



Report and condensed consolidated financial information for the nine-month period ended 30 September 2022

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**REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS AL WAHA CAPITAL PJSC**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Al Waha Capital PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 30 September 2022 and the related condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three month and nine month periods then ended and the condensed consolidated statements of changes in equity and cash flows for the nine month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.

Signed by:
Mohammad Mobin Khan
Partner
Ernst & Young
Registration No 532

28 October 2022
Abu Dhabi

Condensed consolidated statement of financial position

	Note	As at 30 September 2022 (Unaudited) AED '000	As at 31 December 2021 (Audited) AED '000
ASSETS			
Property and equipment, net		18,818	36,392
Right-of-use assets	17	34,137	99,649
Investment property	7	243,322	711,422
Goodwill and intangible assets		36,965	78,983
Loan investments	8	39,453	-
Investments in equity-accounted associates and joint ventures	9	165,516	170,242
Financial investments	10	6,611,740	6,414,024
Inventories		2,015	15,604
Trade and other receivables	11	657,605	641,900
Cash and bank balances	12	687,710	1,421,350
Assets held for sale	6	466,800	-
Total assets		8,964,081	9,589,566
EQUITY AND LIABILITIES			
Equity			
Share capital	13	1,944,515	1,944,515
Treasury shares		(157,735)	(267,184)
Retained earnings		1,017,764	1,089,852
Reserves		544,420	544,666
Equity attributable to the Owners of the Company		3,348,964	3,311,849
Non-controlling interests		1,722,139	1,479,541
Total equity		5,071,103	4,791,390
Liabilities			
Borrowings	14	3,307,522	4,117,198
End of service benefit provision		19,054	26,288
Derivative liabilities	15	92,989	100,626
Lease liabilities	17	37,529	119,918
Trade and other liabilities	16	435,884	434,146
Total liabilities		3,892,978	4,798,176
Total equity and liabilities		8,964,081	9,589,566

These condensed consolidated financial statements were authorised for issue by the Board of Directors on 28 October 2022 and signed on their behalf by:



Chairman



Vice Chairman



Acting Chief Financial Officer

Condensed consolidated statement of profit or loss

	Note	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Continuing operations					
Revenue from sale of goods and services	18	79,847	91,447	24,472	25,728
Cost of sale of goods and services	18	(65,412)	(65,794)	(21,045)	(20,266)
Gross profit		14,435	25,653	3,427	5,462
Share of profit / (loss) from equity-accounted associates and joint ventures, <i>net</i>	9	7,106	(14,427)	2,120	(4,285)
Impairment of equity-accounted associates and joint ventures		-	(77,969)	-	(45,955)
Gain on disposal of equity-accounted associates and joint ventures	9	31,263	50,511	-	-
Income from financial investments, <i>net</i>	19	339,708	670,133	189,855	168,597
Income from investment property, <i>net</i>		36,549	36,236	11,977	13,024
Other income, <i>net</i>		11,487	3,968	9,169	9,078
Net operating income		440,548	694,105	216,548	145,921
General and administrative expenses	20	(122,419)	(155,987)	(57,826)	(48,261)
Finance cost, <i>net</i>	21	(82,221)	(65,973)	(27,937)	(24,173)
Profit for the period from continuing operations		235,908	472,145	130,785	73,487
Discontinued operations					
Loss for the period	6	(9,887)	(17,956)	(3,457)	(2,376)
Gain on disposal of subsidiary	22	32,653	-	32,653	-
Profit / (loss) for the period from discontinued operations		22,766	(17,956)	29,196	(2,376)
Profit for the period		258,674	454,189	159,981	71,111
Profit for the period attributable to:					
Owners of the Company		186,966	296,540	99,684	32,059
Non-controlling interests		71,708	157,649	60,297	39,052
Profit for the period		258,674	454,189	159,981	71,111
Basic and diluted earnings per share attributable to the Owners of the Company (AED)	13	0.100	0.161	0.053	0.017
Basic and diluted earnings per share from continuing operations attributable to the Owners of the Company (AED)	13	0.084	0.171	0.037	0.019

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

Condensed consolidated statement of profit or loss and other comprehensive income

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Profit for the period	258,674	454,189	159,981	71,111
Other comprehensive (loss) / income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Share of change in other reserves of equity- accounted associates and joint ventures	(246)	(24)	-	43
Release of share of other reserves of equity- accounted associates and joint ventures upon disposal	-	(6)	-	-
	(246)	(30)	-	43
Total comprehensive income for the period	258,428	454,159	159,981	71,154
Total comprehensive income attributable to:				
Owners of the Company	186,720	296,510	99,684	32,102
Non-controlling interests	71,708	157,649	60,297	39,052
Total comprehensive income for the period	258,428	454,159	159,981	71,154

