%
Tips & Toes Beauty and Spa Centre LLC (ii)	United Arab Emirates	Ladies’ cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	100%	-
Jazz Lounge Spa (ii)	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.	100%	-
Ben Suhail Distribution LLC (ii)	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, Soap and hair care products trading, and beauty and personal care requisites trading.	100%	-
<i>Below are the subsidiaries of Bedashing Holding Company LLC:</i>				
Dashing International Group – Sole proprietorship LLC	United Arab Emirates	Company representation.	100%	100%
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Nippers & Scissors training Centre – Sole Proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Dazzling Beauty Salon – Sole Proprietorship (ii)	United Arab Emirates	Women personal care and beauty and women hairdressing, trimming and styling.	100%	-
Groovy Ladies Beauty Center (ii)	United Arab Emirates	Women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre.	100%	-
Glam & Glow Beauty Lounge – Sole Proprietorship (ii)	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading.	100%	-
Stella Beauty Lounge Center (ii)	United Arab Emirates	Women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Viola Communications LLC:</u>				
Purple Printing LLC	United Arab Emirates	Commercial publication printing.	100%	-
<u>Below are the subsidiaries of PAL Cooling Holding LLC:</u>				
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment.	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
<u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:</u>				
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	67%	67%
Yallow Technologies LLC (i)	United Arab Emirates	Computer systems & communication software trading equipment.	80%	-
1885 Delivery Services LLC (ii)	United Arab Emirates	Delivery services.	70%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:</u>				
Project Ceres One Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Project Ceres Two Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Project Ceres Three Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Al Seer Marine Boats Building LLC	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	100%	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Ship management and operations, onshore and offshore oil and gas fields and facilities services and building of motorboats. Yachts management and running.	100%	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Training and rehabilitation of marine cadres, technical training on electrical devices, computer software and security training.	100%	100%
<u>Below are the subsidiaries of Afkar Financial & Property Investments LLC:</u>				
2XL Furniture – UAE Sharjah	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
2XL Home LLC (formerly “2XL Furniture & Home Décor LLC”)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
2XL FurnishingLLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
OC Home Furniture LLC (i)	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	-
<u>Below are the subsidiaries of Tamouh Healthcare Group LLC:</u>				
Tamouh Healthcare LLC	United Arab Emirates	Ownership of medical facilities.	100%	100%
<u>Below are the subsidiaries of Tamouh Healthcare LLC:</u>				
Medi Q Healthcare LLC	United Arab Emirates	Investment, incorporation and management of healthcare service projects.	51%	51%
Somerian Health LLC (formerly “Medi Q Healthcare & Clinic LLC”)(i)	United Arab Emirates	Health services and commercial enterprises investment, institution and management.	51%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Apex Holding LLC:</u>				
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food stuff catering to private and public sector organisations.	100%	100%
Boudoir Interiors LLC (ii)	United Arab Emirates	Interior design implementation works and sale of furniture.	100%	
The Central Tents Company LLC (ii)	United Arab Emirates	Retail sale of tents and shades and event management.	100%	-
Apex National Investment LLC – Sole Proprietorship LLC (ii)	United Arab Emirates	Enterprises investments, institutions and management.	100%	-
R R Facility Management SP LLC (ii)	United Arab Emirates	Building maintenance, camps and labour accommodation management, and real estate development, lease and management services.	100%	-
Support Services and Catering LLC (ii)	United Arab Emirates	Building cleaning services	100%	-
Apex Companies Management LLC(i)	United Arab Emirates	Management Services of Companies and Private Institutions.	40%	-
Apex Alwataniah Logistics – Sole Proprietorship LLC (i)	United Arab Emirates	Goods Air, Marine and Land Shipment Services and Customs Clearance Services.	100%	-
Apex Construction and Development - Sole Proprietorship LLC (i)	United Arab Emirates	Real Estate Development Construction, Commercial Enterprises Investment, Institution and Management.	100%	-
Riva Marine General Marine Services - Sole Proprietorship LLC (i)	United Arab Emirates	Onshore and offshore oil and gas field facilities services, marine machines and equipment repairing and maintenance.	100%	-
Apex Padel Sport LLC - Sole Proprietorship PJSC (i)	United Arab Emirates	Tennis Club.	100%	-
Apex UL Investment LLC (i)	United Arab Emirates	Commercial Enterprises Investment, Institution and Management.	51%	-
Sky Go Transport of Goods LLC (i)	United Arab Emirates	Air Transport of goods unmanned aerial vehicles (drone).	50%	-
<u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u>				
Alpha Dhabi Industries Holding LLC (i)	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management.	100%	-
Trojan Construction Group – Sole Proprietorship LLC	United Arab Emirates	Real Estate and Construction Services	100%	-
National Marine Dredging Company PJSC (ii)	United Arab Emirates	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	69.11%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</i> continued				
Sogno Commercial Investment Sole Proprietorship (iv)	United Arab Emirates	Investment holding.	100%	-
Sogno Two Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Sogno Three Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Sublime Two Sole Proprietorship LLC (iv)	United Arab Emirates	Investment holding.	100%	-
Was Two Commercial Investment Sole Propreitorship (ii)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Health Holding LLC (i)	United Arab Emirates	Health services and commercial enterprises Investment, Institution and Management	100%	-
Sublime Commercial Investment - Sole Proprietorship LLC (ii)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Partners Holding LLC (i)	United Arab Emirates	Commercial enterprises Investment, Institution and Management.	100%	-
Alpha Dhabi Construction Holding LLC (i)	United Arab Emirates	Infrastructure and commercial enterprises Investment, Institution and Management	100%	-
Alpha Dhabi Commercial Investment- Sole Proprietorship LLC (formerly “Trojan Commercial Investment”)	United Arab Emirates	Industrial and commercial enterprises Investment, Institution and Management	100%	-
Trojan General Contracting LLC (ii)	United Arab Emirates	Building projects contracting	100%	-
Royal Advance Electro mechanical Works	United Arab Emirates	Electromechanical services	100%	-
Al Maha Modular Industries LLC	United Arab Emirates	Ready-made building manufacturing	100%	-
Hi-Tech Concrete Products LLC (KSA)	United Arab Emirates	Construction	100%	-
Trojan Developments LLC	United Arab Emirates	Real Estate	100%	-
National Projects and Construction LLC	United Arab Emirates	Construction	100%	-
Reem Emirates Aluminum LLC	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes	100%	-
Trojan Property Investments LLC	United Arab Emirates	Real estate enterprises investment, institution and management	100%	-
Ersa General Contracting LLC	United Arab Emirates	Building projects contracting.	100%	-
HI-Tech Concrete Products LLC	United Arab Emirates	Building and selling of properties and lands and general contracting	100%	-
HI-Tech Emirats For General Contracting	United Arab Emirates	Building projects contracting	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u> continued				
HI-Tech Line Building Construction – DXB	United Arab Emirates	Building projects contracting	100%	-
Phoenix Timber Factory LLC	United Arab Emirates	Timber Products	100%	-
Reem Ready Mix LLC	United Arab Emirates	Building projects contracting.	60%	-
Alpha Dhabi Hospitality Holding LLC (i)	United Arab Emirates	Entertainment and commercial enterprises Investment, Institution and Management	100%	-
Mawarid Holding Investment LLC	United Arab Emirates	Forestry, tourism, and agriculture.	70%	-
Murban Energy Limited	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	100%	-
<u>Below are the subsidiaries of Mawarid Holding Investment LLC:</u>				
Pure Health (FZE)	United Arab Emirates	Trading in pharmaceuticals and related products	90%	-
Pure Health Medical Supplies (FZE)	United Arab Emirates	General trading and trading in pharmaceuticals and related products.	90%	-
Pure CS IT Infrastructure LLC	United Arab Emirates	IT Infrastructure.	90%	-
Pure Health Medical Billing Services LLC	United Arab Emirates	Medical billing services.	90%	-
Union Health Facilities Management LLC	United Arab Emirates	Facilities management services.	90%	-
Pure Health Medical Supplies LLC	United Arab Emirates	Health care technology and management services.	63%	-
Pure Health Investment – Sole Proprietorship LLC	United Arab Emirates	Health, Commercial and Industrial Services Enterprises Investment, Institution and Management.	100%	-
Mawarid Centre for Research and Scientific Laboratories LLC	United Arab Emirates	Veterinarian hospital and research activities.	100%	-
Mawarid Al Muthaida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC	United Arab Emirates	Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.	100%	-
Aqua Power Technology LLC	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Mawarid Holding Investment LLC:</i> continued				
Barari Natural Resources LLC	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	100%	-
Campaign facilities management services LLC	United Arab Emirates	Facilities management services.	100%	-
Dicon Investment LLC	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management.	100%	-
Best Twasol Government Services LLC	United Arab Emirates	Administrative services, businessmen services, Transaction’s follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Dicon of Twafouq Services LLC	United Arab Emirates	Operating TWA-FOUQ service centres that are licensed by the Ministry of Human Resources & Emiratisation (MOHRE).	100%	-
Info Nine Smart Solutions LLC	United Arab Emirates	Designing computer systems and communication equipment.	80%	-
Twasol Business Men Service LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction’s follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Twasol Business Men Service LLC – Ajman	United Arab Emirates	Administrative services, businessmen services, Transaction’s follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Twasol Business Men Service LLC – Br Abu Dhabi	United Arab Emirates	Administrative services, businessmen services, Transaction’s follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Al Forsan Tadbeer Centre LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, Transaction’s follow-up services, non-specialised facilities management, Typing and documents photocopying services.	100%	-
Al Tawasol Al Mutamiz Guidance LLC	United Arab Emirates	Workers and employee’s guidance centre	100%	-
Emirates Safety Laboratory LLC	United Arab Emirates	Compliance certification for building construction products.	100%	-
Two Five 55 Healthcare Investment LLC	United Arab Emirates	Investment in commercial enterprise & management and healthcare enterprise and development.	90%	-

International Holding Company PJSC

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31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Mawarid Holding Investment LLC:</u> continued				
Al Forsan Tadbeer Centre LLC – Abu Dhabi	United Arab Emirates	Administrative and business services	100%	-
Al Forsan Tadbeer Centre LLC – Ajman	United Arab Emirates	Administrative and business services	100%	-
Mawarid Hotels and hospitality LLC	United Arab Emirates	Management of Hotels, tourist resorts and hotel apartments.	100%	-
Mawarid International Development Company LLC	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	100%	-
Mawarid Nurseries LLC	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	100%	-
Mawarid Security Services LLC	United Arab Emirates	General security services and public security guarding services.	100%	-
Mawarid Services Company LLC	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	100%	-
Telal Resort LLC	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises	100%	-
Magenta Investments LLC	United Arab Emirates	Investment in healthcare enterprises & development and commercial enterprises & management	80%	-
Pure Capital Investment LLC	United Arab Emirates	Investment in Commercial Enterprises & Management	90%	-
<u>Below are the subsidiaries of Murban Energy Limited:</u>				
Murban BVI Holding Inc (BVI)	British Virgin Islands	Holding company	100%	-
Sitax Investment Ltd (BVI)	British Virgin Islands	Holding company	100%	-
Sitax Holding Ltd (BVI)	British Virgin Islands	Holding company	100%	-
I & T Management Private Limited	Maldives	Tourist resort operation	100%	-

International Holding Company PJSC

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31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Murban Energy Limited: continued</i>				
Hill View (Seychelles) Limited	Seychelles	Hotel resort	100%	-
Lindere Villa Limited	Seychelles	Management of presidential villas.	100%	-
M Commodities – Sole Proprietorship LLC	United Arab Emirates	General Trading	100%	-
Murban Investment Limited – Sole Proprietorship LLC	British Virgin Islands	Investment Holding	100%	-
Ethiad International Hospitality LLC	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	100%	-
Int'l Fresh Harvest Fruits and Vegetables Trading – Sole Proprietorship LLC	United Arab Emirates	Trading of foodstuff	100%	-
Abu Dhabi United Hospitality-Sole Proprietorship LLC	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.	100%	-
Le Noir Cafe – Sole Proprietorship LLC	United Arab Emirates	Foodstuff catering, hospitality services and restaurants.	100%	-
St. Regis Saadiyat Island Resort Abudhabi	United Arab Emirates	Hotels.	100%	-
Al Wathba A Luxury Collection Desert Report & Spa – Sole Proprietorship LLC	United Arab Emirates	Fitness club, relaxation and massage centre.	100%	-
Magenta Medical Investment LLC (i)	United Arab Emirates	Investment in healthcare enterprises & development.	80%	-
Magenta Medical Requisites Trading LLC (i)	United Arab Emirates	Trading of paper products, medical and surgical articles & requisites, laboratories tools & requisites, pharmaceutical products and equipment for people of determination.	80%	-
Magenta International Investment LLC (i)	United Arab Emirates	Holding Company	80%	-
Magenta Pharma Medical Trading LLC (i)	United Arab Emirates	Medical Equipment Trading	80%	-

International Holding Company PJSC

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31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Murban Energy Limited:</i> continued				
Emirates Gateway Security Services LLC	United Arab Emirates	Public security guarding services. onshore and offshore oil and gas fields and facilities services.	95%	-
Sandstorm Motor Vehicles Manufacturing LLC	United Arab Emirates	Motor vehicles manufacturing.	65%	-
Branch of Trojan General Contracting	Chechnya, Russia	Hotel.	100%	-
C D Properties – Sole Proprietorship LLC	United Arab Emirates	Investment Holding	100%	-
<i>Below are the subsidiaries of Pure Health Medical Supplies LLC:</i>				
Pure Investment LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Pure Health Capital LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Pure Lab LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Union Health Facilities Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Dawak Healthcare Supplies LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company.	100%	-
Telldoc Technology LLC (i)	United Arab Emirates	Investment, establishment and management of technology projects company.	100%	-
Medclaim Billing Services LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
Pure Health Facilities Management LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company.	100%	-
One Health LLC (i)	United Arab Emirates	Health services and commercial enterprises investment, institution and management company. health treatment undertaking services company.	100%	-
The Medical Office Facilities Management LLC (i)	United Arab Emirates	Health services enterprises investment, institution and management company. health treatment undertaking services company.	100%	-
Pure Care Facilities Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management company. management and operation of public utilities company.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Pure Health Medical Supplies LLC:</u> continued				
Rafed Healthcare Supplies LLC (ii)	United Arab Emirates	Wholesale trading of medical equipment, medications, medical gas and medical storehouse.	100%	-
Union 71 Medical Facilities Management LLC (ii)	United Arab Emirates	Management of medical facilities.	100%	-
Pure Health Investment – Sole Proprietorship LLC (i)	United Arab Emirates	Health, commercial and industrial services enterprises investment, institution and management.	100%	-
<u>Below are the subsidiaries of National Marine Dredging Company PJSC:</u>				
National Petroleum Construction Company PJSC (“NPCC”)	United Arab Emirates	Engineering construction and procurement.	100%	-
Emarat Europe Fast Building Technology System Factory LLC (Emarat Europe)	United Arab Emirates	Manufacturing and supply of precast concrete.	100%	-
National Marine Dredging Company (Industrial)	United Arab Emirates	Manufacturing of steel pipes and steel pipe fittings.	100%	-
ADEC Engineering Consultancy LLC	United Arab Emirates	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.	100%	-
Abu Dhabi Marine Dredging S.P.C.	Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.	100%	-
National Marine and Infrastructure India Private Limited	India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	100%	-
<u>Below are the subsidiaries of National Petroleum Construction Company PJSC (“NPCC”):</u>				
National Petroleum Construction Company (Saudi) Ltd.	Saudi Arabia	Engineering construction and procurement	100%	-
NPCC Engineering Limited	India	Engineering	100%	-
ANEWA Engineering Pvt. Ltd.	India	Engineering	80%	-
<u>Below are the subsidiaries of Al Qudra Holding LLC:</u>				
Al Qudra Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Trading LLC	United Arab Emirates	Commercial project investment.	100%	-
Al Qudra Investment RCS Ltd.	United Arab Emirates	Real Estate Investment.	100%	-
Q Malls LLC	United Arab Emirates	Real estate lease & management services.	100%	-
Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Facilities Management Services LLC	United Arab Emirates	Cleaning and general maintenance for buildings and establishments management services.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Al Qudra Holding LLC:</i> continued				
Envo Scape LLC	United Arab Emirates	Irrigation network contracting, constructing, maintaining parks and landscape design and planning activities.	100%	-
Al Qudra Services LLC	United Arab Emirates	Environmental plants maintenance.	100%	-
Manarah Bay Real Estate	United Arab Emirates	Real estate management.	100%	-
Q International Limited	United Arab Emirates	General Investment.	100%	-
Q Scape LLC	United Arab Emirates	Building maintenance and landscaping.	51%	-
Al Qudra Education LLC	United Arab Emirates	Education services.	100%	-
Al Qudra for Agriculture and Development Company	United Arab Emirates	Agricultural development.	100%	-
Q Link Transport	United Arab Emirates	Transportation.	85%	-
Emirates Simulation Academy LLC	United Arab Emirates	Construction, operation management and development of training centre.	100%	-
Q For Commercial Markets Management	United Arab Emirates	Setup, ownership and development of commercial market, parks and entertainment facilities.	60%	-
Q Car Park LLC	United Arab Emirates	Developing, operating, renting and equipping of car parking.	50%	-
Q Active for Technologies LLC	United Arab Emirates	Telecommunication system installation and maintenance.	51%	-
ABNIA for Industrial Holding LLC	United Arab Emirates	Activities of cement, glass, iron, wood, and electromechanical industries.	50%	-
Al Qudra Holding Industrial LLC	United Arab Emirates	Consultancy in alternative power and industrial projects.	100%	-
Q Construction LLC	United Arab Emirates	General contracting.	100%	-
Q Parks Establishment	United Arab Emirates	Touristic resort management & entertainment investment.	100%	-
Al Qudra Holding LLC	United Arab Emirates	Industrial enterprises and financial management.	100%	-
Barary Ain Al Fayda Development Company LLC	United Arab Emirates	Real estate management	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<i>Below are the subsidiaries of Al Qudra Holding LLC:</i> continued				
QP International LLC	United Arab Emirates	Project management.	60%	-
Buhyarat Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	-
Al Qudra Healthcare LLC	United Arab Emirates	Health care & hospitality.	100%	-
Q Energy LLC	United Arab Emirates	Oil & Gas equipment installation and maintenance services.	100%	-
Al Qudra and Ravago Investment LLC	United Arab Emirates	General investment.	100%	-
Danat Facility Management LLC	United Arab Emirates	Facilities management service.	100%	-
Al Rayan Investment	United Arab Emirates	Develop, manage and invest in real estate enterprises.	99.97%	-
Construction Workers Residential City LLC	United Arab Emirates	Real Estate Investment.	65%	-
Moon Flower Real Estate Development LLC	United Arab Emirates	Real estate investment.	100%	-
Green Precast Systems Technology LLC	United Arab Emirates	General contracting.	100%	-
Earth Care Agricultural Products LLC	United Arab Emirates	Agriculture business.	100%	-
Al Rayan Global Real Estate LLC	United Arab Emirates	Real estate investment.	100%	-
Radiant & Moonflower Real Estate Development LLC	United Arab Emirates	Real estate investment.	65%	-
Al Qudra Holding – Morocco	Morocco	General investment.	100%	-
Smart Hotel Management	Morocco	Hotel management	100%	-
Smart Hotel Properties	Morocco	Hotel management.	100%	-
Kasr Al Bahar	Morocco	Hospitality.	100%	-
Atlantic Coast Hospitality	Morocco	General investment.	100%	-
Al Qudra Holding Offshore	Morocco	Holding company.	100%	-
Q General Investment Ltd.	British Virgin Islands	General investment.	100%	-
Al Qudra Holding - Syria	Syria	General Investment	100%	-
Al Qudra Real Estate	Syria	Real estate management.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
<u>Below are the subsidiaries of Al Qudra Holding LLC:</u> continued				
Al Qudra Holding - Algeria	Algeria	General investment.	100%	-
Al Qudra Belarus Ltd.	Belarus	General investment.	100%	-
Al Qudra Holding - Yemen	Yemen	General investment.	100%	-
Apex Residential LLC	United Arab Emirates	Real estate investment.	100%	-
Al Qudra New Line Oil & Gas LLC	United Arab Emirates	Oil & Gas maintenance.	100%	-
Winds Laundry-Sole Proprietorship LLC	United Arab Emirates	Laundry services.	100%	-
Al Qudra General Trading Establishment	United Arab Emirates	Commercial project investment.	100%	-
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	100%	100%
<u>Below are the subsidiaries of Al Tamouh Investments Company LLC:</u>				
TSL Properties LLC	United Arab Emirates	Development project ownership, sales & leasing.	100%	100%
Wadi Adventures LLC	United Arab Emirates	Adventure Park.	100%	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Tamouh Hotels and Resorts LLC	United Arab Emirates	Management and operation of hotels and hotel apartments.	100%	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	51%	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	60%	60%
<u>Discontinued operations:</u>				
Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	100%	100%
Aafaq Islamic Finance PSC and its subsidiaries (ii)	United Arab Emirates	Financing and investing activities that are conducted in accordance with Islamic Shari’a Laws	80.2%	-
Dana Hospitality LLC / Holiday Inn Hotel (ii)	United Arab Emirates	Hotel management.	100%	-
Asmak Holding Company Limited (iii)	United Arab Emirates	Holding companies and investment in commercial enterprises and management.	100%	100%
Mega mart Establishment UAE (iii)	United Arab Emirates	Retail trading of fast moving consumer products.	100%	-
Abu Dhabi Mountain Gate LLC (ii) & (iii)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	70%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2021	2020
Disposed Subsidiaries:				
Trust International Group LLC (note 6.3)	United Arab Emirates	Sale of spare parts and repairs for military equipment.	-	100%
R Med Medical Supplies LLC (note 6.3)	United Arab Emirates	Drug store, trading of medical and surgical articles.	-	52%
Eltizam Asset Management LLC and its subsidiaries (note 6.3)	United Arab Emirates	Services management holding company.	-	100%
Alliance Food Security Holdings LLC and its subsidiaries (note 6.3)	United Arab Emirates	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	-	80%

- (i) These are subsidiaries of the Group, incorporated during the year.
- (ii) Subsidiaries acquired during the year (note 6).
- (iii) Subsidiaries under liquidation.
- (iv) These acquisitions are accounted for as asset acquisitions and not business combinations in accordance with IFRS 3.

2.5 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new interpretation and amendments effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments include the following practical expedients:
 - A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
 - Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
 - Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
- Amendments to IFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

These amendments had no material impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Business combinations and goodwill continued

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Disposals of interest in a subsidiary to an equity accounted investee

Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to the same components within Group entity. Any transaction costs paid for the acquisition are recognised directly in equity.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment in associates and joint ventures continued

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of consolidated the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

When Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

- | | |
|---------------|---|
| <i>Step 1</i> | Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met. |
| <i>Step 2</i> | Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer. |
| <i>Step 3</i> | Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. |
| <i>Step 4</i> | Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation. |
| <i>Step 5</i> | Recognise revenue when (or as) the Group satisfies a performance obligation. |

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Sale of goods

Revenue from sale of goods is recognised when control of the goods has transferred, being when the goods have been delivered to the customer. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Construction contract revenue

The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time on a cost to cost method based the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under 'IFRS 15 Revenue from Contracts with Customers'.

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

Rental income

Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

District cooling

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

Brokerage services

The Group provides share brokerage services, which mainly includes commission income and interest income on margin trading.

- (i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.
- (ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+4.

Rendering of services

Revenue relating to services is recognised over time. The transaction price is straight lined over the period of service.

Dividend income

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sale of properties and land

The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

Media and marketing services

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Coaching and training services

The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

Government grants

Government grants received by the Group in relation to non-monetary assets such as land and other resources are accounted for at nominal value.

Employee benefits

An accrual is made for the estimated liability of employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Property, plant and equipment continued

Depreciation

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	3 - 47 years
Plant and machinery	2 – 35 years
Furniture, fixtures and equipment	2 – 10 years
Barges support vessels, Dredgers and vehicles	2 – 40 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Capital work in progress

Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

Derecognition

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Concession rights

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years from the date of construction of the district cooling plant.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Intangible assets continued

Customer contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Customer contracts with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 4 years.

Customer relationships

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 20 years.

Brand names

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 2 to 20 years.

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite useful lives.

Trade license

The license was recognised on acquisition of a subsidiary during the year that allows the use of “Fazaa” name for the retail stores under that subsidiary. The license has a useful life of 8 years.

Other intangible assets are amortised over a period of 2 to 5 years using straight-line method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in consolidated statements of profit or loss in the period during which they are incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Land	10 – 50 years
Warehouse, office spaces, shops and cinema halls	2 – 50 years
Others	3 – 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘property, plant and equipment’ policy.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line ‘other expenses’ in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Leases continued

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Investment properties continued

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.

Islamic financing and investments – products, definitions and income recognition

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 amortised 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.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Islamic financing and investments – products, definitions and income recognition continued

Ijarah

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 recognised 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 amortised 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.

Discontinued operations and non-current assets held for sale

The Group classifies non-current assets and subsidiaries as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

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

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Inventories

Fish and fish products

Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

Animal feed products

Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first in first out method.

Packing, raw materials, medical supplies, food and non-food items, other finished goods and spares and consumables

These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Poultry products

Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

Real estate properties

Properties comprise properties held for sale in the ordinary course of business. Cost comprises construction and other costs necessarily incurred in bringing the inventory to its present location and condition.

Development work in progress

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Land under development granted to the Group without consideration is carried at nominal value.

Biological assets

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

Deferred revenue

Revenue related to infrastructure development in respect of land sold is deferred and is recognised when the related infrastructure development is complete in accordance with the terms of the underlying construction contract and where the Group's obligations under the applicable sale and purchase agreement contract have been met.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Initial recognition and measurement continued

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, contract assets, due from related parties, loan to related parties and cash and bank balances.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial assets continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Financial liabilities and equity instruments continued

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued

Initial recognition and subsequent measurement continued

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Derivative financial instruments continued

Cash flow hedges continued

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Taxation continued

Deferred tax continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax ("VAT")

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- 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 statement of financial position.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Fair value measurement continued

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (note 29), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification

The Group presents assets and liabilities in the statement of consolidated financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter;
- IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities;
- IAS 41 Agriculture - Taxation in fair value measurements;
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3: Reference to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use;
- Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract;
- Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment, intangible assets and investment properties

The management determines the estimated useful lives of its property, plant and equipment, intangible assets and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

During the year, management of certain subsidiaries has reviewed the residual values and useful lives of certain items of property, plant and equipment and changed its estimate with respect to the useful lives of certain items of Dredgers from 18 to 30 years and of a building from 30 years to 47 years effective 1 October 2021. These changes have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, the effect of these changes have been recognised prospectively in the consolidated statement of profit or loss. The effect of these changes on the actual and expected depreciation expense is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued

Useful lives of property, plant and equipment, intangible assets and investment properties continued

	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025* AED'000
Decrease in depreciation expense due to change in the useful lives	<u>7,591</u>	<u>29,809</u>	<u>29,809</u>	<u>29,809</u>	<u>29,809</u>

*Until the end of useful life

Impairment assessment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties, as well as investments in joint ventures and associates are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded net impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 64,007 thousand for the year ended 31 December 2021 (2020: AED 49,866 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

Key sources of estimation of uncertainty continued

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 7,131,404 (2020: AED 2,167,287 thousand) and contract assets were AED 5,964,946 (2020: AED 163,151 thousand), with provision for expected credit losses of AED 433,312 (2020: AED 122,001 thousand) and AED 103,478 (2020: AED 7,378 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of development work in progress

Development properties are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development properties for impairment as at 31 December 2021. Based on the review, management has concluded that there is no impairment loss on its development properties for the year ended 31 December 2021 (2020: nil).

Contract claims

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2021. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

Infrastructure costs

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group's financial statements arising from this review (2020: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

Revenue recognition on real estate contracts

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 39 for further disclosures.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Critical accounting judgments in applying accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of properties

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

Allocation of development costs

The allocation of project development costs between development work in progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Contract variations and claims

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Assets held for sale

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations (note 19). Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from the date of initial classification.

For more details on the assets held for sale, refer to note 19.

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it has de-facto control over following entities, even though it owns less than 50% of the voting rights. This is because of the following:

Easy Lease Motorcycle Rental PJSC (“Easy Lease”)

- the Group is the single largest shareholder of Easy Lease with a 49.57% equity interest;
- As per Easy Lease’s articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Emirates Driving Company PJSC (“DRIVE”)

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 461 shareholders, of which one individual shareholder holds 14.10% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Consolidation of entities in which the Group holds less than a majority of voting right (de facto control) continued

Although the Group holds 50% or less ownership interest in the following subsidiaries, control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Alpha Dhabi Holding PJSC
- Multiply Group PJSC
- Al Seer Marine Supplies and Equipment Company PJSC
- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Emirates International Gas LLC
- Q Car Park LLC
- ABNIA for Industrial Holding LLC
- Sky Go Transport of Goods LLC
- Apex Companies Management LLC

Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Impact of novel coronavirus (COVID-19)

Since early 2020, the macro-economic environment (both globally and within the UAE) has been materially affected by the novel coronavirus which causes the disease known as COVID-19, which was first identified in December 2019 and declared a pandemic by the World Health Organization on 11 March 2020. New strains of the COVID-19 virus have been discovered in late 2020 and early 2021, which are characterised by higher transmission rates. In response to the highly contagious and sometimes fatal COVID-19 virus, the United States, certain EU countries and countries in the Middle East, including the UAE, began imposing quarantine and travel restrictions, as well as other restrictions, which aim to reduce in-person interactions. These measures, while aimed to slow the spread of the COVID-19 virus, have significantly reduced economic activity in many countries around the world (in particular, for those businesses connected to the travel and hospitality sectors). The lock-downs imposed in response to the COVID-19 pandemic may result in reduced consumer consumption and industrial production.

As the effect of COVID-19 on businesses continues to evolve, there are uncertainties and likely risks that may impact the business in future. The potential impact of COVID-19, if any, to the Group's operations are not reflected or adjusted in the accounts and balances reported in these consolidated financial statements.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the year ended 31 December 2021 and 2020, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1 (a) Acquisitions during the year

AFKAR Financial & Property Investments LLC and its subsidiaries ("AFKAR")

Effective 1 January 2021, the Group acquired 60% of the shares in AFKAR Financial & Property Investment LLC and its subsidiaries for nil consideration. AFKAR is based in Abu Dhabi, United Arab Emirates, and is involved in commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development. From the date of acquisition, AFKAR contributed revenue and profit to the Group amounting to AED 237,295 thousand and AED 12,985 thousand respectively.

Alpha Dhabi Holding PJSC ("ALPHA")

Effective 1 April 2021, the Group acquired 45% of the shares in Alpha Dhabi Holding PJSC (*formerly "Trojan Holding LLC"*) and its subsidiaries for nil consideration. ALPHA is based in Abu Dhabi, United Arab Emirates and is involved in contracting of construction of civil works, engineering and construction contracting relating to commercial and residential buildings, infrastructure development, earth and civil works, production and supply of ready-mix concrete, main sewerage networks contracting, main roads, streets and related works contracting, mechanical contracting, onshore and offshore oil and gas fields and facilities services, submain sewerage networks and houses connection contracting, tunnels contracting, transport of material assembly heavy/light trucks, Ready mix and dry-mix concrete and mortar manufacturing, installation and repair of safety equipment and fire extinguishing systems, and manufacturing, supply installation and fabrication of aluminum and glass panels. From the date of acquisition, ALPHA contributed revenue and profit to the Group amounting to AED 12,364,834 thousand and AED 4,096,540 thousand respectively. If the acquisition had taken place at the beginning of the year ALPHA would have contributed revenue and profit to the Group amounting to AED 13,380,986 thousand and AED 4,252,748 thousand respectively. Effective 1 April 2021, Alpha Dhabi Holding PJSC acquired shares in the following entities:

<i>Name of entities</i>	<i>Acquired shares</i>	<i>Principal activities</i>
Murban Energy Limited	100%	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies
Sublime Commercial Investment – Sole proprietorship	100%	Investment holding
Mawarid Holding Investment LLC	70%	Forestry, tourism and agriculture
Pure Health Medical Supplies LLC	31.5%	Hospital management services, laboratory management services, residency visa testing services and distribution of medical related products

Emirates Driving Company PJSC ("DRIVE")

Effective 30 June 2021, Multiply Group PJSC, a subsidiary, acquired 48.01% of the shares in Emirates Driving Company PJSC and its subsidiary for nil consideration, by acquiring 100% of the shares in Spranza Commercial Investment – Sole Properties LLC, an entity which held the shares in DRIVE. DRIVE is a Public Joint Stock Company incorporated in the United Arab Emirates and is involved in the management and development of motor vehicles driving training and to manage investment properties. From the date of acquisition, DRIVE contributed revenue and profit to the Group amounting to AED 136,859 thousand and AED 77,474 thousand respectively. If the acquisition had taken place at the beginning of the year, DRIVE would have contributed revenue and profit to the Group amounting to AED 260,090 thousand and AED 168,003 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

National Marine Dredging Company PJSC (“NMDC”)

Effective 1 June 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65.1% of the shares in National Marine Dredging Company PJSC and its subsidiaries by acquiring 100% of the shares in Sogno Commercial Investment – Sole Proprietorship and WAS Two Commercial Investment, entities which held the shares of NMDC. NMDC is a public joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the execution of engineering, procurement and construction contracts, dredging contracts and associated land reclamation works in the territorial waters of the UAE. From the date of acquisition, NMDC contributed revenue and profit to the Group amounting to AED 5,653,274 thousand and AED 924,266 thousand respectively. If the acquisition had taken place at the beginning of the year, NMDC would have contributed revenue and profit to the Group amounting to AED 7,888,762 thousand and AED 1,012,204 thousand respectively.

Abu Dhabi Mountain Gate (“ADMG”)

Effective 1 April 2021, the Group acquired control over Abu Dhabi Mountain Gate, previously a 47% owned associate of the Group, through the acquisition of an additional interest of 23% in ADMG as part of its acquisition of Alpha Dhabi Holding PJSC for nil consideration. ADMG is a limited liability company operating in Abu Dhabi, United Arab Emirates and is involved in real estate enterprises investment, development, institution and management. From the date of the Group gaining control, ADMG contributed revenue and profit to the Group amounting to AED 12,041 thousand and AED 836 thousand respectively. If the acquisition had taken place at the beginning of the year, ADMG would have contributed revenue and profit to the Group amounting to AED 17,142 thousand and AED 2,706 thousand respectively.

Support Services and Catering LLC (“SSC”)

Effective 1 July 2021, Apex Holding LLC, a subsidiary, acquired 100% of the shares in Support Services and Catering LLC for nil consideration. SSC is involved in building cleaning services. From the date of acquisition, SSC contributed revenue and loss to the Group amounting to AED 3,844 thousand and AED 8 thousand respectively. If the acquisition had taken place at the beginning of the year SSC would have contributed revenue and profit to the Group amounting to AED 7,309 thousand and AED 269 thousand respectively.

Emirates Gateway Security Services LLC (“EGSS”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 95% of the shares in Emirates Gateway Security Services LLC for nil consideration. EGSS is involved in security services. From the date of acquisition, EGSS contributed revenue and profit to the Group amounting to AED 156,434 thousand and AED 31,518 thousand respectively. If the acquisition had taken place at the beginning of the year EGSS would have contributed revenue and profit to the Group amounting to AED 299,775 thousand and AED 53,350 thousand respectively.

The Local Hotel – Chechnya (“Chechnya”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 100% of the shares in The Local Hotel – Chechnya for nil consideration. Chechnya is based in Russia and is involved in hotel services. From the date of acquisition, Chechnya contributed revenue and loss to the Group amounting to AED 4,423 thousand and AED 2,069 thousand respectively. If the acquisition had taken place at the beginning of the year Chechnya would have contributed revenue and loss to the Group amounting to AED 7,500 thousand and AED 2,600 thousand respectively.

Sandstrom Motor Vehicles Manufacturing LLC (“SMVM”)

Effective 1 July 2021, Alpha Dhabi Holding PJSC, a subsidiary, acquired 65% of the shares in Sandstorm Motor Vehicles Manufacturing LLC for nil consideration. SMVM is involved in manufacturing of motor vehicles. From the date of acquisition, SMVM contributed revenue and profit to the Group amounting to AED 42,876 thousand and AED 4,374 thousand respectively. If the acquisition had taken place at the beginning of the year SMVM would have contributed revenue and profit to the Group amounting to AED 77,178 thousand and AED 11,350 thousand respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

Al Qudra Holding PJSC (“Al Qudra”)

Effective 31 December 2021, The Company transferred its 100% ownership in Al Tamouh Investments LLC (“Al Tamouh”) to Al Qudra in return for 2,244,078 shares, representing a 40.74% ownership interest in Al Qudra. Additionally, on 31 December 2021, the Ultimate Parent transferred its 25.24% ownership interest in Al Qudra to Alpha Dhabi Holding PJSC, a subsidiary of the Group, for nil consideration. The above two transactions increased the Group’s ownership in Al Qudra to 67.9% as of 31 December 2021. In substance, the Group acquired control over Al Qudra, and disposed a portion of its ownership in Tamouh without loss of control. The acquisition has been accounted as a common control transaction, as the Ultimate Parent controlled Al Qudra before and after the acquisition.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	AFKAR AED'000	ALPHA AED'000	NMDC AED'000	DRIVE AED'000	ADMG AED'000	EGSS AED'000	SMVM AED'000	CHECHNYA AED'000	SSC AED'000	Al Qudra AED'000	Total AED'000
Assets											
Property, plant and equipment	86,161	1,998,901	4,492,980	200,385	339	183	1,450	-	343	730,521	7,511,263
Intangible assets and goodwill	-	466,194	146,300	3,634	-	-	367	-	-	78,141	694,636
Biological assets	-	19,848	-	-	-	-	-	-	-	-	19,848
Right-of-use assets	115,130	170,515	317,346	40,193	-	-	1,140	-	217	93,743	738,284
Investment properties	87,418	661,519	-	134,250	-	-	-	-	-	5,986,138	6,869,325
Investment in associates and joint ventures	-	403,539	50,194	-	-	-	-	-	-	26,649	480,382
Investment in financial assets	33,596	4,830,935	30,853	76,475	-	63	-	-	-	417,706	5,389,628
Receivable from Islamic financing activities	-	1,070,975	-	-	-	-	-	-	-	-	1,070,975
Inventories	37,363	326,860	320,589	3,170	-	2,497	8,610	4,552	52	2,069	705,762
Development work in progress	-	146,760	-	-	-	-	-	-	-	505,057	651,817
Due from related parties	-	1,436,617	-	300	-	-	19,226	-	42	112,689	1,568,874
Trade and other receivables	32,264	4,589,447	3,234,923	57,332	10,507	156,681	23,195	6	4,028	246,504	8,354,887
Contract assets	-	1,671,513	4,106,004	-	-	-	-	-	-	-	5,777,517
Deferred tax assets	-	8,182	5,261	-	-	-	-	-	-	-	13,443
Assets held for sale	-	-	-	-	-	-	-	-	-	170,372	170,372
Cash and bank balances	86,807	2,176,099	671,119	289,510	3,916	24,802	2,349	3,585	646	1,379,118	4,637,951
	478,739	19,977,904	13,375,569	805,249	14,762	184,226	56,337	8,143	5,328	9,748,707	44,654,964
Liabilities											
Employees' end of service benefit	5,416	205,463	438,176	5,222	-	19,940	61	-	185	6,673	681,136
Borrowings	52,000	3,580,988	2,827,993	-	-	-	-	-	-	1,931,321	8,392,302
Derivative financial instruments	-	61,461	-	-	-	-	-	-	-	-	61,461
Loan from a related party	-	96,133	-	-	-	-	-	-	-	-	96,133
Lease liabilities	116,846	158,909	316,072	41,134	-	-	1,126	-	215	108,107	742,409
Due to related parties	-	1,589,804	-	-	-	36,267	-	-	3,096	486,143	2,115,310
Contract liabilities	-	871,813	-	-	-	-	-	-	-	-	871,813
Margins against letter of guarantees	-	1,159,381	-	-	-	-	-	-	-	-	1,159,381
Liabilities directly associate with assets held for sale	-	-	-	-	-	-	-	-	-	7,607	7,607
Trade and other payables	32,868	3,890,483	4,730,781	35,544	7,090	28,325	2,169	120	1,125	285,611	9,014,116
	207,130	11,614,435	8,313,022	81,900	7,090	84,532	3,356	120	4,621	2,825,462	23,141,668
Net assets	271,609	8,363,469	5,062,547	723,349	7,672	99,694	52,981	8,023	707	6,923,245	21,513,296
Less: non-controlling interest	(108,644)	(4,776,516)	(3,489,337)	(410,674)	(3,986)	(56,393)	(37,236)	(4,355)	(283)	(3,779,715)	(12,667,139)
Proportionate share of identifiable net assets acquired	162,965	3,586,953	1,573,210	312,675	3,686	43,301	15,745	3,668	424	3,143,530	8,846,157
Previously held equity interest transferred from investment in associates (note 10)	-	(262,380)	-	-	(5,022)	-	-	-	-	-	(267,402)
Previously held equity interest transferred from investment in financial assets (note 11)	-	-	(127,934)	-	-	-	-	-	-	(479,981)	(607,915)
Carrying value of the shares in Al Tamouh	-	-	-	-	-	-	-	-	-	(711,064)	(711,064)
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	162,965	3,324,573	1,445,276	312,675	(1,336)	43,301	15,745	3,668	424	1,952,485	7,259,776

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

During 2021, the Group acquired the following entities under common control for no consideration, which did not meet the definition of a business. The details of the assets acquired are as follows:

	<i>Sogno Two</i> <i>Sole Proprietorship</i> <i>LLC</i> <i>AED'000</i>	<i>Sogno Three</i> <i>Sole Proprietorship</i> <i>LLC</i> <i>AED'000</i>	<i>Sublime Two</i> <i>Investment Sole</i> <i>Proprietorship LLC</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Assets				
Investment in associates	-	-	1,668,624	1,668,624
Investment in financial assets (note 10)	2,589,854	2,494,922	247,053	5,331,829
Cash and bank balances	-	-	371,776	371,776
Total net assets transferred	2,589,854	2,494,922	2,287,453	7,372,229
Less: investment in associates*	-	-	1,668,624	1,668,624
Less: non-controlling interests	1,413,715	1,361,895	337,797	3,113,407
Merger reserve	1,176,139	1,133,027	281,032	2,590,198

* This item represents the 25.24% ownership interest in Al Qudra transferred to Alpha Dhabi for nil consideration, which was accounted for as part of the acquisition of Al Qudra above.

6.1(b) Acquisitions in the prior year

Al Tamouh Investments Company LLC ("Al Tamouh")

Effective 1 January 2020, the Group acquired 100% of the shares in Al Tamouh Investments Company LLC and its subsidiaries for nil consideration. Al Tamouh is based in Abu Dhabi, United Arab Emirates and is involved in development of real estate, which includes land and infrastructure development, property development for sale or lease, property and facilities management as well as an adventure park. From the date of acquisition, Al Tamouh contributed revenue and profit to the Group amounting to AED 543,290 thousand and AED 50,615 thousand respectively, for the year ended 31 December 2020.

Al Seer Marine Supplies and Equipment Company LLC ("Al Seer Marine")

Effective 1 January 2020, the Group acquired 100% of the shares in Al Seer Marine Supplies and Equipment Company LLC for nil consideration. Al Seer Marine is based in Abu Dhabi, United Arab Emirates and is involved in importing, maintaining and trading of marine machinery and equipment, boats repairing and trading, trading in marine transportation spare parts, trading in factories preparation equipment, machinery and accessories thereof and repair and maintenance of light and heavy marine equipment, wholesale of spare parts and section trading of ships and boats, retail sale of ships and boats, retail sale of airplanes spare parts and its components, ships management and operations and yachts management and running. From the date of acquisition, Al Seer Marine contributed revenue and profit to the Group amounting to AED 507,088 thousand and AED 33,943 thousand respectively, for the year ended 31 December 2020.

AGRINV SPV RSC ("AGRINV")

Effective 1 April 2020, the Group acquired 100% of the shares in AGRINV SPV RSC for nil consideration. AGRINV is an investment company, having a 99.99% owned subsidiary, Al-Hashemiya for Land Reclamation and Cultivation S.A.E. ("Al-Hashemiya"). Principal activities of Al-Hashemiya is to cultivate, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services. AGRINV is incorporated in Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates. From the date of acquisition, AGRINV contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 3,907 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, AGRINV would have contributed revenue and loss to the Group amounting to AED 1,027 thousand and AED 4,412 thousand respectively, for the year ended 31 December 2020.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) *Acquisitions in the prior year* continued

Royal Technology Solutions ("RTS")

Effective 1 April 2020, the Group acquired 100% of the shares in Royal Technology Solutions for nil consideration. Royal Technology Solutions (the "Company") is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services. From the date of acquisition, RTS contributed revenue and profit to the Group amounting to AED 52,729 thousand and AED 4,305 respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RTS would have contributed revenue and profit to the Group amounting to AED 66,980 thousand and AED 5,277 thousand respectively, for the year ended 31 December 2020.

Multiply Marketing Consultancy ("MMC")

Effective 1 April 2020, the Group acquired 100% of the shares in Multiply Marketing Consultancy LLC for nil consideration. MMC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in advertisement designing and production services. From the date of acquisition, MMC contributed revenue and profit to the Group amounting to AED 13,260 thousand and AED 3,301 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, MMC would have contributed revenue and profit to the Group amounting to AED 15,784 thousand and AED 3,805 thousand respectively, for the year ended 31 December 2020.

Workforce Connexion LLC ("WFC")

Effective 1 April 2020, the Group acquired 100% of the shares in Workforce Connexion LLC for nil consideration. WFC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services. From the date of acquisition, WFC contributed revenue and profit to the Group amounting to AED 330,943 thousand and AED 9,987 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, WFC would have contributed revenue and profit to the Group amounting to AED 396,974 thousand and AED 12,771 thousand respectively, for the year ended 31 December 2020.

Corporate Solutions Consultants LLC ("CSC")

Effective 1 April 2020, the Group acquired 100% of the shares in Corporate Solutions Consultants LLC for nil consideration. CSC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services. From the date of acquisition, CSC contributed revenue and profit to the Group amounting to AED 4,540 thousand and AED 5,252 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, CSC would have contributed revenue and profit to the Group amounting to AED 5,314 thousand and AED 2,751 thousand respectively, for the year ended 31 December 2020.

Multi Serve Typing and Transactions Follow Up LLC ("MST")

Effective 1 April 2020, the Group acquired 100% of the shares in Multi Serve Typing and Transactions Follow Up LLC for nil consideration. MST is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in typing, documents photocopying and transactions follow up services. From the date of acquisition, MST contributed revenue and profit to the Group amounting to AED 901 thousand and AED 568 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, MST would have contributed revenue and profit to the Group amounting to AED 901 thousand and AED 341 thousand respectively, for the year ended 31 December 2020.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) Acquisitions in the prior year continued

Royal Architect Project Management LLC (“RAPM”)

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Architect Project Management LLC for nil consideration. RAPM is a limited liability company incorporated in the Emirates of Abu Dhabi, United Arab Emirates and is involved in the provision of project management and architectural design consultancy services. From the date of acquisition, RAPM contributed revenue and profit to the Group amounting to AED 17,341 thousand and AED 4,560 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RAPM would have contributed revenue and loss to the Group amounting to AED 24,142 thousand and AED 447 thousand respectively, for the year ended 31 December 2020.

Royal Development Company LLC (“RDC”)

Effective 1 July 2020, the Group acquired 100% of the shares in Royal Development Company LLC for nil consideration. RDC is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and is involved in the development of real estate and all activities that are a part of complementary, collateral, incidental, connected with or relating to such activity. From the date of acquisition, RDC contributed revenue and profit to the Group amounting to AED 7,466 thousand and AED 1,865 thousand respectively, for the year ended 31 December 2020. If the acquisition had taken place at the beginning of 2020, RDC would have contributed revenue and loss to the Group amounting to AED 9,810 thousand and AED 2,097 thousand respectively, for the year ended 31 December 2020.

International Holding Company PJSC

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1(b) Acquisitions in the prior year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	<i>Al Tamouh</i> AED'000	<i>Al Seer</i> <i>Marine</i> AED'000	<i>AGRINV</i> AED'000	<i>RTS</i> AED'000	<i>MMC</i> AED'000	<i>WFC</i> AED'000	<i>CSC</i> AED'000	<i>MST</i> AED'000	<i>RAPM</i> AED'000	<i>RDC</i> AED'000	<i>Total</i> AED'000
Assets											
Property and equipment	17,747	36,475	114,623	1,241	3,131	46	-	-	105	2,646	176,014
Intangible assets	6,849	-	-	-	18	-	-	-	57	3	6,927
Right-of-use assets	-	8,973	-	-	-	-	-	-	-	-	8,973
Investment properties	1,193,716	-	-	-	-	-	-	-	-	-	1,193,716
Investment in associates and joint ventures	-	-	-	-	35,450	-	-	-	-	-	35,450
Investment in financial assets	32,684	-	-	-	-	-	-	-	-	-	32,684
Assets held for sale	812,715	-	-	-	-	-	-	-	-	-	812,715
Inventories	9,951	1,120	47	36,514	-	-	-	-	-	-	47,632
Development work in progress	731,042	-	-	-	-	-	-	-	-	-	731,042
Due from related parties	-	18,264	-	3,596	6,138	11,792	619	838	6,105	25,730	73,082
Trade and other receivables	820,959	266,225	253	10,458	14,311	20,655	2,149	-	9,728	102,778	1,247,516
Cash and bank balances	163,448	145,680	18,682	46,778	9,445	3,825	913	771	17,091	10,368	417,001
	3,789,111	476,737	133,605	98,587	68,493	36,318	3,681	1,609	33,086	141,525	4,782,752
Liabilities											
Employees' end of service benefit	16,514	9,921	3	1,188	2,347	4,212	-	-	1,461	889	36,535
Borrowings	789,775	-	-	-	-	-	-	-	-	-	789,775
Lease liabilities	-	9,182	-	-	-	-	-	-	-	-	9,182
Due to related parties	-	15,475	-	2,468	1,676	9,736	2,679	365	1,326	48,701	82,426
Trade and other payables	1,657,731	195,844	87,213	63,735	7,836	15,827	2,466	62	6,842	85,708	2,123,264
	2,464,020	230,422	87,216	67,391	11,859	29,775	5,145	427	9,629	135,298	3,041,182
Net assets	1,325,091	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,741,570
Less: non-controlling interest	(647)	-	-	-	-	-	-	-	-	-	(647)
Proportionate share of identifiable net assets acquired	1,324,444	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,740,923
Consideration paid	-	-	-	-	-	-	-	-	-	-	-
Merger reserve	1,324,444	246,315	46,389	31,196	56,634	6,543	(1,464)	1,182	23,457	6,227	1,740,923

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2 (a) Acquisitions during the year continued

Royal Horizon Holding LLC ("Royal Horizon")

Effective 1 January 2021, Zee Store PJSC, a subsidiary, acquired 60% interest in Royal Horizon Holding LLC and its subsidiaries for a consideration of AED 40,000 thousand. The subsidiaries of Royal Horizon are as follows:

<i>Name of entities</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores
Al Ufuq Almalaki General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, importing, exporting, retail sale of wood products

From the date of acquisition, Royal Horizon contributed revenue and profit to the Group amounting to AED 164,350 thousand and AED 5,214 thousand respectively.

Fixis Technical Services LLC ("Fixis")

Effective 1 January 2021, Eltizam Asset Management LLC ("Eltizam"), a previously owned subsidiary, acquired a 100% interest in Fixis Technical Services LLC for a consideration of AED 2,090 thousand. Fixis is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in security system and equipment trading installation and maintenance. Subsequent to the acquisition, the Group deconsolidated Fixis upon losing control over Eltizam (note 6.3C).

From the date of acquisition, until the date of loss of control, Fixis contributed revenue and profit to the Group amounting to AED 6,409 thousand and AED 329 thousand respectively.

Connect Outsourcing Temporary Employment - Sole Proprietorship LLC ("Connect")

Effective 1 January 2021, WFC Holding - Sole Proprietorship LLC, a subsidiary, acquired a 50% interest in Connect Outsourcing Temporary Employment - Sole Proprietorship LLC for nil consideration. Connect is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of employees provision services and facilities services. From the date of acquisition, Connect contributed revenue and profit to the Group amounting to AED 575 thousand and AED 16 thousand respectively.

Boudoir Interiors - Sole Proprietorship LLC ("Boudoir")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Boudoir Interiors - Sole Proprietorship LLC for nil consideration. Boudoir is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in interior design implementation works and sale of furniture. From the date of acquisition, Boudoir contributed revenue and loss to the Group amounting to AED 1,982 thousand and AED 4,574 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

The Central Tents - Sole Proprietorship LLC ("Central Tents")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Central Tents - Sole Proprietorship LLC for nil consideration. Central Tents is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in retail sale of tents and shades and event management. From the date of acquisition, Central Tents contributed revenue and profit to the Group amounting to AED 548,245 thousand and AED 135,746 thousand respectively.

Apex National Investment - Sole Proprietorship LLC ("Apex National")

Effective 1 January 2021, Apex Holding LLC, a subsidiary, acquired a 100% interest in Apex National Investment - Sole Proprietorship LLC, for nil consideration. Apex National is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in commercial, real estate and industrial enterprises investments, institutions and management. From the date of acquisition, Apex National contributed revenue and profit to the Group amounting to AED 1,569 thousand and AED 360,657 thousand respectively.

1885 Delivery Services LLC - Sole Establishment ("1885 Delivery")

Effective 4 April 2021, Easy Lease Motor Cycle Rental PSC, a subsidiary, acquired a 70% interest in 1885 Delivery Services LLC for nil consideration. 1885 Delivery is a limited liability company, registered and incorporated in the Emirate of Dubai and is engaged in the business of delivery services. From the date of acquisition, 1885 Delivery contributed revenue and loss to the Group amounting to AED 13,012 thousand and AED 347 thousand respectively. If the acquisition had taken place at the beginning of the year, 1885 Delivery would have contributed revenue and loss to the Group amounting to AED 13,604 thousand and AED 483 thousand respectively.

Viola Communications LLC ("Viola")

Effective 1 July 2021, Multiply Group PJSC, a subsidiary, acquired the remaining 50% interest in Viola Communications LLC, for a consideration of AED 73,000 thousand. As a result, Multiply Group PJSC increased its ownership in Viola to 100% and obtained control. The investment in Viola was previously accounted as an investment in associate. Viola is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in the business of advertisement, designing and production and other commercial publication printing. From the date of acquisition, Viola contributed revenue and profit to the Group amounting to AED 49,597 thousand and AED 4,027 thousand respectively. If the acquisition had taken place at the beginning of the year, Viola would have contributed revenue and profit to the Group amounting to AED 78,090 thousand and AED 2,189 thousand respectively.

Rafed Healthcare Supplies LLC ("Rafed")

Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Rafed Healthcare Supplies LLC. Rafed is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in wholesale trading of medical related items and medical storehouse. From the date of acquisition, Rafed contributed revenue and profit to the Group amounting to AED 556,044 thousand and AED 20,682 thousand respectively. If the acquisition had taken place at the beginning of the year, Rafed would have contributed revenue and profit to the Group amounting to AED 2,668,021 thousand and AED 24,851 thousand respectively.

Union 71 Medical Facilities Management LLC ("Union71")

Effective 1 October 2021, Pure Health Medical Supplies LLC, a subsidiary, acquired control over 100% of the voting shares in Union71 Medical Facilities Management LLC. Union71 is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engagement in management of medical facilities. From the date of acquisition, Union71 contributed revenue and profit to the Group amounting to AED 170,094 thousand and AED 46,808 thousand respectively. If the acquisition had taken place at the beginning of the year, Union71 would have contributed revenue and profit to the Group amounting to AED 652,471 thousand and AED 245,353 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Dazzling Beauty Salon – Sole Proprietorship (“Dazzling”)

Effective 31 October 2021, Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Dazzling Beauty Salon – Sole Proprietorship for a consideration of AED 3,500 thousand. Dazzling is a sole proprietorship, registered in the Emirate of Ras Al Khaimah and is engaged in women personal care and beauty and women hairdressing, trimming and styling. From the date of acquisition, Dazzling contributed revenue and profit to the Group amounting to AED 750 thousand and AED 313 thousand respectively. If the acquisition had taken place at the beginning of the year, Dazzling would have contributed revenue and profit to the Group amounting to AED 3,656 thousand and AED 754 thousand respectively.

Groovy Ladies Beauty Center (“Groovy”)

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Groovy Ladies Beauty Center for a consideration of AED 16,000 thousand. Groovy is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty and women oriental bath, women haircutting and hair dressing and women massage and relaxation centre. From the date of acquisition, Groovy contributed revenue and profit to the Group amounting to AED 1,984 thousand and AED 355 thousand respectively. If the acquisition had taken place at the beginning of the year, Groovy would have contributed revenue and profit to the Group amounting to AED 10,940 thousand and AED 2,101 thousand respectively.

Glam & Glow Beauty Lounge - Sole Proprietorship (“Glam & Glow”)

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Glam & Glow Beauty Lounge – Sole Proprietorship for a consideration of AED 7,500 thousand. Glam & Glow is a sole proprietorship, registered in the Emirate of Abu Dhabi, and is engaged in women personal care and beauty, women haircutting and hair dressing and wholesale of cosmetics and trading. From the date of acquisition, Glam & Glow contributed revenue and profit to the Group amounting to AED 686 thousand and AED 166 thousand respectively. If the acquisition had taken place at the beginning of the year, Glam & Glow would have contributed revenue and profit to the Group amounting to AED 4,251 thousand and AED 1,030 thousand respectively.

Stella Beauty Lounge Center (“Stella”)

Effective 31 October 2021 Bedashing Holding Company LLC, a subsidiary, acquired a 100% interest in Stella Beauty Lounge Center – Sole Proprietorship for a consideration of AED 9,000 thousand. Stella is a sole proprietorship, registered in the Emirate of Abu Dhabi and is engaged in women personal care and beauty, women haircutting and hair dressing and retails sale of cosmetics. From the date of acquisition, Stella contributed revenue and profit to the Group amounting to AED 955 thousand and AED 247 thousand respectively. If the acquisition had taken place at the beginning of the year, Stella would have contributed revenue and profit to the Group amounting to AED 5,119 thousand and AED 941 thousand respectively.

Tips & Toes Beauty and Spa Centre LLC (“Tips & Toes”), Jazz Lounge Spa LLC (“Jazz”), and Ben Suhail Distribution LLC (“Ben Suhail”)

Effective 31 December 2021, Multiply Group PJSC, a subsidiary, entered into an agreement with a third party to establish Omorfia Group LLC (“Omorfia”), a limited liability company. Based on the contractual terms, the Group will contribute Bedashing Holding Company LLC and pay the third party a cash consideration of AED 156,348 thousand, whereas the third party will contribute Tips & Toes, Jazz, and Ben Suhail. As per the agreement, Omorfia will be 51% owned by the Group and 49% owned by the third party. In substance, the Group acquired 51% controlling interest in Tips & Toes, Jazz, and Ben Suhail for consideration represented by cash consideration of AED 156,348 thousand and the fair value of the 49% interest in Bedashing transferred to the third party. If the acquisition had taken place at the beginning of the year, Tips & Toes, Jazz, and Ben Suhail would have contributed revenue and profit to the Group amounting to AED 196,109 thousand and AED 26,668 thousand respectively.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Royal Horizon AED'000	Fixis AED'000	1885 Delivery AED'000	Connect AED'000	Rafed* AED'000	Union 71* AED'000	(i) Mutlply acquisitions AED'000	(ii) Apex acquisitions AED'000	Total AED'000
Assets									
Property, plant and equipment	12,015	249	-	-	1,304	10,986	35,348	2,641	62,543
Intangible assets	42,633	-	-	-	178,600	961,200	147,800	-	1,330,233
Right of use assets	1,048	-	-	-	-	80,980	38,514	-	120,542
Inventories	17,725	52	-	-	-	12,120	12,613	46	42,556
Due from related parties	4,730	-	-	-	1,113,553	364,489	21,763	2,852	1,507,387
Trade and other receivables	18,818	5,769	268	5,749	237,327	31,305	62,866	10,438	372,540
Cash and bank balances	5,543	1,869	178	101	169,953	116,523	104,287	102	398,556
Total assets	102,512	7,939	446	5,850	1,700,737	1,577,603	423,191	16,079	3,834,357
Liabilities									
Employees' end of service benefit	651	395	-	-	1,427	7,256	21,870	480	32,079
Borrowings	9,207	-	-	-	-	-	-	-	9,207
Lease liabilities	973	-	-	-	-	82,359	37,466	-	120,798
Due to related parties	-	-	-	-	-	318,132	16,928	11,196	346,256
Trade and other payables	26,540	5,135	582	5,400	1,422,601	90,468	57,212	3,022	1,610,960
Total liabilities	37,371	5,530	582	5,400	1,424,028	498,215	133,476	14,698	2,119,300
Total identifiable net assets (liabilities) at fair value	65,141	2,409	(136)	450	276,709	1,079,388	289,715	1,381	1,715,057
Proportionate share of identifiable net assets (liabilities) acquired	39,085	2,409	(95)	225	276,709	1,079,388	208,125	1,381	1,607,227
Goodwill arising on acquisition (note 8)	915	-	95	-	-	-	210,929	6,883	218,822
Gain on bargain purchase	-	(319)	-	(225)	-	-	-	(8,264)	(8,808)
Purchase consideration	40,000	2,090	-	-	276,709	1,079,388	419,054	-	1,817,241
Non-controlling interest on acquisition	26,056	-	(41)	225	-	-	81,590	-	107,830
Additional non-controlling interest on Group level	11,528	-	-	-	197,413	770,068	197,321	3,306	1,179,636
Total non-controlling interest	37,584	-	(41)	225	197,413	770,068	278,911	3,306	1,287,466

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercises of these acquisitions within one year from the respective acquisition dates.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(i) Entities acquired by Multiply Group PJSC

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>Omorfia Group LLC</i>				<i>Groovy*</i>	<i>Stella*</i>	<i>Glam & Glow*</i>	<i>Dazzling*</i>	<i>Viola</i>	<i>Total</i>
	<i>Jazz*</i>	<i>Tips & Toes</i>	<i>Ben Suhail*</i>	<i>Total</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>						
Assets										
Property, plant and equipment	4,046	27,802	454	32,302	1,319	32	122	588	985	35,348
Intangible assets	7,507	83,044	1,002	91,553	1,449	588	996	344	52,870	147,800
Right-of-use assets	3,515	28,477	-	31,992	-	-	-	-	6,522	38,514
Inventories	346	7,730	2,865	10,941	464	88	-	58	1,062	12,613
Due from related parties	21	19,919	1,452	21,392	-	-	-	-	371	21,763
Trade and other receivables	531	8,391	2,981	11,903	600	651	422	309	48,981	62,866
Cash and bank balances	405	54,780	710	55,895	-	-	-	-	48,392	104,287
Total assets	16,371	230,143	9,464	255,978	3,832	1,359	1,540	1,299	159,183	423,191
Liabilities										
Employees' end of service benefit	786	12,091	373	13,250	96	89	69	46	8,320	21,870
Lease liabilities	3,590	27,453	-	31,043	-	-	-	-	6,423	37,466
Due to related parties	6,841	5,796	1,936	14,573	-	-	-	-	2,355	16,928
Trade and other payables	1,867	25,831	2,904	30,602	352	451	170	307	25,330	57,212
Total liabilities	13,084	71,171	5,213	89,468	448	540	239	353	42,428	133,476
Total identifiable net assets at fair value				166,510	3,384	819	1,301	946	116,755	289,715
Proportionate share of identifiable net assets acquired				84,920	3,384	819	1,301	946	116,755	208,125
Goodwill arising on acquisition				152,134	12,616	8,181	6,199	2,554	29,245	210,929
Purchase consideration				237,054	16,000	9,000	7,500	3,500	146,000	419,054
Non-controlling interest on acquisition				81,590	-	-	-	-	-	81,590
Additional non-controlling interest on Group level				161,736	9,326	5,246	4,372	2,040	14,601	197,321
Total non-controlling interest				243,326	9,326	5,246	4,372	2,040	14,601	278,911

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercises of these acquisitions within one year from the respective acquisition dates.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(ii) Entities acquired by Apex Holding LLC

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>Boudoir AED'000</i>	<i>Central Tents AED'000</i>	<i>Apex National AED'000</i>	<i>Total AED'000</i>
Assets				
Property, plant and equipment	-	2,641	-	2,641
Inventories	46	-	-	46
Due from related parties	1,887	965	-	2,852
Trade and other receivables	949	9,489	-	10,438
Cash and bank balances	<u>69</u>	<u>33</u>	<u>-</u>	<u>102</u>
Total assets	<u>2,951</u>	<u>13,128</u>	<u>-</u>	<u>16,079</u>
Liabilities				
Employees' end of service benefits	237	243	-	480
Due to related parties	6,646	3,327	1,223	11,196
Trade and other payables	<u>1,728</u>	<u>1,294</u>	<u>-</u>	<u>3,022</u>
Total liabilities	<u>8,611</u>	<u>4,864</u>	<u>1,223</u>	<u>14,698</u>
Total identifiable net (liabilities) assets at fair value	(5,660)	8,264	(1,223)	1,381
Proportionate share of identifiable net (liabilities) assets acquired	(5,660)	8,264	(1,223)	1,381
Goodwill arising on acquisition	5,660	-	1,223	6,883
Gain on bargain purchase	<u>-</u>	<u>(8,264)</u>	<u>-</u>	<u>(8,264)</u>
Purchase consideration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-controlling interest on Group level	<u>-</u>	<u>3,306</u>	<u>-</u>	<u>3,306</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Intangible assets of AED 1,329,072 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks and license.

Goodwill of AED 218,822 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 10% to 16.2%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 2%, which has been used to determine income for the future years.

Details of purchase consideration are as follows:

	<i>Royal Horizon AED'000</i>	<i>Fixis AED'000</i>	<i>1885 Delivery AED'000</i>	<i>Connect AED'000</i>	<i>Rafed AED'000</i>	<i>Union 71 AED'000</i>	<i>(i) Multiply acquisitions AED'000</i>	<i>Apex acquisitions AED'000</i>	<i>Total AED'000</i>
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	192,348	-	257,128
Consideration settled by the Ultimate Parent*	-	-	-	-	272,171	1,061,236	-	-	1,333,407
Fair value of previously held equity interest	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Multiply Group PJSC	-	-	-	-	-	-	73,000	-	73,000
Fair value of shares in Bedashing Holding Company LLC	-	-	-	-	-	-	80,706	-	80,706
Total purchase consideration	<u>40,000</u>	<u>2,090</u>	<u>-</u>	<u>-</u>	<u>276,709</u>	<u>1,079,388</u>	<u>419,054</u>	<u>-</u>	<u>1,817,241</u>

* Pure Health obtained control over Rafed and Union 71 as a result of a sale and purchase transaction executed by the Ultimate Parent with a third party. The cash consideration relating to the acquisition of Rafed and Union71 amounted to AED 22,690 thousand was settled by Pure Health. The remaining purchase consideration of AED 1,333,407 thousand was settled through transfer of shares owned by the Ultimate Parent, and accordingly was recorded under merger reserve and non-controlling interest at AED 382,154 thousand and 951,253 thousand respectively.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

(i) Details of purchase consideration of entities acquired by Multiply are as follows:

	<i>Omorfia</i> <i>AED '000</i>	<i>Groovy</i> <i>AED '000</i>	<i>Stella</i> <i>AED '000</i>	<i>Glam & Glow</i> <i>AED '000</i>	<i>Dazzling</i> <i>AED '000</i>	<i>Viola</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Cash paid for the acquisition	156,348	16,000	9,000	7,500	3,500	-	192,348
Fair value of previously held equity interest*	-	-	-	-	-	73,000	73,000
Fair value of shares in Multiply Group PJSC**	-	-	-	-	-	73,000	73,000
Fair value of shares in Bedashing Holding Company LLC***	80,706	-	-	-	-	-	80,706
	<u>237,054</u>	<u>16,000</u>	<u>9,000</u>	<u>7,500</u>	<u>3,500</u>	<u>146,000</u>	<u>419,054</u>
* Carrying value of previously held equity interest (note 10)							32,012
Fair value gain (note 31)							<u>40,988</u>
Fair value of previously held equity interest							<u>73,000</u>

** Represents the fair value of the 0.74% ownership in Multiply Group PJSC which was granted by the Company ("IHC") on 5 December 2021 (i.e. the date on which Multiply Group PJSC got listed in the primary market of Abu Dhabi Stock Exchange) to the seller in order to settle the acquisition price of the remaining 50% in Viola.

*** Represents the fair value of the 49% ownership interest in Bedashing Holding Company LLC, having an effective sharing of 15.57% at the Group's level, which was granted to the third party as part of the agreement to establish Omorfia.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2 (a) Acquisitions during the year continued

Analysis of cashflow on acquisition is as follows:

	<i>Royal Horizon AED'000</i>	<i>Fixis AED'000</i>	<i>1885 Delivery AED'000</i>	<i>Connect AED'000</i>	<i>Rafed AED'000</i>	<i>Union 71 AED'000</i>	<i>Multiply acquisitions AED'000</i>	<i>Apex acquisitions AED'000</i>	<i>Total AED'000</i>
Cash paid for the acquisition	40,000	2,090	-	-	4,538	18,152	192,348	-	257,128
Net cash acquired on business combination	<u>(5,543)</u>	<u>(1,869)</u>	<u>(178)</u>	<u>(101)</u>	<u>(169,953)</u>	<u>(116,523)</u>	<u>(104,287)</u>	<u>(102)</u>	<u>(398,556)</u>
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	34,457	221	(178)	(101)	(165,415)	(98,371)	88,061	(102)	(141,428)
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>156</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>147</u>	<u>147</u>	<u>277</u>	<u>134</u>	<u>906</u>
Net cash used (acquired) on acquisition	<u>34,613</u>	<u>221</u>	<u>(178)</u>	<u>(56)</u>	<u>(165,268)</u>	<u>(98,224)</u>	<u>88,338</u>	<u>32</u>	<u>(140,522)</u>

Acquisition related costs amounted to AED 906 thousand were expensed during the year and are included in general and administrative expenses.

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year

During 2020, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Dashing International Group of Companies

Effective 1 April 2020, the Group acquired a 100% interest in Dashing International Group of Companies. Dashing International Group of Companies comprises of four limited liability entities ("Dashing"), details of which are as follows:

<i>Name of entities</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>
Dashing International Group - Sole proprietorship LLC	United Arab Emirates	Company representation
Bedashing Beauty Lounge - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services
Nippers & Scissors training Centre - Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services

From the date of acquisition till 31 December 2020, Dashing contributed revenue and profit to the Group amounting to AED 36,966 thousand and AED 5,828 thousand respectively. If the acquisition had taken place at the beginning of the year, Dashing would have contributed revenue and profit to the Group amounting to AED 50,502 thousand and AED 7,053 thousand respectively, for the year ended 31 December 2020.

Easy Lease Motorcycle Rental PJSC ("Easy Lease")

Effective 1 April 2020, the Group acquired a 55% interest in Easy Lease Motorcycle Rental PJSC and its 67% owned subsidiary, Uplift Delivery Services LLC. Both companies are limited liability companies, registered and incorporated in the Emirate of Dubai, United Arab Emirates. Easy Lease Motorcycle Rental LLC is engaged in motorcycles trading, motorcycles repairing and motorcycles rental services. From the date of acquisition till 31 December 2020, Easy Lease contributed revenue and profit to the Group amounting to AED 72,492 thousand and AED 21,783 thousand respectively. If the acquisition had taken place at the beginning of the year, Easy Lease would have contributed revenue and profit to the Group amounting to AED 87,711 thousand and AED 25,108 thousand respectively, for the year ended 31 December 2020.

R-Med Medical Supplies LLC ("R-Med")

Effective 1 July 2020, the Group acquired a 52% interest in R-Med Medical Supplies LLC ("R-Med"). R-Med is a limited liability company, incorporated in the Emirate of Dubai with its principle activities being procuring, packaging and distributing medical hygiene products and automated sanitizing passthrough gates. From the date of acquisition till 31 December 2020, R-Med contributed nil revenue and loss to the Group. If the acquisition had taken place at the beginning of the year R-Med would have contributed revenue and loss to the Group amounting to AED 2,403 thousand and AED 1,769 thousand respectively, for the year ended 31 December 2020.

Apex Alwataniah Catering Service LLC ("Apex")

Effective 1 July 2020, the Group acquired a 60% interest in Apex Alwataniah Catering Service LLC ("Apex"). Apex is a limited liability company registered and incorporated in the Emirate of Abu Dhabi and is engaged in the provision of catering services to private and public organisations. From the date of acquisition till 31 December 2020, Apex contributed revenue and profit to the Group amounting to AED 342,570 thousand and AED 135,335 thousand respectively. If the acquisition had taken place at the beginning of the year, Apex would have contributed revenue and profit to the Group amounting to AED 362,844 thousand and AED 141,743 thousand respectively, for the year ended 31 December 2020.

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6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

	<i>Dashing</i> <i>AED'000</i>	<i>Easy Lease</i> <i>AED'000</i>	<i>R-Med</i> <i>AED'000</i>	<i>Apex</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Assets					
Property, plant and equipment	7,304	35,360	-	1,850	44,514
Intangible assets	44,200	57,551	-	-	101,751
Right-of-use assets	8,472	2,522	-	-	10,994
Inventories	4,102	1,173	-	544	5,819
Due from related parties	-	351	66	-	417
Trade and other receivables	3,809	17,645	2,642	14,969	39,065
Cash and bank balances	<u>4,994</u>	<u>2,043</u>	<u>29</u>	<u>469</u>	<u>7,535</u>
Total assets	<u>72,881</u>	<u>116,645</u>	<u>2,737</u>	<u>17,832</u>	<u>210,095</u>
Liabilities					
Employees' end of service benefit	873	607	-	36	1,516
Borrowings	22	19,134	-	-	19,156
Lease liabilities	8,192	2,572	-	-	10,764
Trade and other payables	<u>6,694</u>	<u>9,039</u>	<u>4,205</u>	<u>9,888</u>	<u>29,826</u>
Total liabilities	<u>15,781</u>	<u>31,352</u>	<u>4,205</u>	<u>9,924</u>	<u>61,262</u>
Total identifiable net assets (liabilities) at fair value	<u>57,100</u>	<u>85,293</u>	<u>(1,468)</u>	<u>7,908</u>	<u>148,833</u>
Proportionate share of identifiable net assets (liabilities) acquired	57,100	46,900	(763)	4,745	107,982
Goodwill arising on acquisition (note 8)	35,900	71,100	763	-	107,763
Gain on bargain purchase	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,745)</u>	<u>(4,745)</u>
Purchase consideration	<u>93,000</u>	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>211,000</u>
Non-controlling interest	<u>-</u>	<u>38,393</u>	<u>(705)</u>	<u>3,163</u>	<u>40,851</u>

The fair value assessment of identifiable net assets is complete for all entities.

Intangible assets of AED 101,600 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer contracts, customer relationships, trademarks and brand names.

Goodwill of AED 107,763 thousand arising from the acquisition comprises largely the value of expected synergies arising from the acquisition, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- An assumed discount rate of 14.5 to 16%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 4% to 5%, which has been used to determine income for the future years

Analysis of cashflows on acquisitions is as follows:

	<i>Dashing</i> AED'000	<i>Easy Lease</i> AED'000	<i>R-Med</i> AED'000	<i>Apex</i> AED'000	<i>Total</i> AED'000
<u>Purchase consideration:</u>					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Contingent consideration liability	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Total consideration	<u>93,000</u>	<u>118,000</u>	<u>-</u>	<u>-</u>	<u>211,000</u>
<u>Analysis of cashflow on acquisition:</u>					
Cash paid for the acquisition	93,000	100,000	-	-	193,000
Net cash acquired on business combination	<u>(4,994)</u>	<u>(2,043)</u>	<u>(29)</u>	<u>(469)</u>	<u>(7,535)</u>
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	88,006	97,957	(29)	(469)	185,465
Transaction costs of the acquisition (included in cash flows from operating activities)	<u>317</u>	<u>463</u>	<u>45</u>	<u>45</u>	<u>870</u>
Net cash used (acquired) on acquisition	<u>88,323</u>	<u>98,420</u>	<u>16</u>	<u>(424)</u>	<u>186,335</u>

Acquisition related costs amounted to AED 870 thousand were expensed during the year and are included in general and administrative expenses.

Contingent consideration

As part of the purchase agreement for the acquisition of Easy Lease, a contingent consideration clause exists, where an additional cash payment of AED 18,700 thousand is to be settled to the previous owner, if Easy Lease achieves a minimum net profit of AED 24,500 thousand during the year ended 31 December 2020. As at the acquisition date, the fair value of the contingent consideration was estimated to be AED 18,000 thousand. The Group had initially recorded the contingent consideration based on the key performance indicators of Easy Lease, where it was highly probable that the targeted profit will be achieved due to significant expansion in the business and the synergies realised. Subsequently, Easy Lease achieved a profit of AED 25,108 thousand for the year ended 31 December 2020, which meets the set minimum target.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in prior year continued

The fair value is determined using a discounted cashflow (DCF) method. The significant unobservable inputs used in the fair value measurements, together with a quantitative sensitivity analysis at the date of acquisition was as follows:

<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Sensitivity of the input to fair value</i>
DCF Method	- Assumed probability - adjusted profit before tax of Easy Lease amounting to AED 24,500 thousand	More than 5% decrease in the assumed probability-adjusted profit before tax of Easy lease results in nil additional consideration.
	- Discount rate of 15.2%	5% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by AED 570 thousand.

6.3 Disposal of subsidiaries

(A) Disposal of Trust international Group LLC ("Trust")

Effective 1 January 2021, the Group disposed of its entire ownership interest in Trust International Group LLC ("Trust") for consideration of AED 350,000 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	170,775
Non-current assets	<u>207,964</u>
Total assets	<u>378,739</u>
Current liabilities	(29,797)
Non-current liabilities	<u>(5,353)</u>
Total liabilities	<u>(35,150)</u>
Net assets	343,589
Consideration received on disposal	<u>350,000</u>
Gain on disposal	<u>6,411</u>

The net cash flows generated from the sale of Trust are, as follows:

	<i>AED'000</i>
Cash received from sale	350,000
Cash sold as part of the sale	<u>(44,152)</u>
Net cash inflow on date of disposal	<u>305,848</u>

The results of the operations of Trust were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 BUSINESS COMBINATIONS continued

6.3 Disposal of subsidiaries continued

(B) Disposal of R-Med Medical Supplies LLC ("R-Med")

Effective 1 April 2021, the Group disposed its entire ownership interest in R-Med Medical Supplies LLC ("R-Med") for nil consideration. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED'000</i>
Current assets	2,737
Non-current assets	<u>763</u>
Total assets	<u>3,500</u>
Total liabilities	<u>(4,205)</u>
Net assets	(705)
Non-controlling interest	705
Consideration received on disposal	<u>-</u>
Gain on disposal	<u><u>-</u></u>

The net cash flows generated from the sale of R-Med are, as follows:

	<i>AED'000</i>
Cash received from sale	-
Cash sold as part of the sale	<u>(29)</u>
Net cash outflow on date of disposal	<u><u>(29)</u></u>

The results of the operations of R-Med were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.3 Disposal of subsidiaries continued

(C) Disposal of *Eltizam Asset Management LLC* (“Eltizam”)

Effective 1 July 2021, the Group disposed 50% of its wholly owned subsidiary, Eltizam Asset Management LLC (“Eltizam”) to a third party for nil consideration. As a result, the Group lost control over Eltizam and recorded the 50% interest retained in Eltizam as an investment in joint venture at its fair value at the date of disposal (note 10). The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED‘000</i>
Current assets	210,077
Non-current assets	<u>24,918</u>
Total assets	<u>234,995</u>
Current liabilities	(146,135)
Non-current liabilities	<u>(14,948)</u>
Total liabilities	<u>(161,083)</u>
Net assets	73,912
Less: non-controlling interest	<u>(1,197)</u>
Net assets attributable to the owners of Eltizam	<u>72,715</u>
Fair value of investment retained in Eltizam (50%)	101,500
Consideration received on disposal of 50%	<u>-</u>
Gain on disposal	<u>28,785</u>

The net cash flows generated from the sale of Eltizam are as follows:

	<i>AED‘000</i>
Cash received from sale	-
Cash sold as part of the sale	<u>(12,629)</u>
Net cash outflow on date of disposal	<u>(12,629)</u>

The results of the operations of Eltizam were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.3 Disposal of subsidiaries continued

(D) Disposal of Alliance Food Security Holdings LLC ("AFSH")

Effective 1 October 2021, the Group disposed of its entire shareholding in Alliance Food Security Holdings LLC ("AFSH") for a consideration of AED 32,000 thousand. The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>AED '000</i>
Current assets	96,404
Non-current assets	<u>53,829</u>
Total assets	<u>150,233</u>
Current liabilities	(94,672)
Non-current liabilities	<u>(11,430)</u>
Total liabilities	<u>(106,102)</u>
Net assets	44,131
Less: non-controlling interest	<u>(20,789)</u>
Net assets attributable to the owners of AFSH	<u>23,342</u>
Consideration received on disposal	<u>32,000</u>
Gain on disposal	<u>8,658</u>

The net cash flows generated from the sale of AFSH are as follows:

	<i>AED '000</i>
Cash received from sale	32,000
Cash sold as part of the sale	<u>(2,211)</u>
Net cash inflow on date of disposal	<u>29,789</u>

The results of the operations of AFSH were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

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6 BUSINESS COMBINATIONS continued

6.4 Reduction in shareholding without a loss of control

(A) Reduction in shareholding of a subsidiary due to share based payments

On 31 May 2021, ordinary shares of ESG Emirates Stallions Group PJSC ("ESG"), a subsidiary, (2020: ordinary shares of three subsidiaries of the Company) were granted to certain personnel of the Group (note 37), which resulted in a reduction of the Group's shareholding as follows:

	2021 ESG	2020			
		Easy Lease	Palms Sports	Zee Store	Total
Reduction in shareholding (%)	5%	5%	20%	21%	
Number of shares awarded	<u>12,500,000</u>	<u>1,500,000</u>	<u>30,000,000</u>	<u>21,000,000</u>	<u>52,500,000</u>
Increase in non-controlling interest (AED'000)	<u>52,000</u>	<u>10,727</u>	<u>63,290</u>	<u>33,149</u>	<u>107,166</u>

(B) Partial disposal of shareholding in subsidiaries for no consideration

During the year, the Group transferred a portion of its shareholding in certain subsidiaries, without loss of control, to related parties under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	ESG Emirates Stallions Group PJSC	Al Seer Marine	Multiply Group	Total
Reduction in shareholding (%)	10%	15%	20.23%	
Number of shares disposed-off	<u>15</u>	<u>30,000,000</u>	<u>1,155,522,442</u>	<u>1,185,522,457</u>
Carrying value of the shareholding disposed-off (AED '000)	<u>27,616</u>	<u>43,436</u>	<u>286,490</u>	<u>357,542</u>
Difference recognised directly in merger reserve (AED '000)	<u>27,616</u>	<u>43,436</u>	<u>286,490</u>	<u>357,542</u>

(C) Partial disposal of shareholding in subsidiaries against consideration

During the year, the Group transferred a portion of its shareholding in certain subsidiaries for a consideration of AED 6,617,392 thousand (2020: AED 109,609 thousand). Following is a summary of the reduction in shareholding:

2021	Al Seer Marine	Multiply Group (i)	WFC Group(ii)	Al Tamouh Investment	Bedashing	Total
Reduction in shareholding (%)	40.1%	59.03%	30%	46.64%	15.57%	
Number of shares disposed-off	<u>401,000,000</u>	<u>1,239,662,937</u>	<u>30,000</u>	<u>466,600</u>	<u>778</u>	<u>1,641,160,315</u>
Carrying value of the shareholding disposed-off (AED '000)	<u>124,425</u>	<u>4,051,449</u>	<u>41,604</u>	<u>711,064</u>	<u>16,505</u>	<u>4,945,047</u>
Less: consideration received (AED '000)	<u>(164,000)</u>	<u>(5,592,700)</u>	<u>(68,922)</u>	<u>(711,064)</u>	<u>(80,706)</u>	<u>(6,617,392)</u>
Difference recognised directly in retained earnings (AED '000)	<u>(39,575)</u>	<u>(1,541,251)</u>	<u>(27,318)</u>	<u>-</u>	<u>(64,201)</u>	<u>(1,672,345)</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

6 BUSINESS COMBINATIONS continued

6.4 Reduction in shareholding without a loss of control

(C) Partial disposal of shareholding in subsidiaries against consideration continued

- (i) Effective 30 September 2021, the Group disposed 58.29% of its ownership interest in Multiply for a consideration of AED 5,519,700 thousand, which includes cash of AED 1,834,100 thousand and 135,999,999 shares of Alpha Dhabi.

Further, the consideration received includes AED 73,000 thousand being the fair value of 15,572,937 shares of Multiply given as a consideration to acquire 50% of Viola (note 6.2(a)).

- (ii) During the year, the Group disposed-off 30% ownership in WFC Group in exchange for acquiring 50% ownership in Connect. The consideration represents the fair value of the 50% ownership in Connect being acquired (note 6.5B).

2020	Easy Lease	Palms Sports	Zee Store	Total
Reduction in shareholding (%)	4.93%	8.02%	7.82%	
Number of shares disposed-off	<u>1,478,000</u>	<u>12,028,713</u>	<u>7,818,200</u>	<u>21,324,913</u>
Carrying value of the shareholding disposed-off (AED '000)	4,754	18,868	12,618	36,240
Less: cash consideration received (AED '000)	<u>(14,026)</u>	<u>(72,053)</u>	<u>(23,530)</u>	<u>(109,609)</u>
Difference recognised directly in retained earnings (AED '000)	<u>(9,272)</u>	<u>(53,185)</u>	<u>(10,912)</u>	<u>(73,369)</u>

(D) Partial disposal of shareholding in subsidiaries due to reorganization

During the year, the Group's shareholding in certain subsidiaries decreased as a result of reorganization of subsidiaries within the Group. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	WFC Group	Alpha Dhabi	Al Seer Marine	Pal Cooling	Pure Health	Tamween Group	Total
Reduction in shareholding (%)	10.50%	0.95%	0.02%	10%	17.10%	25.59%	
Number of shares disposed-off	<u>10,500</u>	<u>95,341,967</u>	<u>198,755</u>	<u>27,130,000</u>	<u>85,498,128</u>	<u>76,784</u>	<u>208,256,134</u>
Carrying value of the shareholding disposed-off (AED '000)	<u>14,561</u>	<u>131,240</u>	<u>66</u>	<u>62,172</u>	<u>138,684</u>	<u>199,976</u>	<u>546,699</u>
Difference recognised directly in merger reserve (AED '000)	<u>14,561</u>	<u>131,240</u>	<u>66</u>	<u>62,172</u>	<u>138,684</u>	<u>199,976</u>	<u>546,699</u>

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 5,849,288 thousand for the year ended 31 December 2021 (2020: AED 36,240 thousand).

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.5 Increase in shareholding of subsidiaries

(A) Increase of shareholding in subsidiaries due to business combination

During the year, the Group's shareholding in certain subsidiaries increased as a result of business combinations and due to changes in shareholding in certain subsidiaries. Following is a summary of the increase in shareholding:

	<i>Easy Lease</i>	<i>Palms Sports</i>	<i>Zee Stores</i>	<i>Century</i>	<i>ADMG</i>	<i>NMDC</i>	<i>Multiply</i>	<i>Total</i>
Increase in shareholding (%)	2.01%	3.34%	3.11%	5.90%	0.05%	1.53%	0.16%	
Number of shares acquired	<u>602,027</u>	<u>5,013,110</u>	<u>3,114,502</u>	<u>18</u>	<u>9</u>	<u>12,646,937</u>	<u>33,903,800</u>	<u>55,280,403</u>
Carrying value of the shareholding acquired (AED '000)	<u>1,085</u>	<u>7,703</u>	<u>7,624</u>	<u>390</u>	<u>5</u>	<u>89,291</u>	<u>9,563</u>	<u>115,661</u>
Difference recognised directly in merger reserve (AED '000)	<u>1,085</u>	<u>7,703</u>	<u>7,624</u>	<u>390</u>	<u>5</u>	<u>89,291</u>	<u>9,563</u>	<u>115,661</u>

(B) Increase of shareholding in subsidiaries against consideration

During the year, the Group increased its shareholding in certain subsidiaries for a consideration of AED 4,511,861 thousand. Following is a summary of the increase in shareholding:

	<i>NMDC</i>	<i>Alpha Dhabi(i)</i>	<i>Zee Stores</i>	<i>Al Seer Marine</i>	<i>Connect (ii)</i>	<i>Multiply</i>	<i>Others*</i>	<i>Total</i>
Increase in shareholding (%)	0.63%	1.37%	0.08%	0.06%	50%	0.87%	8.30%	
Number of shares acquired	<u>5,210,000</u>	<u>136,883,479</u>	<u>83,020</u>	<u>635,449</u>	<u>50,000</u>	<u>130,256,492</u>	<u>1,120,538</u>	<u>274,238,978</u>
Carrying value of the shareholding acquired (AED '000)	<u>29,932</u>	<u>174,168</u>	<u>246</u>	<u>264</u>	<u>4,943</u>	<u>23,635</u>	<u>609</u>	<u>233,797</u>
Less: consideration paid	<u>(43,474)</u>	<u>(4,211,634)</u>	<u>(9,537)</u>	<u>(30,000)</u>	<u>(68,922)</u>	<u>(146,172)</u>	<u>(2,122)</u>	<u>(4,511,861)</u>
Difference recognised directly in retained earnings (AED '000)	<u>(13,542)</u>	<u>(4,037,466)</u>	<u>(9,291)</u>	<u>(29,736)</u>	<u>(63,979)</u>	<u>(122,537)</u>	<u>(1,513)</u>	<u>(4,278,064)</u>

* Others include increase in shareholding of Aafaq, Easy Lease, Palms Sports and Yallow.

- (i) Included in the consideration are 135,999,999 shares, having a fair value of AED 3,685,600 thousand acquired as a consideration for disposing 58.29% of the Group's ownership interest in Multiply Group LLC (note 6.4C).
- (ii) During the year, the Group acquired 50% ownership in Connect in exchange for 30% ownership in WFC Group. The consideration represents the fair value of the 30% ownership in WFC Group (note 6.4C).

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31 December 2021

6 BUSINESS COMBINATIONS continued

6.5 Increase in shareholding of subsidiaries continued

(C) Increase in shareholding without consideration

During the year, the Group received a 10% shareholding of Multiply Group LLC from a related party under common control for no consideration. Following is a summary of the increase in shareholding:

	<i>Multiply Group LLC</i>
Increase in shareholding (%)	10%
Number of shares acquired	<u>10,000,000</u>
Carrying value of the shareholding acquired (AED '000)	<u>128,877</u>
Difference recognised directly in merger reserve (AED '000)	<u>128,877</u>

The increase in shareholding of certain subsidiaries, both from business combination and through purchase of additional shares, resulted in a decrease of non-controlling interest by AED 478,335 thousand for the year ended 31 December 2021.

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7 PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i> <i>AED'000</i>	<i>Building and leasehold improvements</i> <i>AED'000</i>	<i>Plant and machinery</i> <i>AED'000</i>	<i>Furnitures, fixtures and equipments</i> <i>AED'000</i>	<i>Barges support vessels, dredgers and vehicles</i> <i>AED'000</i>	<i>Capital work in progress</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Cost:</i>							
At 1 January 2020	-	347,510	984,825	32,984	29,717	202,476	1,597,512
Acquired in business combination (note 6)	107,056	187,550	7,056	65,659	75,892	3,157	446,370
Additions during the year	-	6,853	43,484	18,534	19,746	126,045	214,662
Disposals during the year	-	(3,095)	(643)	(3,320)	(10,601)	(572)	(18,231)
Reclassifications	-	(2,500)	1,781	644	-	75	-
Transfer from capital work in progress	-	3,376	33,520	1,242	-	(38,138)	-
Transferred to intangible assets (note 8)	-	-	-	-	-	(104)	(104)
Exchange differences	<u>3,564</u>	<u>1,255</u>	<u>3,034</u>	<u>41</u>	<u>10</u>	<u>585</u>	<u>8,489</u>
At 31 December 2020	<u>110,620</u>	<u>540,949</u>	<u>1,073,057</u>	<u>115,784</u>	<u>114,764</u>	<u>293,524</u>	<u>2,248,698</u>
At 1 January 2021	110,620	540,949	1,073,057	115,784	114,764	293,524	2,248,698
Acquired in business combination (note 6)	269,834	2,348,486	2,591,232	911,907	6,932,588	1,086,816	14,140,863
Additions during the year	4,467	46,960	124,699	45,697	225,387	484,851	932,061
Disposals during the year	-	(46,665)	(26,100)	(21,649)	(71,544)	(355)	(166,313)
Transfer from capital work in progress	-	156,992	108,153	9,533	-	(274,678)	-
Transferred to biological assets (note 15)	-	-	-	-	-	(6,156)	(6,156)
Derecognition on disposal of subsidiaries (note 6.3)	-	(23,850)	(31,578)	(14,278)	(5,220)	(801)	(75,727)
Transferred to assets held for sale (note 19)	-	(27,417)	-	(25,979)	(831)	-	(54,227)
Exchange differences	<u>123</u>	<u>418</u>	<u>(2,638)</u>	<u>(698)</u>	<u>1,501</u>	<u>(459)</u>	<u>(1,753)</u>
At 31 December 2021	<u>385,044</u>	<u>2,995,873</u>	<u>3,836,825</u>	<u>1,020,317</u>	<u>7,196,645</u>	<u>1,582,742</u>	<u>17,017,446</u>

International Holding Company PJSC

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31 December 2021

7 PROPERTY, PLANT AND EQUIPMENT continued

	<i>Land</i> <i>AED'000</i>	<i>Building and</i> <i>leasehold</i> <i>improvements</i> <i>AED'000</i>	<i>Plant and</i> <i>machinery</i> <i>AED'000</i>	<i>Furnitures,</i> <i>fixtures and</i> <i>equipments</i> <i>AED'000</i>	<i>Barges support</i> <i>vessels, dredgers</i> <i>and vehicles</i> <i>AED'000</i>	<i>Capital</i> <i>work in</i> <i>progress</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Accumulated depreciation and impairment:</i>							
At 1 January 2020	-	114,870	211,497	26,443	24,040	-	376,850
Acquired in business combination (note 6)	-	123,531	9,926	54,598	37,787	-	225,842
Charge for the year	-	23,864	43,258	7,647	14,490	-	89,259
Reclassifications	-	(756)	252	504	-	-	-
Impairment loss for the year (note 28)	-	-	12,425	9,130	-	-	21,555
Reversal of impairment (note 28)	-	(16,242)	(378)	-	-	-	(16,620)
Relating to disposals	-	(3,094)	(473)	(3,208)	(9,783)	-	(16,558)
Exchange differences	-	665	546	90	84	-	1,385
At 31 December 2020	-	242,838	277,053	95,204	66,618	-	681,713
At 1 January 2021	-	242,838	277,053	95,204	66,618	-	681,713
Acquired in business combination (note 6)	-	1,005,354	953,360	721,499	3,886,844	-	6,567,057
Charge for the year	-	90,452	244,560	55,429	248,431	-	638,872
Impairment loss for the year (note 28)	-	35,238	12,471	11,709	441	-	59,859
Derecognition on disposal of subsidiaries (note 6.3)	-	(8,967)	(10,240)	(11,665)	(3,401)	-	(34,273)
Transferred to assets held for sale (note 19)	-	(27,417)	-	(25,979)	(831)	-	(54,227)
Relating to disposals	-	(40,904)	(25,730)	(14,593)	(66,895)	-	(148,122)
Exchange differences	-	26	(89)	(243)	(16)	-	(322)
At 31 December 2021	-	1,296,620	1,451,385	831,361	4,131,191	-	7,710,557
<i>Carrying amount:</i>							
At 31 December 2021	385,044	1,699,253	2,385,440	188,956	3,065,454	1,582,742	9,306,889
At 31 December 2020	<u>110,620</u>	<u>298,111</u>	<u>796,004</u>	<u>20,580</u>	<u>48,146</u>	<u>293,524</u>	<u>1,566,985</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

7 PROPERTY, PLANT AND EQUIPMENT continued

During 2020, a subsidiary of the Group reversed impairment amounting to AED 16,620 thousand relating to Group of assets, which were previously impaired in full. The reversal of impairment is resultant from an agreement entered into during the prior year with a third party to operate and manage the assets. During the year, the agreement was terminated due to the fact that the third party breached its obligations set out in the agreement. As a result, the Group impaired the assets amounting to AED 15,367 thousand in full.

Medical equipment, furniture and fixtures of AED 12,047 thousand (2020: AED 18,639 thousand) related to healthcare assets used in a temporary testing center were impaired in full when acquired, as their useful lives could not be reasonably estimated.

During the year, a subsidiary wrote down its property and equipment to their fair values less cost to sell as a result of classifying the subsidiary as a discontinued operation. Impairment losses recorded amounted to AED 32,021 thousand.

At 31 December 2021, capital work in progress mainly comprises costs incurred towards construction of district cooling plant in Dubai Investment Park, expansion of capacity of plants, construction of hotels in Traditional Souq area and “Kasr Al Bahar” in Morocco, construction of labour camp in United Arab Emirates, and construction of mixed use residential/commercial buildings (2020: construction of district cooling plant and construction of a new food factory in Dubai Investment Park).

During the year ended 31 December 2021, the Group capitalised finance costs related to its borrowings of AED 3,267 thousand (2020: AED 2,459 thousand). The capitalisation rate used to determine these finance costs was EIBOR + 3%.

Property, plant and equipment with a carrying value of AED 2,241,691 thousand (2020: AED 810,967 thousand) are mortgaged as security against borrowings (note 23).

Depreciation charge for the year has been allocated and disclosed in the consolidated financial statements as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	557,676	74,061
General and administrative expenses (note 29)	68,718	13,423
Selling and distribution expenses (note 30)	8,537	1,037
Biological assets (note 15)	3,826	594
Development work-in-progress (note 16)	<u>115</u>	<u>144</u>
	<u>638,872</u>	<u>89,259</u>

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows;

	2021 AED'000	2020 AED'000
Impairment of healthcare related assets	12,047	18,639
Impairment of assets related to discontinued operations	32,021	-
Impairment of other assets	<u>15,791</u>	<u>2,916</u>
Total impairment – cost of revenue (note 28)	59,859	21,555
Reversal of impairment loss – cost of revenue (note 28)	<u>-</u>	<u>(16,620)</u>
Net impairment during the year	<u>59,859</u>	<u>4,935</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL

	<i>Goodwill</i> <i>AED '000</i>	<i>Brand names</i> <i>AED '000</i>	<i>Concession rights</i> <i>AED '000</i>	<i>Customer relationships</i> <i>AED '000</i>	<i>Customer contracts</i> <i>AED '000</i>	<i>Trademarks</i> <i>AED '000</i>	<i>Trade license</i> <i>AED '000</i>	<i>Software and others</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
At 1 January 2021	138,544	30,804	76,036	169,492	77,317	-	-	15,211	507,404
Relating to business combinations (note 6)	748,635	138,687	-	163,535	1,139,800	15,218	14,108	23,708	2,243,691
Additions during the year	-	-	-	-	-	-	-	28,041	28,041
Derecognition on disposal of subsidiaries (note 6.3)	(1,798)	-	-	(130,647)	(62,767)	-	-	(18,240)	(213,452)
Amortisation during the year	-	(6,205)	(2,162)	(97,176)	(6,467)	(74)	(1,700)	(9,188)	(122,972)
At 31 December 2021	<u>885,381</u>	<u>163,286</u>	<u>73,874</u>	<u>105,204</u>	<u>1,147,883</u>	<u>15,144</u>	<u>12,408</u>	<u>39,532</u>	<u>2,442,712</u>
At 1 January 2020	30,781	-	78,198	161,382	81,267	-	-	360	351,988
Relating to business combinations (note 6)	107,763	34,500	-	40,000	19,400	-	-	14,778	216,441
Additions during the year	-	-	-	-	-	-	-	6,975	6,975
Transfer from property, plant and equipment (note 7)	-	-	-	-	-	-	-	104	104
Amortisation during the year	-	(3,696)	(2,162)	(31,890)	(23,350)	-	-	(7,006)	(68,104)
At 31 December 2020	<u>138,544</u>	<u>30,804</u>	<u>76,036</u>	<u>169,492</u>	<u>77,317</u>	<u>-</u>	<u>-</u>	<u>15,211</u>	<u>507,404</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	93,305	2,321
General and administrative expenses (note 29)	<u>29,667</u>	<u>65,783</u>
	<u>122,972</u>	<u>68,104</u>

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Brand names

Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Concession rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The consideration of AED 80 million was partially settled by AED 58.6 million and the remaining balance is payable on demand. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Customer contracts and customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trademarks

Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trade license

The license allows Royal Horizon, a subsidiary, to use the name "Fazaa" for its retail stores, which was recognised by the Group on acquisition of Royal Horizon during the year. The license has a useful life of 8 years.

During the year ended 31 December 2021, management performed its annual impairment review of goodwill and certain intangible assets, using the discounted cashflow models and trading multiples of comparable companies' approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

8 INTANGIBLE ASSETS AND GOODWILL continued

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2%; and
- Discount rate: 8.1% - 16%

Following key assumption was used in the trading multiples of comparable companies review:

- PE multiple: 13.9x - 22.7x.
- EV multiple: 11.7x

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2021.

International Holding Company PJSC

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31 December 2021

9 INVESTMENT PROPERTIES

	<i>Land AED'000</i>	<i>Leased properties AED'000</i>	<i>Properties under development AED'000</i>	<i>Total AED'000</i>
2021				
Cost:				
At 1 January 2021	135,213	1,655,975	212,763	2,003,951
Acquired in business combinations (note 6.1(a))	1,943,168	3,881,469	1,227,479	7,052,116
Addition during the year	78,807	5,289	604	84,700
Transfer from properties under development	-	85,905	(85,905)	-
Transfer to assets held for sale (note 19)	-	(261,835)	-	(261,835)
Transfer to inventories (note 13)	-	(61,696)	-	(61,696)
Write off	-	(104)	-	(104)
At 31 December 2021	<u>2,157,188</u>	<u>5,305,003</u>	<u>1,354,941</u>	<u>8,817,132</u>
Accumulated depreciation and impairment:				
At 1 January 2021	36,891	462,280	211,059	710,230
Acquired in business combinations (note 6.1(a))	154	177,517	5,120	182,791
Charge for the year	-	64,819	-	64,819
Impairment loss for the year (note 29)	-	645	-	645
Transfer from properties under development	-	5,120	(5,120)	-
Transfer to assets held for sale (note 19)	-	(35,881)	-	(35,881)
Transfer to inventories (note 13)	-	(32,374)	-	(32,374)
At 31 December 2021	<u>37,045</u>	<u>642,126</u>	<u>211,059</u>	<u>890,230</u>
Net carrying amount:				
At 31 December 2021	<u>2,120,143</u>	<u>4,662,877</u>	<u>1,143,882</u>	<u>7,926,902</u>
2020				
Cost:				
At 1 January 2020	-	68,415	-	68,415
Acquired in business combinations (note 6.1(a))	135,213	1,394,298	211,185	1,740,696
Addition during the year	-	222,875	1,578	224,453
Transfer to inventories (note 13)	-	(29,613)	-	(29,613)
At 31 December 2020	<u>135,213</u>	<u>1,655,975</u>	<u>212,763</u>	<u>2,003,951</u>
Accumulated depreciation and impairment:				
At 1 January 2020	-	68,087	-	68,087
Acquired in business combinations (note 6.1(a))	29,849	306,072	211,059	546,980
Charge for the year	-	52,290	-	52,290
Impairment loss for the year (note 29)	7,042	37,889	-	44,931
Transferred to inventories (note 13)	-	(2,058)	-	(2,058)
At 31 December 2020	<u>36,891</u>	<u>462,280</u>	<u>211,059</u>	<u>710,230</u>
Net carrying amount:				
At 31 December 2020	<u>98,322</u>	<u>1,193,695</u>	<u>1,704</u>	<u>1,293,721</u>

9 INVESTMENT PROPERTIES continued

Land

During the year, no impairment loss on land was recorded by the Group (2020: impairment loss of AED 7 million).

A market-based valuation suggests that the fair value of the Group's plots of land approximates AED 2,177 million at 31 December 2021 (2020: AED 98 million).

Land fair valued at AED 468 million (2020: AED 98 million) is pledged against borrowings.

Leased properties

Lease properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2021 amounted to AED 5.19 billion (2020: AED 1.19 billion). As a result of the valuation, impairment of AED 645 thousand was recorded during the year (2020: AED 37.9 million).

Leased properties fair valued at AED 3,626 million (2020: nil) is pledged against borrowings (note 23).

Properties under development

Investment properties under development comprise of following projects:

Real estate projects

Real estate projects in the Emirate of Abu Dhabi with a carrying value of AED 1,541 thousand are in the process of construction and development primarily on Al Reem Island.

Complex

The Group, through a subsidiary acquired during the year, is in the process of constructing a traditional souq (the "Souq") and a hotel situated between Al Maqta'a bridge and Khaleej Al Arabi Street located at the gateway to Abu Dhabi. The Souq mainly comprises of commercial units and hubs which are expected to yield rental from its use. The Complex is expected to be completed during 2022 and the estimated additional cost to complete as at 31 December 2021 amounted to AED 36 million. The plot of land used for the project is leased from Abu Dhabi Municipality for a period of fifty years.

Labour camp

A plot of land taken on lease, by a subsidiary acquired during the year, from Zones Crop, for a period of thirty years, to construct a Labour camp facility and a hospital within that facility. The Group has already completed the construction of Labour camp facility and the remaining amount of AED 167,803 thousand, under properties under development, represents the cost incurred on the construction of hospital on this facility. The estimated additional cost to complete the hospital as 31 December 2021 amounted to AED 9 million.

Properties under development amounted to AED 168 million (2020: nil) is pledged against borrowings.

During the year, there were no borrowing costs capitalised under investment properties under development (2020: nil).

The fair value of the Group's investment properties as at 31 December 2021 and 2020 has been arrived by management by reference to valuation carried out on the respective dates by internal management specialists and independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

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31 December 2021

9 INVESTMENT PROPERTIES continued

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

The following table shows the analysis of assets recorded at fair value by level of the fair value hierarchy for the year ended 31 December:

	<i>Level 1</i> <i>AED '000</i>	<i>Level 2</i> <i>AED '000</i>	<i>Level 3</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
31 December 2021				
Investment properties (excluding properties under development)	<u>-</u>	<u>2,177,387</u>	<u>5,187,546</u>	<u>7,364,933</u>
31 December 2020				
Investment properties (excluding properties under development)	<u>-</u>	<u>98,322</u>	<u>1,192,398</u>	<u>1,290,720</u>

There were no transfers between Level 1, Level 2 and Level 3 during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

<i>Property</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
Land	Sales comparison	<ul style="list-style-type: none"> - Sales rate: AED 2 - 931/sq. ft (2020: AED 130 - 135/sq. ft); - Acquisition fee: 2% (2020: 2%); - Discount rate: 14% (2020: 14%); and - Yield rate: 15% (2020: 15%)
Leased properties	Discounted cash flow (DCF)	<ul style="list-style-type: none"> - Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> ▪ Residential properties: AED 19,200 - AED 210,000 per unit (2020: AED 19,200 - AED 210,000 per unit); ▪ Commercial properties: AED 80/sq. ft. - AED 108/sq. ft. (2020: AED 80/sq. ft. - AED 108/sq. ft.); ▪ Retail: AED 97/sq. ft. - AED 108/sq. ft. (2020: 97/sq. ft. - AED 108/sq. ft.); ▪ Car park: AED 5,400 per unit (2020: AED 5,400 per unit); and ▪ Labour Camp: AED 580 Per person (2020: nil) - Operating expenses: AED 15.72/sq. ft. - AED 45.73/sq. ft.; - Labour Camp operating expense: <ul style="list-style-type: none"> ▪ Rent charge: AED 3,190,131 to 4,309,737 per year (2020: nil) ▪ Variable rent: AED 15 per person (2020: nil) - Discount rate: 8% - 10.5% (2020: 9% - 10.5%); and - Terminal capitalisation rate: 8% - 9.5% (2020: 8% - 9.5%).

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31 December 2021

9 INVESTMENT PROPERTIES continued

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties are as follows:

	<i>2021</i> <i>AED</i>	<i>2020</i> <i>AED</i>
Rental income	176,634	107,630
Direct operating expenses	<u>(104,789)</u>	<u>(81,979)</u>
	<u>71,845</u>	<u>25,651</u>

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2021	2020
Associates:				
Abu Dhabi Mountain Gate LLC (i)	Real estate enterprise investment, development, institution and management.	UAE	-	47%
Pure Health Medical Supplies LLC (i)	Operating medical laboratories and distributing medical supplies	UAE	-	31.5%
Tafseer Contracting & General Maintenance Company LLC	Real estate enterprise investment, development, institution and management	UAE	20%	20%
Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers	UAE	20%	20%
Viola Communications LLC (ii)	Commercial publication printing	UAE	-	50%
Noopl Inc. (iii)	Integrated solution company	USA	-	40%
Canal Sugar S.A.E*	Sugar farming and production	Egypt	33%	-
Principia SAS*	Engineering and consultancy services	France	33%	-
Al Jazira Technical Solutions & Consulting LLC*	Consulting in computer devices and equipment	UAE	35%	-
Response Plus Holding PJSC (formerly Response Plus Medical Services LLC) (iv)	Healthcare services and medical facilities	UAE	36.06%	-
Sawaeed Holding PJSC (v)	Manpower and investment solutions	UAE	36.69%	-
NRTC Food Holding LLC (vi)	Commercial enterprises investment, institution and management	UAE	41%	-
Aldar Properties PJSC (vii)	Real estate enterprise investment, development, institution and management	UAE	31.11%	-
Al Bustan Farms Limited (viii)	Agriculture enterprise investment	Mozambique	30%	-

International Holding Company PJSC

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31 December 2021

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2021</i>	<i>2020</i>
<i>Joint ventures:</i>				
Lazio Real Estate Investment LLC	Real estate enterprise investment, development, institution and management	UAE	65%	65%
Progressive Real Estate Dev. LLC	Real estate enterprise investment, development, institution and management	UAE	70%	65%
Bunya LLC	Real estate enterprise	UAE	34%	34%
China Railway Construction*	Construction	UAE	49%	-
The Challenge Egyptian Emirates Marine Dredging Company (“CEEMDC”*)	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction	Egypt	49%	-
Trojan General Contracting and Six Construct Limited – Guggenheim Museum**	Construction	UAE	50%	-
Trojan General Contracting and Six Construct Limited – Zayed National Museum**	Construction	UAE	50%	-
Eltizam Asset Management LLC (ix)	Services management holding company	UAE	50%	-
Agriculture Investment Holding Company (Ethmar) Ltd. (x)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	UAE	50%	-
EDE Research Institute LLC (x)	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions	UAE	50%	-
Emirates International Gas LLC (x)	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant.	UAE	50%	-
Al Qudra Sports Management LLC*	Building maintenance, interior design implementation works (décor), facilities management services, sports services and contracting and onshore and offshore oil and gas fields and facilities services.	UAE	50%	-
Al Qudra ICSM*	Import and export and trading of oil and gas related material	UAE	51%	-
Al Qudra Addoha pour L'Investissement Immobilier*	Import and export and trading of oil and gas related material	UAE	50%	-

* These entities became associates or joint ventures of the Group during the year as a result of business combinations (note 6).

** These are dormant joint ventures incorporated during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(i) **Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC**

During the year, Abu Dhabi Mountain Gate LLC and Pure Health Medical Supplies LLC became subsidiaries due to the increase in the Group's shareholding by 23% and 31.5% respectively, as a result of the acquisition of Alpha Dhabi Holding PJSC (note 6.1(a)), an entity under common control.

(ii) **Viola Communications LLC ("Viola")**

During the year, the Group obtained control over Viola through acquiring the remaining 50% equity interest (note 6.2(a)). Accordingly, the investment in associate was derecognised and a gain of AED 40,988 thousand was recognised which was calculated as follows:

AED'000

Fair value of previously held interest of 50% (note 6.2(a))

73,000

Carrying value of previously held interest of 50%

(32,012)

40,988

(iii) **Noopl Inc. ("Noopl")**

Noopl is an associate of Trust International Group ("Trust"), a subsidiary of the Group, which was entirely disposed of during the year (note 6.3A).

(iv) **Response Plus Holding PJSC ("RPH")**

During the year, the Group acquired a 40% shareholding in RPH for consideration of AED 241,587 thousand. On 14 September 2021, RPH was listed on the Abu Dhabi Securities Exchange ('ADX') secondary market and on the same day, the Group disposed of 4% of their shareholding for consideration of AED 18,800 thousand, which resulted in a loss of AED 6,659 thousand. Subsequently, the Group acquired a further 0.06% shareholding for a consideration of AED 3,732 thousand.

(v) **Sawaed Holding PJSC ("Sawaed")**

Sawaed, previously classified as an investment in financial assets (note 11.1), became an associate during the year, due to the increase in the Group's shareholding by 10.6% and 10% on the acquisition of Emirates Driving Company PJSC and Al Qudra Holding PJSC respectively (note 6.1(a)).

(vi) **NRTC Food Holding LLC ("NRTC")**

During the year, the Group acquired a 41% shareholding in NRTC Food Holding LLC ("NRTC") for a consideration of AED 165,962 thousand.

(vii) **Aldar Properties PJSC ("ALDAR")**

Aldar Properties PJSC ("ALDAR"), previously classified as an investment in financial assets (note 11), became an associate due to the increase in the Group's shareholding by 17%. The additional shareholding of 17% had a fair value of AED 5,331,829 thousand at the transfer date and was acquired from related parties under common control for no consideration (Note 6.1 (a)).

(viii) **Al Bustan Farms Limited ("Al Bustan")**

During the year, the Group acquired a 30% shareholding in Al Bustan Farms Limited ("Al Bustan") for a consideration of AED 6,624 thousand.

International Holding Company PJSC

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(ix) **Eltizam Asset Management LLC (“Eltizam”)**

During the year, Eltizam, previously a wholly owned subsidiary, became a joint venture of the Group due to loss of control (note 6.3C).

(x) **Agriculture Investment Holding Company Ltd. (“Ethmar”), EDE Research Institute LLC (“EDE”) and Emirates International Gas LLC (“EIG”)**

Ethmar, EDE and EIG have been incorporated during the year. The Group injected their share of capital of AED 110,250 thousand for Ethmar, AED 500 thousand for EDE and AED 150 thousand for EIG. Further, an additional contribution was paid to EDE amounting to AED 885,240 thousand.

Movements in investment in associates and joint ventures are as follows:

	2021 AED’000	2020 AED’000
At 1 January	438,733	7,331
Acquired in business combinations (note 6.1(a))	480,382	35,450
Additions during the year*	11,407,654	85,340
Disposals during the year	(42,546)	-
Transferred to investment in subsidiaries (note 6)	(299,413)	-
Share of profit for the year	672,186	948,247
Dividend received during the year	<u>(553,890)</u>	<u>(637,635)</u>
At 31 December	<u>12,103,106</u>	<u>438,733</u>

* Included in additions are

- AED 96,169 thousand, being the fair value of the previously held interest in Sawaeed Holding PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.1).
- AED 4,426,477 thousand, being the fair value of the previously held interest in Aldar Properties PJSC at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11).
- Investment in Aldar Properties PJSC, acquired during the year from a related party under common control and recorded at fair value of AED 5,331,829 thousand (note 6.1(a)).
- AED 101,500 thousand, being the fair value of the remaining 50% interest in Eltizam Asset Management LLC, which was previously a wholly owned subsidiary of the Group (note 6.3C).

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Canal Sugar AED'000	ALDAR AED'000	RPH AED'000	NRTC AED'000	Eltizam AED'000	CEEMDC AED'000	EDE AED'000	Others AED'000	2021 Total AED'000	2020 AED'000
Non-current assets	2,960,240	22,573,338	14,375	12,157	108,783	-	626,480	563,396	26,858,769	395,959
Current assets	147,477	26,969,399	292,287	166,332	508,385	542,315	721,450	1,969,222	31,316,867	1,471,940
Non-current liabilities	(392,364)	(10,581,683)	(7,003)	(3,576)	(34,447)	-	(29)	(271,744)	(11,290,846)	(186,343)
Current liabilities	(1,728,211)	(11,324,271)	(50,556)	(69,346)	(334,986)	(476,832)	(24,112)	(1,561,177)	(15,569,491)	(397,294)
Equity (100%)	987,142	27,636,783	249,103	105,567	247,735	65,483	1,323,789	699,697	31,315,299	1,284,262
Less: non-controlling interests	-	(715,213)	-	-	(2,508)	-	-	(28,894)	(746,615)	-
Equity attributable to the owners of the entities	<u>987,142</u>	<u>26,921,570</u>	<u>249,103</u>	<u>105,567</u>	<u>245,227</u>	<u>65,483</u>	<u>1,323,789</u>	<u>670,803</u>	<u>30,568,684</u>	<u>1,284,262</u>
Group percentage holding	33%	31.11%	36.06%	41%	50%	49%	50%	20%-70%		
Group's share in net assets	<u>325,757</u>	<u>8,375,300</u>	<u>89,827</u>	<u>43,282</u>	<u>122,614</u>	<u>32,087</u>	<u>661,894</u>	<u>239,649</u>	<u>9,890,410</u>	<u>417,738</u>
Group's carrying amount of the investment	<u>334,870</u>	<u>9,758,306</u>	<u>243,918</u>	<u>169,485</u>	<u>150,881</u>	<u>32,044</u>	<u>1,104,514</u>	<u>309,088</u>	<u>12,103,106</u>	<u>438,733</u>

* The investment in Aldar and RPH is accounted for based on provisional fair values/net asset value, which will be finalised within 12 months from the date of acquisition.

Summarised statements of profit or loss:

	Canal Sugar AED'000	Aldar AED'000	RPH AED'000	NRTC AED'000	Eltizam AED'000	CEEMDC AED'000	EDE AED'000	Others*	2021 Total AED'000	2020 AED'000
Revenue	68,008	-	277,658	98,947	342,462	349,070	712,568	4,045,083	5,893,796	3,819,757
Cost of sales	(108,961)	-	(189,045)	(81,353)	(296,848)	(336,711)	(266,157)	(1,447,052)	(2,726,127)	(498,070)
Operating expenses	(120,895)	-	(25,585)	(8,944)	(22,868)	-	(8,863)	(62,394)	(249,549)	(305,071)
Finance income (cost)	<u>1,770</u>	<u>-</u>	<u>(204)</u>	<u>(58)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,215)</u>	<u>(6,707)</u>	<u>(13,011)</u>
(Loss) profit from operations	<u>(160,078)</u>	<u>-</u>	<u>62,824</u>	<u>8,592</u>	<u>22,746</u>	<u>12,359</u>	<u>437,548</u>	<u>2,527,422</u>	<u>2,911,413</u>	<u>3,003,605</u>
Group percentage holding	33%	31.11%	36.06%	41%	50%	49%	50%	20%-70%		
Share of (loss) profit	<u>(52,826)</u>	<u>-</u>	<u>23,909</u>	<u>3,523</u>	<u>11,747</u>	<u>6,056</u>	<u>218,774</u>	<u>461,003</u>	<u>672,186</u>	<u>948,247</u>

* Others include revenue, profit from operations and Group's share of profit of AED 2,133,653 thousand, AED 1,403,127 thousand and AED 441,985 thousand respectively, from Pure Health Medical Supplies LLC before it became a subsidiary of the Group.

Contingencies and commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows:

	2021 AED'000	2020 AED'000
Letters of guarantees and credits	<u>701,502</u>	<u>25,993</u>
Capital commitments	<u>3,470,234</u>	<u>301</u>
Operating lease commitments	<u>1,592,616</u>	<u>-</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11 INVESTMENT IN FINANCIAL ASSETS

	<i>Notes</i>	2021 <i>AED'000</i>	2020 <i>AED'000</i>
Investments carried at fair value through other comprehensive income	11.1	1,143,972	447,057
Investments carried at fair value through profit or loss	11.2	<u>9,096,931</u>	<u>622,525</u>
		<u>10,240,903</u>	<u>1,069,582</u>

Disclosed in the consolidated statement of financial position as follows:

	2021 <i>AED'000</i>	2020 <i>AED'000</i>
Current	9,096,931	622,525
Non-current	<u>1,143,972</u>	<u>447,057</u>
	<u>10,240,903</u>	<u>1,069,582</u>

11.1 Investments carried at fair value through other comprehensive income

	2021 <i>AED'000</i>	2020 <i>AED'000</i>
Quoted equity investments	622,878	234,929
Unquoted equity investments	547,646	212,128
Quoted sukuk	490,014	-
Other debt instruments	<u>8</u>	<u>-</u>
	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(516,574)</u>	<u>-</u>
	<u>1,143,972</u>	<u>447,057</u>

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, management of the Group has elected to designate these investments in financial instruments as FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The geographical distribution of investments is as follows:

	2021 <i>AED'000</i>	2020 <i>AED'000</i>
Inside the UAE	860,186	234,929
Outside the UAE	<u>800,360</u>	<u>212,128</u>
	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(516,574)</u>	<u>-</u>
	<u>1,143,972</u>	<u>447,057</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

11 INVESTMENT IN FINANCIAL ASSETS continued

11.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 39. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2021			2020
	<i>Sukuks and debt instruments AED'000</i>	<i>Equity securities AED'000</i>	<i>Total AED'000</i>	<i>Equity securities AED'000</i>
At 1 January	-	447,057	447,057	43,183
Additions during the year	11,668	96,577	108,245	448,450
Acquired in business combinations (note 6.1(a))	561,482	4,198,634	4,760,116	32,684
Disposals during the year	(78,875)	(230,321)	(309,196)	(118,188)
Transfer to investment in associates (note 10)	-	(4,107,271)	(4,107,271)	-
Transfer to investment in subsidiaries (note 6.1(a))	-	(8,172)	(8,172)	-
Changes in fair value	<u>(4,253)</u>	<u>774,020</u>	<u>769,767</u>	<u>40,928</u>
	490,022	1,170,524	1,660,546	447,057
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(490,022)</u>	<u>(26,552)</u>	<u>(516,574)</u>	-
At 31 December	<u>-</u>	<u>1,143,972</u>	<u>1,143,972</u>	<u>447,057</u>

During the year, shares that were previously pledged against a borrowing relating to a subsidiary classified as asset held for sale, were released by the bank upon the Group settling the loan in full (2020: AED 17,607 thousand of shares were pledged).

As of 31 December 2021, investment in shares with a fair value of AED 29,937 thousand (2020: AED 884 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

11.2 Investments carried at fair value through profit or loss

	2021 AED'000	2020 AED'000
Quoted equity investments	1,920,333	68,571
Unquoted equity investments	<u>7,576,453</u>	<u>553,954</u>
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(399,855)</u>	-
	<u>9,096,931</u>	<u>622,525</u>

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

11 INVESTMENT IN FINANCIAL ASSETS continued

11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	2021 AED '000	2020 AED '000
Inside the UAE	1,912,198	74,719
Outside the UAE	<u>7,584,588</u>	<u>547,806</u>
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(399,855)</u>	-
	<u><u>9,096,931</u></u>	<u><u>622,525</u></u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 39. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2021 AED '000	2020 AED '000
At 1 January	622,525	-
Additions during the year*	6,995,311	645,320
Acquired in business combinations (note 6.1(a))	629,512	-
Derecognition on disposal of a subsidiary (note 6.3(A))	(3,039)	-
Disposals during the year	(4,034)	(31,487)
Transferred to investment in subsidiaries (note 6.1(a))	(599,743)	-
Transferred to investment in associates (note 10)	(415,375)	-
Changes in fair value (note 31)	<u>2,271,629</u>	<u>8,692</u>
	9,496,786	622,525
Less: transferred to investments related to a subsidiary held for sale (note 19.2)	<u>(399,855)</u>	-
At 31 December	<u><u>9,096,931</u></u>	<u><u>622,525</u></u>

* Included in additions, are investments acquired during the year from a related party under common control for a consideration of AED 1. Given that the related party and the Group are ultimately controlled by the same party, the acquisitions are accounted for as additional contribution made by the Ultimate Parent Company. Accordingly, at acquisition, these investments were recorded at their fair value of AED 4,976,271 thousand (2020: AED 543,664 thousand), and the excess of the fair value over the consideration paid was recognised within equity under merger reserve.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

12 INTEREST IN JOINT OPERATIONS

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

	2021	2020
Joint operations		
Technip – NPCC – Satah Full Field	50%	-
NPCC – TECHNIP – UZ-750 (EPC-1)	40%	-
NPCC – TECHNIP UL-2	50%	-
NPCC – TECHNIP AGFA	50%	-
NPCC - Technip JV - US GAS CAP Feed	50%	-

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

	2021 AED '000	2020 AED '000
Total assets	<u>140,801</u>	<u>-</u>
Total liabilities	<u>27,804</u>	<u>-</u>
Net assets	<u>112,997</u>	<u>-</u>
Total revenue	<u>2,225</u>	<u>-</u>
Loss for the year	<u>(15,981)</u>	<u>-</u>

13 INVENTORIES

	2021 AED'000	2020 AED'000
Medical supplies	315,584	265,280
Animal feed	-	56,553
Food and non-food items	26,241	27,418
Fish and fish products	30,646	21,991
Real estate properties	5,427	5,110
Poultry products	5,893	4,727
Household furniture	71,566	-
Other finished goods	36,016	5,731
Packing and raw material	76,976	28,285
Spares and consumables	<u>600,802</u>	<u>11,445</u>
	1,169,151	426,540
Goods in transit	11,858	7,966
Less: allowance for slow moving inventories	<u>(281,658)</u>	<u>(27,547)</u>
	<u>899,351</u>	<u>406,959</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

13 INVENTORIES continued

Movement in allowance for slow moving inventories is as follows:

	2021 AED'000	2020 AED'000
At 1 January	27,547	2,430
Acquired in business combinations	65,401	3,393
Charge for the year	<u>188,710</u>	<u>21,724</u>
At 31 December	<u>281,658</u>	<u>27,547</u>

As at 31 December 2021, there were no inventories mortgaged as security against a borrowing (2020: AED 25,207 thousand).

As of 31 December 2021, AED 5.1 million of completed properties were committed under a settlement agreement (2020: AED 5.1 million) and are recorded at the realisable value. All properties are located in the United Arab Emirates.

During the year, completed properties amounting to AED 29,322 thousand were transferred to inventories from investment properties (note 9) (2020: AED 27,555 thousand and AED 65,930 thousand transferred to inventories from investment properties (note 9) and development work-in-progress (note 16), respectively). The same were sold during the year and recognised as direct cost.

Allowance for slow moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2021 AED'000	2020 AED'000
Cost of revenue (note 28)	185,900	20,803
General and administrative expenses (note 29)	<u>2,810</u>	<u>921</u>
	<u>188,710</u>	<u>21,724</u>

International Holding Company PJSC

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31 December 2021

14 TRADE AND OTHER RECEIVABLES

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Trade receivables	7,131,404	2,167,287
Unbilled revenue	113,813	44,725
Less: allowance for expected credit losses	<u>(433,312)</u>	<u>(122,001)</u>
	6,811,905	2,090,011
Retention receivables, net	510,558	147,223
Prepayments	369,642	42,180
Due from security markets	6,901	4,595
Margin receivables, net*	1,259,891	219,916
Accrued interest receivable	343	28,251
Advances to suppliers and sub-contractors	1,498,057	241,843
Deposits and other receivables	<u>956,223</u>	<u>91,736</u>
	11,413,520	2,865,755
Less: non-current portion	<u>(200,411)</u>	<u>(267,011)</u>
	<u>11,213,109</u>	<u>2,598,744</u>

* Margin receivables relate to net receivable from customers from margin trading services. As at 31 December 2021, the securities available in the margin trading account amounted to AED 4,657,646 thousand (2020: AED 492,644 thousand) which are held as collateral against the margin receivables. Provision for impairment on margin trade receivables as of 31 December 2021 amounts to AED 43 thousand (2020: 43 thousand).

Non-current portion consists of the following:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Trade receivables, net of allowance for expected credit losses	130,424	174,947
Retention receivable, net of allowance for expected credit losses	<u>69,987</u>	<u>92,064</u>
	<u>200,411</u>	<u>267,011</u>

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

14 TRADE AND OTHER RECEIVABLES continued

Below is the information about the credit risk exposure on the Group's trade receivables:

	<i>Total</i> <i>AED'000</i>	<i>Not past due</i> <i>AED'000</i>	<i><30 days</i> <i>AED'000</i>	<i>31-60 days</i> <i>AED'000</i>	<i>61-120 days</i> <i>AED'000</i>	<i>121-360 days</i> <i>AED'000</i>	<i>>360 days</i> <i>AED'000</i>
31 December 2021							
Expected credit loss rate		0.53%	2.38%	2.43%	4.93%	15.17%	32.14%
Estimated total gross carrying amount at default	7,131,404	3,417,025	307,864	1,033,150	515,705	1,413,315	444,345
Life time ECL	433,312	18,113	7,342	25,125	25,445	214,455	142,832
31 December 2020							
Expected credit loss rate		0.58%	0.32%	0.59%	1.18%	7.25%	29.43%
Estimated total gross carrying amount at default	2,167,287	282,503	629,617	471,976	242,848	209,026	331,317
Life time ECL	122,001	1,643	1,997	2,806	2,875	15,157	97,523

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Balance at 1 January	122,001	29,915
Acquired in business combinations	250,728	62,088
Charge for the year (note 29)	111,686	29,998
Derecognition on disposal of subsidiaries (note 6.3)	(8,187)	-
Written off during the year	<u>(39,359)</u>	<u>-</u>
	436,869	122,001
Less: provision for expected credit losses related to a subsidiary transferred to assets held for sale (note 19.2)	<u>(3,557)</u>	<u>-</u>
Balance at 31 December	<u>433,312</u>	<u>122,001</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

15 BIOLOGICAL ASSETS

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Plants	30,941	1,164
Livestock	<u>30,247</u>	<u>4,316</u>
	<u>61,188</u>	<u>5,480</u>

Movement in biological assets is as follows:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
At 1 January	5,480	5,283
Acquired in business combinations (note 6.1(a))	19,848	-
Additions	28,210	5,600
Depreciation capitalised (note 7)	3,826	594
Transfer from property, plant and equipment (note 7)	6,156	-
Disposals	(1,092)	(371)
Amortisation expense of livestock	(6,870)	(5,954)
Change in fair value (note 31)	<u>5,630</u>	<u>328</u>
At 31 December	<u>61,188</u>	<u>5,480</u>

Biological assets are classified in the consolidated statement of financial position as follows:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Current	5,363	5,480
Non-current	<u>55,825</u>	<u>-</u>
	<u>61,188</u>	<u>5,480</u>

Biological assets include plants and livestock. Plants mainly comprises of growing crops which are carried at cost. Livestock comprises of herd of sheep which are carried at fair value and chicken livestock which are carried at cost.

Growing crops are classified as consumable and immature biological assets and considered as work in progress until the crops becomes productive. These biological assets are initially recognised at cost. Cost comprises of cost of preparation of agriculture land, planting and replanting and upkeep of crops and will be transferred to mature plantation when the trees have matured and meet the criteria for commercial production.

Once the fair value of such biological assets becomes reliably measurable, the Group measures it at its fair value less estimated point of sale costs. Gains or losses arising from changes in the fair values of biological assets are included in the consolidated statement of comprehensive income.

There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

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16 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

	2021 AED'000	2020 AED'000
At 1 January	1,025,466	-
Acquired in business combinations (note 6.1(a))	694,022	1,076,196
Additions during the year	24,326	15,056
Depreciation capitalised (note 7)	115	144
Derecognition on disposal of a subsidiary (note 6.3)	(6,746)	-
Transferred to inventories (note 13)	<u>-</u>	<u>(65,930)</u>
	1,737,183	1,025,466
Less: provision for impairment	<u>(387,359)</u>	<u>(345,154)</u>
At 31 December	<u><u>1,349,824</u></u>	<u><u>680,312</u></u>

There are no borrowing costs included in the additions during the year (2020: nil).

Movement in provision for impairment is as follows:

	2021 AED'000	2020 AED'000
At 1 January	345,154	-
Acquired in business combination (note 6.1(a))	<u>42,205</u>	<u>345,154</u>
At 31 December	<u><u>387,359</u></u>	<u><u>345,154</u></u>

Land fair valued at AED 630 million (2020: AED 653 million) are mortgaged as security against borrowings (note 23).

A market based valuation suggests that the fair value of the Group's plots of land approximates AED 2.61 billion at 31 December 2021 (2020: AED 2.7 billion).

17 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under 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.

	2021 AED'000	2020 AED'000
Contract assets	5,274,112	121,898
Contract costs*	<u>690,834</u>	<u>41,253</u>
	5,964,946	163,151
Less: allowance for expected credit loss	<u>(103,478)</u>	<u>(7,378)</u>
	<u><u>5,861,468</u></u>	<u><u>155,773</u></u>

International Holding Company PJSC

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17 CONTRACT ASSETS continued

*Contract costs 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 up to 31 December 2021, commencing from the year 2022, a number of packages are scheduled to be completed and handed over, which will result in a winding down of the balance throughout the remaining contractual period.

Disclosed in the consolidated statement of financial position as follows:

	2021 AED'000	2020 AED'000
Current	5,201,530	155,773
Non-current	<u>659,938</u>	<u>-</u>
	<u>5,861,468</u>	<u>155,773</u>

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

	2021 AED'000	2020 AED'000
At 1 January	7,378	7,378
Acquired in business combinations	40,040	-
Charge for the year (note 29)	348,288	-
Allowance written off during the year	<u>(292,228)</u>	<u>-</u>
At 31 December	<u>103,478</u>	<u>7,378</u>

18 CASH AND CASH EQUIVALENTS

	2021 AED'000	2020 AED'000
Cash on hand	23,461	8,484
<i>Bank balances:</i>		
Current and call accounts	13,423,304	2,170,511
Group's bank accounts for clients' deposits*	2,981,269	1,159,668
Term deposits	3,668,020	325,704
Margin accounts	8,940	1,017
Wakala deposits with Islamic financial institutions	173,272	-
Less: allowance for expected credit loss	<u>(31,684)</u>	<u>(50)</u>
Cash and bank balances	20,246,582	3,665,334
Less: term deposits and margin accounts with an original maturity of more than three months	(884,890)	(214,762)
Less: Wakala deposits with Islamic financial institutions	(173,272)	-
Less: restricted cash	(38,274)	-
Less: bank overdrafts (note 23)	<u>(382,795)</u>	<u>(47)</u>
	18,767,351	3,450,525
Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)	<u>247,975</u>	<u>9,828</u>
Cash and cash equivalents	<u>19,015,326</u>	<u>3,460,353</u>

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18 CASH AND CASH EQUIVALENTS continued

* Represents separate bank accounts maintained by a subsidiary of the Group for advances received from its customers ("clients' deposits"), in accordance with the regulations issued by "Emirates Securities and Commodities Authority". The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2021 <i>AED'000</i>	2020 <i>AED'000</i>
Assets held for sale – buildings (note 19.1)	394,250	376,730
Discontinued operations (note 19.2)	<u>3,822,389</u>	<u>540,399</u>
	<u>4,216,639</u>	<u>917,129</u>
Liabilities directly associated with discontinued operations (note 19.2)	<u>2,196,432</u>	<u>242,983</u>

19.1 Assets held for sale – buildings

In 2019 and prior to its acquisition by the Group, Al Tamouh Investments Company LLC committed to sell two of its assets based on a sale and purchase agreements. On 31 October 2020, the buyer and Al Tamouh Investments Company LLC revised the sale and purchase agreement of one of the assets, where the entire subsidiary, Paragon Malls LLC, will be disposed and not only the asset. Accordingly, the subsidiary has been classified as discontinued operations (note 19.2)

The movement during the year is as follows:

	2021 <i>AED'000</i>	2020 <i>AED'000</i>
At 1 January	376,730	-
Acquired in business combination (note 6.1(b))	-	812,715
Additions during the year	-	67,561
Transfer to assets related to a subsidiary held for sale (note 19.2)	-	(503,096)
Transfer from investment properties*	8,762	-
Reversal of (impairment) during the year (note 28)	<u>8,758</u>	<u>(450)</u>
At 31 December	<u>394,250</u>	<u>376,730</u>

* During the year, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. As at reporting date, the sale was not completed.

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19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

19.2 Discontinued operations

Paragon Malls LLC (“Paragon”)

On 31 October 2020, the Group signed a sale and purchase agreement to sell the subsidiary, Paragon Mall LLC (note 19.1). During the year, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2021, the sale was not completed.

Holiday Inn Abu Dhabi (“Holiday Inn”)

Holiday Inn Abu Dhabi, a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Al Qudra Holding PJSC. Prior to acquisition, the buyer and Al Qudra entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 31 December 2021.

Aafaq Islamic Finance PSC (“Aafaq”)

On 24 November 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance, a subsidiary. As at 31 December 2021, the sale was not completed.

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2021 and 2020 are as follows:

	<i>Paragon 2021 AED'000</i>	<i>Holiday Inn 2021 AED'000</i>	<i>Aafaq 2021 AED'000</i>	<i>Total 2021 AED'000</i>	<i>Paragon 2020 AED'000</i>
ASSETS					
Property, plant and equipments - building	503,096	162,080	-	665,176	503,096
Investment properties	-	-	217,192	217,192	-
Investment in financial assets	-	-	916,429	916,429	-
Receivables from Islamic financing activities	-	-	1,657,097	1,657,097	-
Trade and other receivables	9,752	5,930	32,201	47,883	27,475
Wakala deposits with Islamic financial institutions	-	-	43,736	43,736	-
Inventories	-	223	-	223	-
Due from related parties	-	91	26,587	26,678	-
Cash and cash equivalents	561	2,048	245,366	247,975	9,828
TOTAL ASSETS	513,409	170,372	3,138,608	3,822,389	540,399
LIABILITIES					
Employees' end of service benefits	-	867	5,908	6,775	-
Borrowings	-	-	200,000	200,000	241,750
Margin against letter of guarantee	-	-	901,440	901,440	-
Lease liabilities	-	-	1,991	1,991	-
Contract liabilities	498	-	-	498	868
Trade and other payables	-	6,740	1,078,988	1,085,728	365
TOTAL LIABILITIES	498	7,607	2,188,327	2,196,432	242,983
NET ASSETS	512,911	162,765	950,281	1,625,957	297,416

Building held for sale with a carrying value of AED 162,080 thousand (2020: nil) are mortgaged as security against borrowings (note 23) (2020: shares with a fair value of AED 17,607 thousand were pledged).

The results of operations of the discontinued subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

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20 SHARE CAPITAL

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
<i>Authorised issued and fully paid</i>		
1,821 million shares of AED 1 each		
(31 December 2020: 1,821 million shares of AED 1 each)	<u>1,821,429</u>	<u>1,821,429</u>

21 STATUTORY RESERVE

In accordance with United Arab Emirates Federal Law No. (2) of 2015 (as amended) and the Company's articles of association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

22 EMPLOYEES' END OF SERVICE BENEFITS

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
At 1 January	114,889	49,544
Acquired in business combinations (note 6)	713,215	38,051
Charge for the year	162,101	39,625
Derecognition on disposal of subsidiaries (note 6.3)	(14,500)	-
Paid during the year	(159,993)	(11,463)
Transfer to related parties	<u>-</u>	<u>(868)</u>
	815,712	114,889
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	<u>(5,908)</u>	<u>-</u>
	<u>809,804</u>	<u>114,889</u>

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23 BORROWINGS

Movement in bank borrowings during the year is as follows:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Balance at 1 January	1,175,605	444,872
Acquired in business combinations (note 6)	8,408,909	822,707
Drawdowns during the year	1,126,482	211,351
Derecognition on disposal of a subsidiary (note 6.4(D))	(50,276)	-
Exchange differences	(16,181)	-
Repayments during the year	<u>(1,974,492)</u>	<u>(303,325)</u>
	8,670,047	1,175,605
Less: transferred to liabilities related to a subsidiary held for sale (note 19.2)	(200,000)	(241,750)
Less: unamortised transaction cost	<u>(13,486)</u>	<u>(7,696)</u>
	<u>8,456,561</u>	<u>926,159</u>

Disclosed in the consolidated statement of financial position as follows:

	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Non-current portion	6,793,019	743,053
Current portion	<u>1,663,542</u>	<u>183,106</u>
	<u>8,456,561</u>	<u>926,159</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

23 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED '000</i>	<i>2020 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 1	EIBOR + 3%	March 2025	56,437	60,937	Quarterly	To finance the construction of a factory	Corporate guarantee and mortgage over the asset
Term loan 2	EIBOR + 1.85%	December 2027	25,431	40,026	Annual	To finance the construction of a plant	Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party
Term loan 3	EIBOR + 1.85%	December 2024	137,481	173,372	Annual	To finance the construction of a plant	Personal guarantee of a related party and mortgage of the asset
Term loan 4	EIBOR + 1.85%	June 2029	41,607	14,975	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 5	EIBOR + 1.85%	December 2027	154,788	53,960	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 6	6.90%	May 2022	6	19	Monthly	To finance the purchase of motor vehicles	Mortgage over the asset
Term loan 7	3.04% - 3.25%	December 2022	19,423	16,689	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 8	3.25%	December 2023	4,906	4,797	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 9	EIBOR + 2.4%	September 2024	158,353	201,553	Quarterly	Project financing	Assignment of project proceeds and first degree mortgage over certain properties (note 9)
Term loan 10	EIBOR + 3%	March 2029	240,398	271,598	Quarterly	To finance the construction of residential apartments	Assignment of property proceeds and a first degree mortgage over the asset
Term loan 11	EIBOR + 4%	December 2027	-	241,750	Quarterly	Project financing	Assignment of property proceeds and a first degree mortgage over the asset
Term loan 12	3.50%	October 2021	-	11	Annual	To finance purchase of vehicle	Unsecured
Term loan 13	5% - 12%	August 2024	-	6,436	Monthly	To finance purchase of equipment	Mortgage over the equipment of the subsidiary

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

23 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 14	8%	August 2024	-	172	Quarterly	To finance purchase of equipment	Mortgage over the equipment of the subsidiary
Term loan 15	1.8% - 2.6%	November 2025	-	3,288	Monthly	General corporate purpose	Secured by the state-owned financial institution of Spain
Term Loan 16	EIBOR + 2%	September 2025	42,135	-	Semi- annual	Project financing	Corporate guarantees of related parties, mortgage over certain properties (note 9), including assignment of insurance policy of and rental proceeds from the mortgaged properties
Term Loan 17	EIBOR + 3%	December 2031	1,308,822	-	Quarterly	Project finance	Mortgage over the assets, corporate guarantees and assignment of rental proceeds
Term Loan 18	EIBOR + 3%	December 2031	250,000	-	Quarterly	Project finance	Mortgage over the assets, corporate guarantees and assignment of rental proceeds
Term Loan 19	EIBOR + 2.5% - 3%	December 2028	248,322	-	Quarterly	General corporate purpose	First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Baniyas Project (as and when the project is awarded)
Term Loan 20	EIBOR + 2.5%	June 2030	121,077	-	Quarterly	General corporate purpose	Unsecured
Term Loan 21	EIBOR + 2.5%	September 2023	102,613	-	Quarterly	General corporate purpose	Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties
Term Loan 22	EIBOR + 2% - 3%	December 2023	66,812	-	Quarterly	Project financing	Irrevocable corporate guarantees and assignment of rental proceeds
Term Loan 23	EIBOR + 2.65%	December 2028	580,017	-	Quarterly	General corporate purpose	Corporate guarantee
Term Loan 24	LIBOR + 0.90%	March 2027	1,373,589	-	Quarterly	To finance the purchase of vessels	Mortgage over the assets
Term Loan 25	EIBOR + 1.13%	December 2026	249,414	-	Quarterly	To finance the purchase of a machinery	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 26	2.75%	December 2025	234,018	-	Annual	General corporate purpose	Mortgage over the assets

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23 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term Loan 27	2.5%	August 2028	367,500	-	Semi-annual	General corporate purpose	Unsecured
Term Loan 28	EIBOR + 1.85%	February 2028	274,459	-	Semi-annual	To finance the purchase of a property	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 29	2%	April 2024	1,500,000	-	Lumpsum payment at maturity	To finance the investment in financial asset	Custody of shares of an associate and assignment of dividend proceeds
Term Loan 30	EIBOR + 2%	September 2026	30,727	-	Quarterly	To finance the purchase of machinery and equipment	Assignment of receivables
Term loan 31	3.6% - EIBOR + 1.9%	December 2029	97,365	-	Quarterly	To finance the purchase of equipment and vehicles	Corporate guarantees, mortgage over the assets and assignment of insurance policy of the mortgaged assets
Short term loan I	EIBOR + 3.5%	March 2021	-	28,472	-	To meet working capital requirement	Subsidiary's trade receivables and inventories
Short term loan II	2.95%	June 2021	-	5,686	-	To finance the procurement of inventories	Corporate guarantee of the shareholder of a subsidiary
Short term loan III	EIBOR + 1.3%	January 2022	16,667	-	-	To meet working capital requirement	Unsecured
Short term loan IV	LIBOR + 1.9%	270 days	317,496	-	-	Project financing	Corporate guarantee and assignment of receivables
Short term loan V	EIBOR + 1.5%	March 2022	200,000	-	Quarterly	To meet working capital requirements	Custody of the financial asset and assignment of dividend proceeds
Trust receipts	EIBOR + 3%	180 days	18,765	1,689	-	-	-
Bank overdraft	EIBOR + margin	90 to 180 days	382,795	47	-	-	Partially secured against approved payment certificates
Total borrowings from financial institutions			<u>8,621,423</u>	<u>1,125,477</u>			

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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23 BORROWINGS continued

<i>Borrowings from non-financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2021 AED'000</i>	<i>2020 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Loan from a related party I	5%	December 2026	41,002	41,002	Annual	Project finance	Refer note below
Loan from a related party II	Interest free	April 2023	7,622	9,126	Annual	Project finance	Unsecured
Total borrowings from non-financial institutions			<u>48,624</u>	<u>50,128</u>			
Total borrowings			<u>8,670,047</u>	<u>1,175,605</u>			

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23 BORROWINGS continued

Term loan 10

The loan was obtained under an Ijara agreement to finance a mixed use development which primarily consists of residential apartments, with a total limit of AED 600 million. During February 2020, the loan was restructured and will be repayable in 36 instalments beginning 2020 with a bullet repayment in 2029.

Loan from a related party I

This loan was obtained from a related party, under common control, to finance 20% of the total cost of the Abu Dhabi National Exhibitions Company ("ADNEC") District Cooling Plant project in Abu Dhabi. Principal portion of the loan is repayable in 4 equal annual installments starting from 31 December 2023 and the interest portion is repayable in 10 annual installments starting 31 December 2017. The loan is secured by the notarised mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment (note 7) that has been installed at capital center - Phase 4 District Cooling Project (refer term loan 2).

Loan from a related party II

This loan was obtained from an associate, Aldar Properties PJSC, in July 2013 and was novated to another subsidiary upon incorporation, without any changes to the terms and conditions of the original loan agreement. The loan does not carry any interest and was initially recognised at fair value, which is equal to the present value of the expected future cash flows discounted using the average rate of interest applicable to internal borrowings and is repayable in 8 yearly instalments commencing on 1 April 2016 and ending on 1 April 2023.

Unavailed short term facility

The Group has a short term loan facility of AED 15 million, obtained by a subsidiary of the Company to finance to purchase the inventories (6 months EIBOR + 4%). The facility has a tenure of 150 days and is renewal upon maturity. The facility is secured by the Corporate guarantee of the Group and is mortgaged over the receivables and inventories. As at 31 December 2021, the Group had availed nil (2020: nil) out of the total facility.

Borrowing cost included in the cost of qualifying assets for the year was AED 3,267 thousand (31 December 2020: AED 2,459 thousand).

Movement of unamortised transaction cost during the year is as follows:

	2021 AED'000	2020 AED'000
Balance at 1 January	7,696	-
Acquired in business combinations (note 6)	7,400	13,776
Paid during the year	-	1,657
Amortised during the year (note 35)	<u>(1,610)</u>	<u>(7,737)</u>
	<u>13,486</u>	<u>7,696</u>

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	2021 AED'000	2020 AED'000
On demand	363,124	-
Less than 3 months	444,045	4,561
After 3 months but no more than 12 months	915,457	195,682
After one but no more than five years	5,578,441	453,903
More than 5 years	<u>1,778,211</u>	<u>424,198</u>
	<u>9,079,278</u>	<u>1,078,344</u>

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24 TRADE AND OTHER PAYABLES

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Trade payables	5,080,480	950,015
Payable to customers relating to brokerage business	2,190,642	905,942
Provisions, accruals and other payables	6,646,887	925,723
Retention payable	<u>497,754</u>	<u>40,332</u>
	14,415,763	2,822,012
Less: non-current portion	<u>(65,201)</u>	<u>(140,881)</u>
	<u>14,350,562</u>	<u>2,681,131</u>

Non-current portion consists of the following:

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Trade payables	-	47,655
Retention payables	2,693	3,298
Other payables	<u>62,508</u>	<u>89,928</u>
	<u>65,201</u>	<u>140,881</u>

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade and other payables.

25 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

Contract liabilities are disclosed in the consolidated statement of financial position as:

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Non-current portion	83,663	79,001
Current portion	<u>2,762,752</u>	<u>1,134,244</u>
	<u>2,846,415</u>	<u>1,213,245</u>

International Holding Company PJSC

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26 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED '000	Warehouses, office spaces, shops and cinema halls AED '000	Others AED '000	Total AED '000
2021				
At 1 January 2021	27,095	60,231	1,105	88,431
Acquired in business combinations (note 6)	580,620	262,261	15,945	858,826
Additions	12,451	125,318	-	137,769
Depreciation expense	(19,933)	(53,637)	(1,162)	(74,732)
Derecognition on disposal of subsidiaries	-	(13,009)	-	(13,009)
Termination of a lease (i)	-	-	(15,127)	(15,127)
Lease modifications (ii)	(19)	(7,823)	-	(7,842)
Impairment (note 28)	-	(3,503)	-	(3,503)
At 31 December 2021	600,214	369,838	761	970,813
2020				
At 1 January 2020	21,614	64,052	-	85,666
Acquired in business combinations (note 6)	7,360	11,751	856	19,967
Additions	-	4,785	565	5,350
Depreciation expense	(1,143)	(16,701)	(181)	(18,025)
Adjustment (iii)	(736)	-	-	(736)
Lease modifications (ii)	-	(3,656)	(135)	(3,791)
At 31 December 2020	27,095	60,231	1,105	88,431

Right of use assets with a carrying value of AED 57,001 thousand (2020: nil) are mortgaged as security against borrowings (note 23).

Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2021 AED '000	2020 AED '000
As at 1 January	88,509	84,961
Acquired in business combinations (note 6)	863,207	19,946
Additions during the year	136,057	3,428
Interest expense	28,508	5,252
Repayments made during the year	(80,883)	(17,957)
Derecognition on disposal of subsidiaries	(13,241)	-
Termination of a lease (i)	(12,681)	-
Lease modifications (ii)	(9,102)	(3,885)
Covid-19 related rent concessions (note 31)	(3,848)	(2,584)
Adjustment (iii)	-	(652)
Transfer to assets held for sale (note 19)	(1,991)	-
As at 31 December	994,535	88,509

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26 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

- (i) During the year, the Group purchased the medical equipment that were previously leased for a period of 7 years. Accordingly, the lease agreement was terminated, and the acquired equipment were classified under property and equipment. The Group incurred a loss of AED 2,447 thousand from the derecognition.
- (ii) This represents net change in right-of-use assets and related lease liabilities as a result of modification in the Group's lease arrangements. During 2020, the terms of one of the subsidiary's lease agreement changed from fixed lease payments to variable lease payments which does not depend on an index or rate.
- (iii) This represents elimination of a lease of Palms Sports PJSC ("Lessee"), which become an intercompany lease, after the acquisition of Al Tamouh Investment Company LLC ("Lessor").

Lease liabilities are disclosed in the consolidated statement of financial position as:

	2021 AED'000	2020 AED'000
Non-current portion	876,906	72,559
Current portion	<u>117,629</u>	<u>15,950</u>
	<u>994,535</u>	<u>88,509</u>

Maturity analysis of lease liabilities is disclosed in note 41.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2021 AED'000	2020 AED'000
Depreciation expense (included in cost of revenue) (note 28)	22,271	13,086
Depreciation expense (included in general and administrative expenses) (note 29)	27,214	4,430
Depreciation expense (included in selling and distribution expenses) (note 30)	25,204	-
Expense relating to short-term leases	53,363	3,905
Interest expense on lease liabilities (included in finance cost)	28,508	4,463
Loss on termination of a lease and lease modifications	3,706	-
Impairment loss on right of use assets (note 28)	3,503	-
Covid-19 related rent concessions adjustment (note 31)	<u>(3,848)</u>	<u>(2,584)</u>
	<u>159,921</u>	<u>23,300</u>

During the year, depreciation of right-of-use assets amounting to AED 43 thousand (2020: AED 509 thousand) and interest expense on lease liabilities amounting to AED 67 thousand (2020: AED 789 thousand) were capitalised to capital work in progress within property, plant and equipment.

International Holding Company PJSC

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27 REVENUE

	2021 AED '000	2020 AED '000
<i>Type of goods or services</i>		
Healthcare and other medical supplies	10,818,675	2,919,702
Construction, maintenance and Infrastructure revenue	6,299,197	894,973
Services relating to marine and dredging activities	5,652,967	-
Sale of consumer products	1,700,099	833,908
Rental income	1,100,765	300,096
Manpower and consultancy services	586,716	334,056
Coaching and training services	407,176	291,162
District cooling services	352,264	218,707
Asset management	287,113	234,385
Revenue from hotel operations	251,817	-
Sale of furniture	237,295	-
Revenue from Islamic financing activities	186,536	-
Revenue from brokerage services	164,703	48,127
Animal feed	144,045	188,664
Sale of industrial equipment	86,841	576,850
Sale of cosmetics and rendering of related personal care services	74,703	36,966
Media and marketing services	57,064	11,230
Delivery services	57,044	18,771
Sale of properties and land	23,380	96,452
Others	74,090	42,520
	<u>28,562,490</u>	<u>7,046,569</u>
<i>Timing of revenue recognition</i>		
Revenue at a point in time	16,654,361	5,654,923
Revenue over time	11,908,129	1,391,646
	<u>28,562,490</u>	<u>7,046,569</u>
<i>Geographical markets</i>		
UAE	25,228,219	6,743,988
Outside the UAE	3,334,271	302,581
	<u>28,562,490</u>	<u>7,046,569</u>

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

	2021 AED '000	2020 AED '000
Within one year	14,708,515	86,040
After one but no more than five years	23,657,910	71,211
More than five years	15,133,573	37,551
	<u>53,499,998</u>	<u>194,802</u>

International Holding Company PJSC

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28 COST OF REVENUE

	2021 AED '000	2020 AED '000
Staff costs	2,727,921	367,640
Cost of healthcare and other medical supplies	1,971,414	1,553,291
Cost related to consumer products	1,069,144	521,810
Other direct materials and charges	7,625,592	1,017,834
Subcontracting and maintenance costs	3,507,896	444,566
Depreciation (note 7,9 & 26)	644,766	139,437
Allowance for slow moving inventories (note 13)	185,900	20,803
Cost related to sale of furniture	113,707	-
Amortisation (note 8 & 15)	100,175	2,321
Supply of installation of water desalination	83,977	-
Impairment of non-financial assets*	55,249	50,316
Asset management costs	46,876	289,594
Cost incurred on leased properties	35,196	29,689
Cost of properties and land sold	33,102	40,123
Royalty fees	14,427	12,704
Others	180,087	125,033
	18,395,429	4,615,161

* The breakup of impairment of non-financial assets is as follows:

	2021 AED '000	2020 AED '000
Reversal of impairment loss on property, plant and equipment (note 7)	-	(16,620)
Impairment loss on property, plant and equipment (note 7)	59,859	21,555
Impairment loss on investment properties (note 9)	645	44,931
Impairment loss on right of use assets (note 26)	3,503	-
(Reversal of) impairment loss on assets held for sale - buildings (note 19.1)	(8,758)	450
	55,249	50,316

29 GENERAL AND ADMINISTRATIVE EXPENSES

	2021 AED '000	2020 AED '000
Staff costs*	1,132,379	261,210
Rent, utilities and communication	129,175	21,624
Government fees, professional and legal expenses	120,458	48,720
Allowance for expected credit loss (note 14, 17 & 32)	462,159	30,678
Depreciation (note 7 & 26)	95,932	17,853
Amortisation (note 8)	29,667	65,783
Allowance for slow moving inventories (note 13)	2,810	921
Other expenses	261,132	30,898
	2,233,712	477,687

* Included in staff costs is share-based payments of AED 46,000 thousand (2020: AED 79,706 thousand) (note 37).

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30 SELLING AND DISTRIBUTION EXPENSES

	2021 AED '000	2020 AED '000
Staff cost	42,502	14,750
Sales promotion and marketing	32,260	16,648
Rent, utilities and communication	9,909	8,781
Freight and other direct selling expenses	4,930	4,919
Depreciation (note 7 & 26)	33,741	1,037
Other expenses	<u>16,123</u>	<u>368</u>
	<u>139,465</u>	<u>46,503</u>

31 INVESTMENT AND OTHER INCOME

	2021 AED '000	2020 AED '000
Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)	2,271,629	8,692
Recovery of bad debts written off	518,685	-
Interest and dividends income	203,759	30,462
Fair value gain on revaluation of previously held equity interest (note 10)	40,988	-
Unwinding of discounting of long-term receivables	27,986	24,439
Royalty income	8,566	9,307
Gain on disposal of property, plant and equipment	8,477	3,302
Change in fair value of biological assets (note 15)	5,630	328
COVID-19 related rent concessions (note 26)	3,848	2,584
Commission income	-	1,046
Write back of other payables	-	106,030
Others	<u>177,386</u>	<u>30,221</u>
	<u>3,266,954</u>	<u>216,411</u>

32 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

32 RELATED PARTY TRANSACTIONS AND BALANCES continued

Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties

	<i>Nature of relationship</i>	<i>2021 AED '000</i>	<i>2020 AED '000</i>
Current:			
Aldar Properties PJSC	Associate	627,403	-
Al Sharqia United General Trading	Other related parties	205,140	-
The Challenge Egyptian Emirates Marine Dredging Company	Joint venture	183,183	-
Murban Holding Limited	Entity under common control	158,618	-
Hydra Properties LLC	Entity under common control	130,742	128,534
Meena Holdings LLC	Entity under common control	113,947	113,947
Chimera Investments LLC	Entity under common control	57,307	81,635
Protect 7 Healthcare Sole Proprietorship LLC	Entity under common control	50,117	-
Pal Technology Services LLC	Entity under common control	43,050	49,422
Eltizam Asset Management LLC	Associate	33,509	-
Meena Palace	Other related party	29,959	22,815
EDE Research Institute Limited	Joint venture	19,092	-
Tafseer Contracting & General Maintenance Company LLC	Associate	18,686	28,106
Emirates Refreshment PSC	Associate	17,077	-
Mauqah Technology LLC	Entity under common control	8,101	6,018
RG Procurement RSC Limited	Entity under common control	7,742	13,150
Royal Group Companies Management LLC	Entity under common control	5,359	22,244
Al Yasat Catering and Restaurant Supplies LLC	Entity under common control	3,117	1,356
Bunya Enterprises LLC	Joint venture	2,572	4,124
Trojan General Contracting LLC**	Subsidiary	-	25,029
Pure Health Medical Supplies LLC**	Subsidiary	-	10,624
Reem Emirates Aluminum LLC**	Subsidiary	-	6,223
AFKAR Financial & Property Investment LLC**	Subsidiary	-	3,702
Others	Entities under common control	482,772	114,242
		2,197,493	631,171
Less: allowance for expected credit losses		(301,331)	(286,433)
		1,896,162	344,738
Non-current			
Royal Group Companies Management LLC*	Entity under common control	951	4,706
Total due from related parties, net		1,897,113	349,444

* Non-current portion of balances due from related parties, pertains to retention receivables on contracts signed with related parties.

** These entities became subsidiaries during the year, which resulted in these balances being eliminated as of 31 December 2021.

Movement in allowance for expected credit losses of due from related parties is as follows;

	<i>2021 AED '000</i>	<i>2020 AED '000</i>
Balance at 1 January	286,433	1,305
Acquired in business combinations	12,713	284,448
Charge for the year (note 29)	2,185	680
Balance at 31 December	301,331	286,433

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32 RELATED PARTY TRANSACTIONS AND BALANCES continued

Loan to related parties

Loan to related parties are disclosed in the consolidated statement of financial position as follows:

	2021 AED '000	2020 AED '000
Current	6,200	-
Non-current	20,000	1,200
	26,200	1,200

- The Group has granted a loan to a key management personnel amounting to AED 1.2 million (2020: AED 1.2 million) which is unsecured and non-interest bearing and due on 3 November 2022.
- The Group granted a loan to Mirak Royal Nature Fruits & Vegetables LLC amounting to AED 25 million (31 December 2020: nil) which is unsecured and non-interest bearing, the loan is repayable on yearly installments of AED 5 million each, commencing on 31 January 2022 with the last installment being on 31 January 2026.

Due to related parties

	Nature of relationship	2021 AED '000	2020 AED '000
Current			
EDE Research Institute Limited	Joint venture	713,068	-
Trojan General Contracting LLC*	Subsidiary	-	187,765
Centro Holding LLC	Other related parties	180,000	-
Dentro Investment LLC	Other related parties	180,000	-
ATGC Transport & GC LLC	Other related parties	170,506	-
EBG Private investment LLC	Other related parties	126,000	-
Chimera Investment LLC	Entity under common control	71,286	152,021
Infinity TV FZ LLC	Entity under common control	59,446	68,703
Abu Dhabi United Group Investment and Development	Entity under common control	50,645	-
Infinity Wave Holding	Entity under common control	31,220	-
Bunya Enterprises LLC	Joint venture	20,827	31,558
International Golden Group PJSC	Other related parties	1,834	51,453
Power House Group for Company Management LLC	Entity under common control	128,639	38,852
National Projects and Construction LLC*	Subsidiary	-	1,311
Royal Group Management LLC	Entity under common control	23,026	12,556
Pal Technology Services LLC	Entity under common control	5,151	6,848
Royal Group Holding LLC	Entity under common control	2,348	4,295
Al Maha Modular Industries LLC*	Subsidiary	-	6,512
Royal Group Procurements RSC LTD	Entity under common control	22,442	2,290
Al Jaraf Travel & Tourism	Entity under common control	1,343	4,582
Hi-Tech Concrete Projects LLC	Entity under common control	-	635
Others	Entities under common control	353,347	87,292
		2,141,128	656,673
Non-current			
Trojan General Contracting LLC*	Subsidiary	-	69,021
Bunya Enterprises LLC	Joint Venture	16,530	30,484
National Projects and Construction LLC*	Subsidiary	-	22,444
Royal Group Holding LLC	Entity under common control	2,520	2,520
RG Treasury Holding LLC	Entity under common control	13,300	-
H2O Interior Design LLC	Entity under common control	613	613
		32,963	125,082
Total due to related parties		2,174,091	781,755

* These entities became subsidiaries during the year, which resulted in these balances being eliminated as of 31 December 2021.

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32 RELATED PARTY TRANSACTIONS AND BALANCES continued

Loan from related parties

	<i>Nature of relationship</i>	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Current			
Chimera Investment LLC (i)	Entity under common control	885,240	-
RG Procurement RSC Ltd (ii)	Entity under common control	121,832	-
		<u>1,007,072</u>	<u>-</u>

(i) During the year, a subsidiary of the Group obtained a loan from Chimera Investment LLC amounting to AED 885,240 thousand, to finance the purchase of specialised medical equipment that is used in the operation of a joint venture of the Group. The loan is unsecured, interest free and repayable on demand.

(ii) This represents unsecured loan obtained from RG Procurement RSC Ltd by a subsidiary of the Group. The loan is interest free and repayable in 2022.

Further, subsidiaries of the Group, obtained loans from related parties, with a balance of AED 48,624 thousand as at 31 December 2021 (2020: AED 50,128 thousand) (note 23).

During the year, the Group entered into the following transactions with related parties

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Revenue		
Entities under common control	749,178	844,265
Associate	756,404	-
Joint venture	16,772	-
Other related parties	<u>391,206</u>	<u>5,087</u>
	<u>1,913,560</u>	<u>849,352</u>
Cost of revenue		
Entities under common control	466,550	1,027,210
Associate	10,597	-
Other related parties	<u>3,801</u>	<u>93,312</u>
	<u>480,948</u>	<u>1,120,522</u>
General and administrative expenses		
Entities under common control	23,575	31,899
Associate	10,597	-
Joint venture	<u>29</u>	<u>-</u>
	<u>34,201</u>	<u>31,899</u>

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

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32 RELATED PARTY TRANSACTIONS continued

Transactions and balances with a financial institution (other related party)

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Balances with a financial institution	<u>16,786,034</u>	<u>2,337,558</u>
Borrowings	<u>3,366,800</u>	<u>296,523</u>
Interest expense for the year	<u>49,729</u>	<u>21,513</u>
Interest income	<u>14,545</u>	<u>1,741</u>
Drawdown	<u>400,532</u>	<u>86,995</u>
Repayment of borrowings	<u>843,679</u>	<u>130,022</u>

Transactions with related parties were entered into on terms agreed with management.

Key management remuneration

	<i>2021</i> <i>AED '000</i>	<i>2020</i> <i>AED '000</i>
Salaries and other benefits – short term	37,886	30,237
End of service benefits – long term	5,282	739
Share based payments	-	27,632

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33 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year as follows:

	2021	2020
Profit attributable to owners of the Company (AED '000)	<u>7,338,660</u>	<u>2,868,936</u>
Weighted average number of shares (shares in '000)	<u>1,821,429</u>	<u>1,821,429</u>
Basic earnings per share for the year (AED)	<u>4.03</u>	<u>1.58</u>

34 CONTINGENT LIABILITIES AND COMMITMENTS

	2021 AED '000	2020 AED '000
Letters of guarantee	<u>14,914,601</u>	<u>711,695</u>
Letters of credit	<u>728,478</u>	<u>123,225</u>
Commitments for capital expenditure	<u>4,502,584</u>	<u>351,148</u>
Commitments for investments in associate and joint venture	<u>257,457</u>	<u>-</u>

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

35 FINANCE COSTS

	2021 AED '000	2020 AED '000
Interest on borrowings	133,186	30,580
Interest on lease liabilities	28,472	4,463
Unwinding of discounting of long-term payables	14,379	17,269
Amortisation of transaction costs (note 23)	1,610	7,737
Remeasurement of contingent consideration (note 6.2(b))	-	700
Others	<u>11,404</u>	<u>878</u>
	<u>189,051</u>	<u>61,627</u>

International Holding Company PJSC

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36 TAXATION

The Group's subsidiaries in United States of America, Spain, India, Kingdom of Saudi Arabia, Russia, Maldives and Arab Republic of Egypt are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The Group is not subject to income tax in the UAE. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December as follows:

	2021 AED '000	2020 AED '000
Accounting profit before tax	11,589,976	3,014,994
Income not subject to tax	<u>(11,339,336)</u>	<u>(3,021,924)</u>
Accounting profit (loss) subject to tax	<u>250,640</u>	<u>(6,930)</u>
At effective tax rate of 9.1% (2020: 8.5%)	22,749	(587)
Temporary differences	708	966
Adjustment related to previous year	<u>(10,837)</u>	<u>-</u>
Income tax expense reported in the consolidated statement of profit or loss	<u><u>12,620</u></u>	<u><u>379</u></u>

The major components of income tax expenses are as follows:

	2021 AED '000	2020 AED '000
<i>Current income tax:</i>		
Tax charge (benefit) related to current year	22,749	(587)
Adjustment related to previous year	<u>(10,837)</u>	<u>-</u>
	<u>11,912</u>	<u>(587)</u>
<i>Deferred income tax:</i>		
Timing differences - current year	<u>708</u>	<u>966</u>
Income tax expense reported in the consolidated statement of profit or loss	<u><u>12,620</u></u>	<u><u>379</u></u>

As at 31 December 2021 and 2020, the Group had no uncertain tax positions.

Amounts reported in the consolidated statement of financial position are as follows:

	2021 AED '000	2020 AED '000
Deferred tax assets	16,938	38
Deferred tax liabilities	<u>(1,885)</u>	<u>(795)</u>
	<u>15,053</u>	<u>(757)</u>
Provision for income tax (recorded under trade and other payables)	<u><u>68,076</u></u>	<u><u>929</u></u>

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37 SHARE BASED PAYMENTS

On 31 May 2021, ordinary shares of a subsidiary of the Group were granted to certain personnel of the Group for a consideration of AED 6,000 thousand. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date.

On 5 November 2020, ordinary shares of three subsidiaries of the Group were granted to certain personnel of the Group, as well as certain personnel of the Ultimate Parent Company and its related entities. The share awards did not have any service or performance conditions ('vesting condition') and, therefore, vested immediately on the grant date.

The breakup of the shares awarded is as follows;

	<i>Number of shares of the subsidiaries</i>	
	<i>2021</i>	<i>2020</i>
Share awards to certain personnel of the Group	12,500,000	41,338,030
Share awards to certain personnel of the Ultimate Parent Company and its related entities	-	<u>11,161,970</u>
	<u>12,500,000</u>	<u>52,500,000</u>

The fair value at the grant date (being the measurement date) was estimated at AED 4.16 per share (2020: AED 1.58 per share, 2.11 per share and AED 7.15 per share) considering the terms and conditions on which the shares were granted. The total fair value of the share awards, less consideration received, amounted to AED 46,000 thousand (2020: AED 107,166 thousand) and was recorded as follows, with a corresponding increase in non-controlling interests:

	<i>Number of shares</i>		<i>Number of shares</i>	
	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>No.</i>	<i>AED '000</i>	<i>No.</i>	<i>AED '000</i>
Charged to general and administrative expenses (staff cost)	12,500,000	46,000	41,338,030	79,706
Charged to retained earnings	-	-	<u>11,161,970</u>	<u>27,460</u>
	<u>12,500,000</u>	<u>46,000</u>	<u>52,500,000</u>	<u>107,166</u>

38 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

<i>Name</i>	<i>Country of incorporation and operation</i>	<i>2021</i>	<i>2020</i>
Alpha Dhabi Holding PJSC	United Arab Emirates	54.59%	-
Multiply Group PJSC	United Arab Emirates	68.23%	-
Apex Holding LLC	United Arab Emirates	40%	-
Al Qudra Holding PJSC	United Arab Emirates	46.63%	-
Quant Lase Lab LLC	United Arab Emirates	20%	20%
Zee Store PJSC	United Arab Emirates	25.59%	28.8%

International Holding Company PJSC

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38 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2021 AED '000	2020 AED '000
Accumulated balances of material non-controlling interests:		
Alpha Dhabi Holding PJSC	14,502,427	-
Multiply Group PJSC	8,173,025	-
Apex Holding LLC	453,860	-
Al Qudra Holding PJSC	3,779,715	-
Quant Lase Lab LLC	209,819	38,163
Zee Store PJSC	283,916	44,919
	<u>27,402,762</u>	<u>83,082</u>
Profit allocated to material non-controlling interests:		
Alpha Dhabi Holding PJSC	3,250,518	-
Multiply Group PJSC	94,156	-
Apex Holding LLC	392,974	-
Al Qudra Holding PJSC	-	-
Quant Lase Lab LLC	215,596	38,103
Zee Store PJSC	9,307	(848)
	<u>3,962,551</u>	<u>37,255</u>

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	Alpha Dhabi AED '000	Multiply AED '000	Apex AED '000	Al Qudra AED '000	Quant Lase AED '000	Zee Store AED '000
31 December 2021						
Revenue	18,019,025	371,912	1,520,110	-	924,827	545,620
Cost of revenue	(12,338,560)	(161,294)	(881,022)	-	(63,762)	(482,488)
General and administrative expenses	(1,544,143)	(82,374)	(42,043)	-	(2,223)	(34,949)
Gain on bargain purchase	-	-	8,263	-	-	-
Finance cost	(116,334)	(5,702)	-	-	(4)	(2,653)
Finance and other income	1,059,966	102,654	402,738	-	219,137	34,181
Income tax expense	(12,392)	-	-	-	-	-
Profit for the year	<u>5,067,562</u>	<u>225,196</u>	<u>1,008,046</u>	<u>-</u>	<u>1,077,975</u>	<u>59,711</u>
Attributable to non-controlling interests	<u>3,250,518</u>	<u>94,156</u>	<u>392,974</u>	<u>-</u>	<u>215,596</u>	<u>9,307</u>
	Alpha Dhabi AED '000	Multiply AED '000	Apex AED '000	Al Qudra AED '000	Quant Lase AED '000	Zee Store AED '000
31 December 2020						
Revenue	-	15,784	-	-	238,681	289,029
Cost of revenue	-	(9,614)	-	-	(43,976)	(257,008)
General and administrative expenses	-	(5,489)	-	-	(4,189)	(19,825)
Finance cost	-	-	-	-	-	(478)
Finance and other income	-	3,118	-	-	-	577
Profit for the year	<u>-</u>	<u>3,799</u>	<u>-</u>	<u>-</u>	<u>190,516</u>	<u>12,295</u>
Attributable to non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,103</u>	<u>(848)</u>

International Holding Company PJSC

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38 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of financial position of material partly-owned subsidiaries:

	<i>Alpha Dhabi</i> <i>AED '000</i>	<i>Multiply</i> <i>AED '000</i>	<i>Apex</i> <i>AED '000</i>	<i>Al Qudra</i> <i>AED '000</i>	<i>Quant Lase</i> <i>AED '000</i>	<i>Zee Store</i> <i>AED '000</i>
31 December 2021						
Non-current assets	21,507,692	2,057,344	17,533	8,062,634	1,104,514	861,409
Current assets	25,839,659	9,546,418	1,321,056	4,517,911	835,967	627,406
Non-current liabilities	(5,540,080)	(535,956)	(2,308)	(2,255,945)	(14)	(79,401)
Current liabilities	<u>(15,835,690)</u>	<u>(341,776)</u>	<u>(185,484)</u>	<u>(2,679,614)</u>	<u>(891,676)</u>	<u>(446,084)</u>
Total equity	25,971,581	10,726,030	1,150,797	7,644,986	1,048,791	963,330
Less: non-controlling interest	<u>2,954,575</u>	<u>575,529</u>	<u>-</u>	<u>1,033,098</u>	<u>-</u>	<u>28,142</u>
Equity attributable to the owners of the subsidiaries	<u>23,017,006</u>	<u>10,150,501</u>	<u>1,150,797</u>	<u>6,611,888</u>	<u>1,048,791</u>	<u>935,188</u>
Attributable to:						
Equity holders of parent	<u>8,514,579</u>	<u>1,977,476</u>	<u>696,937</u>	<u>2,832,173</u>	<u>839,032</u>	<u>679,414</u>
Non-controlling interest	<u>14,502,427</u>	<u>8,173,025</u>	<u>453,860</u>	<u>3,779,715</u>	<u>209,759</u>	<u>255,774</u>

	<i>Alpha Dhabi</i> <i>AED '000</i>	<i>Multiply</i> <i>AED '000</i>	<i>Apex</i> <i>AED '000</i>	<i>Al Qudra</i> <i>AED '000</i>	<i>Quant Lase</i> <i>AED '000</i>	<i>Zee Store</i> <i>AED '000</i>
31 December 2020						
Non-current assets	-	65,396	-	-	-	26,790
Current assets	-	32,937	-	-	241,611	283,663
Non-current liabilities	-	(2,626)	-	-	-	(11,192)
Current liabilities	<u>-</u>	<u>(5,782)</u>	<u>-</u>	<u>-</u>	<u>(50,795)</u>	<u>(137,860)</u>
Equity (100%)	<u>-</u>	<u>89,925</u>	<u>-</u>	<u>-</u>	<u>190,816</u>	<u>161,401</u>
Attributable to:						
Equity holders of parent	<u>-</u>	<u>89,925</u>	<u>-</u>	<u>-</u>	<u>152,653</u>	<u>116,482</u>
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,163</u>	<u>44,919</u>

Summarised cash flow information of material partly-owned subsidiaries:

	<i>Alpha Dhabi</i> <i>AED '000</i>	<i>Multiply</i> <i>AED '000</i>	<i>Apex</i> <i>AED '000</i>	<i>Al Qudra</i> <i>AED '000</i>	<i>Quant Lase</i> <i>AED '000</i>	<i>Zee Store</i> <i>AED '000</i>
31 December 2021						
Operating	7,547,262	(35,174)	235,125	-	9,705	50,413
Investing	655,121	(1,558,437)	(129,946)	-	64,493	(29,050)
Financing	<u>(1,528,704)</u>	<u>5,025,607</u>	<u>(86)</u>	<u>-</u>	<u>(34,100)</u>	<u>(9,830)</u>
Net increase in cash and cash equivalents	<u>6,673,679</u>	<u>3,431,996</u>	<u>105,093</u>	<u>-</u>	<u>40,098</u>	<u>11,533</u>
	<i>Alpha Dhabi</i> <i>AED '000</i>	<i>Multiply</i> <i>AED '000</i>	<i>Apex</i> <i>AED '000</i>	<i>Al Qudra</i> <i>AED '000</i>	<i>Quant Lase</i> <i>AED '000</i>	<i>Zee Store</i> <i>AED '000</i>
31 December 2020						
Operating	-	738	-	-	18,639	25,158
Investing	-	(24,566)	-	-	(18,639)	(6,345)
Financing	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,716</u>
Net increase in cash and cash equivalents	<u>-</u>	<u>6,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,529</u>

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39 FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's financial assets are determined.

<i>Financial assets</i>	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>31 December 2021</i>	<i>31 December 2020</i>				
	<i>AED'000</i>	<i>AED'000</i>				
Quoted equity investments – investment in financial assets	2,543,211	303,500	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted debt investments – investment in financial assets	490,022	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	8,124,099	766,082	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Derivative financial liabilities	45,564	-	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

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40 SEGMENTAL ANALYSIS

For operating purposes, the Group is organised into business segments as follows:

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Real estate includes development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

Digital includes providing services with respect to advertisement design and production, cinema shows and its related services, computer and data processing requisites trading and computer network maintenance.

Industrial includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included is the retail trade of household and office furniture.

Food belongs to IHC food vertical, which includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

Healthcare includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

Capital belongs to IHC capital vertical, which includes brokerage services provided with respect to securities, sport enterprises investment and certain partially owned subsidiaries with diverse portfolio of assets and investments (i.e. healthcare, construction, real estate, industrial and operations from other services).

Others (unallocated) includes head office expenses and income not allocated to any segment.

International Holding Company PJSC

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40 SEGMENTAL ANALYSIS continued

	<i>Utilities</i>		<i>Real estate</i>		<i>Digital</i>		<i>Industrial</i>		<i>Food</i>		<i>Capital</i>		<i>Healthcare</i>		<i>Others</i>		<i>Total</i>	
	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>	<i>2021</i> <i>AED'000</i>	<i>2020</i> <i>AED'000</i>
Revenue	352,262	218,707	4,199,619	659,356	1,314,017	747,104	6,522,476	1,077,635	2,312,502	1,178,632	2,234,200	120,606	11,627,414	3,044,529	-	-	28,562,490	7,046,569
Cost of sales	(195,797)	(85,361)	(3,823,687)	(526,926)	(1,085,420)	(603,109)	(5,740,291)	(783,248)	(1,739,416)	(948,592)	(1,389,430)	(43,368)	(4,421,388)	(1,624,557)	-	-	(18,395,429)	(4,615,161)
Gross profit	156,465	133,346	375,932	132,430	228,597	143,995	782,185	294,387	573,086	230,040	844,770	77,238	7,206,026	1,419,972	-	-	10,167,061	2,431,408
Selling and distribution expenses	-	-	(912)	(1,948)	-	-	(79,149)	-	(49,066)	(44,555)	(10,338)	-	-	-	-	-	(139,465)	(46,503)
General and administrative expenses	(19,443)	(21,287)	(244,806)	(91,929)	(144,139)	(61,662)	(266,611)	(89,314)	(105,676)	(88,724)	(533,237)	(72,597)	(824,877)	(15,886)	(94,923)	(36,288)	(2,233,712)	(477,687)
Operating profit (loss)	137,022	112,059	130,214	38,553	84,458	82,333	436,425	205,073	418,344	96,761	301,195	4,641	6,381,149	1,404,086	(94,923)	(36,288)	7,793,884	1,907,218
Investment and other income	3,103	1,238	50,049	59,195	89,394	10,403	632,004	9,257	403,248	13,269	2,086,704	26,395	841	-	1,611	96,654	3,266,954	216,411
Share of profit from investment in associates and joint ventures	-	-	39,473	4,354	(910)	(278)	7,121	(1,287)	(5,713)	-	389,533	945,458	242,682	-	-	-	672,186	948,247
Gain on acquisition of subsidiaries	-	-	319	-	225	-	-	-	8,264	4,745	-	-	-	-	-	-	8,808	4,745
Gain on disposal of subsidiaries	-	-	28,785	-	-	-	6,411	-	8,658	-	-	-	-	-	-	-	43,854	-
Loss on partial disposal of an associate	-	-	-	-	-	-	-	-	-	-	-	-	(6,659)	-	-	-	(6,659)	-
Finance costs	(7,306)	(11,528)	(37,659)	(42,637)	(8,616)	(4,087)	(42,478)	(665)	(14,937)	(2,610)	(72,769)	-	(5,188)	-	(98)	(100)	(189,051)	(61,627)
Income tax	-	-	-	-	-	-	(8,529)	-	(228)	(379)	(3,863)	-	-	-	-	-	(12,620)	(379)
Profit (loss) for the year	132,819	101,769	211,181	59,465	164,551	88,371	1,030,954	212,378	817,636	111,786	2,700,800	976,494	6,612,825	1,404,086	(93,410)	60,266	11,577,356	3,014,615
Add: depreciation and amortisation	30,096	29,236	148,038	64,721	54,437	27,692	321,957	61,774	43,854	30,005	260,187	18,942	45,468	-	244	15	904,281	232,385
Add: finance costs	7,306	11,528	37,659	42,637	8,616	4,087	42,478	665	14,937	2,610	72,769	-	5,188	-	98	100	189,051	61,627
Gain on acquisition of subsidiaries	-	-	(319)	-	(225)	-	-	-	(8,264)	(4,745)	-	-	-	-	-	-	(8,808)	(4,745)
Gain on disposal of subsidiaries	-	-	(28,785)	-	-	-	(6,411)	-	(8,658)	-	-	-	-	-	-	-	(43,854)	-
Add: income tax	-	-	-	-	-	-	8,529	-	228	379	3,863	-	-	-	-	-	12,620	379
EBITDA	170,221	142,533	367,774	166,823	227,379	120,150	1,397,507	274,817	859,733	140,035	3,037,619	995,436	6,663,481	1,404,086	(93,068)	60,381	12,630,646	3,304,261
Segment assets	1,282,089	1,093,440	28,908,039	4,218,050	4,780,254	822,715	14,170,423	1,609,706	1,874,202	1,409,100	24,830,337	3,193,932	10,421,721	1,551,616	2,713,083	113,721	88,980,148	14,012,280
Segment liabilities	595,302	471,565	8,998,009	2,578,946	509,308	261,592	7,916,263	579,305	493,292	573,707	8,759,287	1,153,266	5,648,614	564,521	28,047	7,445	32,948,122	6,190,347

International Holding Company PJSC

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41 FINANCIAL RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total debt and capital. Net debt is calculated as borrowings, lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and short term deposits. Total capital is calculated as 'equity attributable to owners of the Company' as shown in the statement of financial position plus net debt.

	2021 AED '000	2020 AED '000
Borrowings	8,456,561	926,159
Lease liabilities	994,535	88,509
Loan from related parties	1,007,072	-
Trade and other payables	14,415,763	2,822,012
Contract liabilities	2,846,415	1,213,245
Due to related parties	2,174,091	781,755
Cash and bank balances	(20,246,582)	(3,665,334)
Net debt	9,647,855	2,166,346
Equity attributable to owners of the Company	27,093,661	7,468,847
Net debt and equity (capital)	36,741,516	9,635,193
Debt/equity ratio	0.26	0.22

Financial instruments risk management objectives and policies

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and cash flow risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Company establishes and oversees the Company's risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities' levels.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

International Holding Company PJSC

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41 FINANCIAL RISK MANAGEMENT continued

Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

Foreign exchange risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group's net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group's monetary assets and liabilities in major foreign currencies at the reporting date are as follows:

	<i>Assets</i>	<i>Liabilities</i>	<i>Net Exposure</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net Exposure</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Egyptian Pound ('EGP')	1,560,260	645,778	914,482	-	-	-
Euro ('Eur')	15,898	73,374	(57,476)	-	-	-
Great Britain Pound ('GBP')	511,320	3,939	507,381	-	-	-
Moroccan Dirham ('MD')	432,665	32,371	400,294	-	-	-
Others	945,790	465,805	479,985	-	-	-

Foreign currency sensitivity analysis

The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP and MD. The following table demonstrates the sensitivity of AED on the Group's profit and equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	<i>Effect on Equity</i>	<i>Effect on Equity</i>
	<i>2021</i>	<i>2020</i>
	<i>AED '000</i>	<i>AED '000</i>
Egyptian Pound ('EGP')	45,724	-
Euro ('Eur')	(2,874)	-
Great Britain Pound ('GBP')	25,369	-
Moroccan Dirham ('MD')	20,015	-
Others	23,999	-

International Holding Company PJSC

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41 FINANCIAL RISK MANAGEMENT continued

Market risk management continued

Price risk

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 3,033,225 (2020: AED 303,500 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2021 AED '000	2020 AED '000
Impact on the Group's profit for the year (increase/decrease)	<u>96,017</u>	<u>3,429</u>
Impact on the Group's other comprehensive income for the year (increase/decrease)	<u>55,645</u>	<u>11,746</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2021, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 64,958 thousand (2020: AED 10,884 thousand).

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

International Holding Company PJSC

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31 December 2021

41 FINANCIAL RISK MANAGEMENT continued

Market risk management continued

Interest rate swap contracts continued

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the 3 months USD LIBOR rate. The Group will settle the difference between the fixed and floating interest rate on a net basis.

The following table details the notional and fair value amounts of the interest rate swap contracts as at the end of the reporting year (2020: nil):

	Notional Amount AED '000	Liabilities	
		Fair value USD '000	Fair value AED '000
2021			
Instrument I: outstanding receive floating (USD LIBOR 3M), pay fixed (0.8%)	<u>686,758</u>	<u>1,535</u>	<u>5,639</u>
Instrument II: outstanding receive floating (AED EIBOR 3M), pay fixed (4.27%)	<u>553,605</u>	<u>-</u>	<u>39,925</u>

Credit risk management

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets.

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41 FINANCIAL RISK MANAGEMENT continued

Liquidity risk management continued

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<i>On demand</i> <i>AED '000</i>	<i>Less than</i> <i>3 months</i> <i>AED '000</i>	<i>3 to 12</i> <i>months</i> <i>AED '000</i>	<i>1 to 5</i> <i>years</i> <i>AED '000</i>	<i>More than</i> <i>5 years</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
At 31 December 2021						
Borrowings	363,124	444,045	915,457	5,578,441	1,778,211	9,079,278
Lease liabilities	323	33,925	76,140	359,479	988,701	1,458,568
Due to related parties	723,356	1,036,683	381,089	34,302	-	2,175,430
Loan from related parties	-	-	1,007,072	-	-	1,007,072
Derivative financial instruments	-	26,005	-	19,559	-	45,564
Trade and other payables	-	<u>9,430,152</u>	<u>208,282</u>	<u>40,560</u>	-	<u>9,678,994</u>
Total	<u>1,086,803</u>	<u>10,970,810</u>	<u>2,588,040</u>	<u>6,032,341</u>	<u>2,766,912</u>	<u>23,444,906</u>
At 31 December 2020						
Borrowings	-	4,561	195,682	453,903	424,198	1,078,344
Lease liabilities	-	-	15,950	58,900	45,459	120,309
Due to related parties	162,620	213,635	280,418	130,889	-	787,562
Trade and other payables	<u>19,681</u>	<u>1,257,617</u>	<u>480,180</u>	<u>155,670</u>	-	<u>1,913,148</u>
Total	<u>182,301</u>	<u>1,475,813</u>	<u>972,230</u>	<u>799,362</u>	<u>469,657</u>	<u>3,899,363</u>

42 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 1,451,522 was declared in 2021 (2020: nil).

43 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

44 SUBSEQUENT EVENTS

Subsequent to year end, the Group acquired following entities:

- Ras Al Khaimah Cement Investment Company PJSC (RAKCIC) - 51.5%. RAKCIC is involved in clinkers and hydraulic cement manufacturing and wholesale of cement products.
- Arena Events Group PLC (ARENA) – 70% equity interest. ARENA is a leader in events structuring and management, with a global presence extends to the Middle East, Asia, Europe, Unites States and United Kingdom.
- Abu Dhabi Vegetable Oil Co. LLC (ADVOC) – 75% equity interest. ADVOC main activities are into production of edible oil products.
- WIO Holding Restricted Limited (WIO) – 51% equity interest. WIO will launch WIO Digital Bank which will be establish digital banking platform within the region.
- W Solar Investment LLC (W Solar) – 75% equity interest. W Solar is involved in installation, management and maintenance of solar projects.

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44 SUBSEQUENT EVENTS continued

Furthermore, subsequent to the year end, the Group entered into the following transactions:

- (i) Investment of AED 1 billion in Abu Dhabi Chemicals Derivatives Company RSC Ltd. (TA'ZIZ)
- (ii) Investment of AED 1 billion in OCI Clean Fuels Limited

Moreover, Alpha Dhabi Holding PJSC (a subsidiary) announced that certain entities including their subsidiaries (if any) will be merged into the Group to expand the Group's medical business. These subsidiaries includes:

- (i) Abu Dhabi Health Services Company PJSC (SEHA)
- (ii) National Health Insurance Company PJSC (Daman)
- (iii) Yas Clinic Group
- (iv) Abu Dhabi Stem Cells Center
- (v) The Life Corner LLC