Condensed consolidated statement of changes in equity

For the nine-month period ended 30 September

	Share capital AED '000	Treasury shares AED '000	Retained earnings AED '000	Statutory reserve AED '000	Other reserves AED '000	Total reserves AED '000	Equity attributable to Owners of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
At 1 January 2021	1,944,515	(267,184)	848,229	510,088	(4,241)	505,847	3,031,407	1,118,188	4,149,595
Profit for the period	-	-	296,540	-	-	-	296,540	157,649	454,189
Other comprehensive loss	-	-	-	-	(30)	(30)	(30)	-	(30)
Total comprehensive income / (loss)	-	-	296,540	-	(30)	(30)	296,510	157,649	454,159
Cash dividend (note 13)	-	-	(110,311)	-	-	-	(110,311)	-	(110,311)
Contributions by non-controlling interests (note 5)	-	-	-	-	-	-	-	118,645	118,645
At 30 September 2021 (Unaudited)	1,944,515	(267,184)	1,034,458	510,088	(4,271)	505,817	3,217,606	1,394,482	4,612,088
At 1 January 2022	1,944,515	(267,184)	1,089,852	549,192	(4,526)	544,666	3,311,849	1,479,541	4,791,390
Profit for the period	-	-	186,966	-	-	-	186,966	71,708	258,674
Other comprehensive loss	-	-	-	-	(246)	(246)	(246)	-	(246)
Total comprehensive income / (loss)	-	-	186,966	-	(246)	(246)	186,720	71,708	258,428
Cash dividend (note 13)	-	-	(138,807)	-	-	-	(138,807)	-	(138,807)
Bonus shares issued	-	113,515	(113,515)	-	-	-	-	-	-
Purchase of treasury shares, net	-	(4,066)	-	-	-	-	(4,066)	-	(4,066)
Loss on acquisition of non-controlling interests	-	-	(9,488)	-	-	-	(9,488)	7,198	(2,290)
Contributions by non-controlling interests, net (note 5)	-	-	-	-	-	-	-	129,323	129,323
Disposal of subsidiary	-	-	2,756	-	-	-	2,756	34,369	37,125
At 30 September 2022 (Unaudited)	1,944,515	(157,735)	1,017,764	549,192	(4,772)	544,420	3,348,964	1,722,139	5,071,103

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

Condensed consolidated statement of cash flows

For the nine-month period ended 30 September

	Note	2022 (Unaudited) AED '000	2021 (Unaudited) AED '000
Cash flows from operating activities			
Profit from continuing operations		235,908	472,145
Profit / (loss) from discontinued operations		22,766	(17,956)
Profit for the period		258,674	454,189
Adjustments for:			
Depreciation on property and equipment, net		9,098	12,635
Depreciation on right-of-use assets	17	11,147	11,168
Finance cost, net		86,258	71,536
Charge for employees' end of service benefits		4,628	3,992
Income from financial assets at fair value through profit or loss, net	19	(339,708)	(670,133)
Share of (profit) / loss from equity-accounted associates and joint ventures, net	9	(7,106)	14,427
Impairment of equity-accounted associates and joint ventures		-	77,969
Dividend from equity-accounted associates and joint ventures	9	11,586	14,980
Gain on disposal of equity-accounted associates and joint ventures	9	(31,263)	(50,511)
Fair value gain on investment property, net	7	(508)	-
Amortisation and write off of intangible assets		315	296
Receipt on disposal of Investment in equity-accounted associates and joint ventures		-	134,841
Gain on disposal of investment property		(554)	(1,566)
Gain on disposal of subsidiary		(32,653)	-
Provision for expected credit losses		4,058	15,016
Proceeds from disposal of equity-accounted associates and joint ventures		31,263	-
Investments in financial assets at FVTPL		134,355	542,336
Loans repaid for financial assets at FVTPL		(806,305)	(373,100)
Finance cost paid on loans obtained against financial assets at FVTPL		(30,903)	(31,887)
Interest paid on lease liabilities	17	(5,433)	(6,274)
Changes in working capital:			
Change in inventories		32	(851)
Change in trade and other receivables		(4,689)	(225,622)
Change in trade and other liabilities		58,426	200,482
Net cash (used in) / generated from operations		(649,282)	193,923
Employees' end of service benefits paid		(3,415)	(3,327)
Net cash (used in) / generated from operating activities		(652,697)	190,596
Cash flows from investing activities			
Payments made for development of investment property		(1,324)	(1,683)
Purchase of property and equipment, net		(4,987)	(5,703)
Purchase of intangibles, net		(30)	(14)
Proceeds from disposal of investment property		855	2,200
Proceeds from disposal of a subsidiary, net of cash disposed	22	37,405	-
Interest received		3,520	889
Net cash flows generated from / (used in) investing activities		35,439	(4,311)
Cash flows from financing activities			
Finance cost paid on borrowings		(53,780)	(55,386)
Principal paid on lease liabilities		(4,552)	(7,171)
Loans repaid		(27,484)	(142,274)
Loans obtained		20,661	333,545
Dividends paid	13	(138,807)	(110,311)
Contributions of non-controlling interest holders, net		129,323	118,645
Loan investment provided including accrued interest		(39,453)	37,910
Acquisition of non-controlling interest holders		(2,290)	-
Net cash (used in) / generated from financing activities		(116,382)	174,958
Net (decrease) / increase in cash and cash equivalents		(733,640)	361,243
Cash and cash equivalents at 1 January		1,421,350	704,684
Cash and cash equivalents at 30 September	12	687,710	1,065,927

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

Notes to the condensed consolidated financial statements

1 Legal status and principal activities

Al Waha Capital PJSC ("the Company") is a public joint stock company with limited liability, formed in the Emirate of Abu Dhabi, United Arab Emirates, by Emiri Decree No. 10 dated 20 May 1997 and incorporated on 12 July 1997.

These condensed consolidated financial statements for the nine-month period ended 30 September 2022 comprise the results and financial position of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and jointly controlled entities ("associates and joint ventures").

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

The Group's consolidated financial statements for the year ended 31 December 2021 are available on its website www.wahacapital.ae and also upon request at the Company's registered office at P.O. Box 28922, Etihad Towers, 42nd floor, Tower 3, Abu Dhabi, UAE.

2 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

3 Significant accounting policies

The significant accounting policies, risk management principles, methods of computation and estimates applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022 and accounting for non-current assets held for sale and discontinued operations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRSs effective in 2022

The Group has applied, for the first time, new standards and amendments in 2022, as stated below:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- 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

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

Notes to the condensed consolidated financial statements (continued)

3 Significant accounting policies (continued)

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups 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 disposal groups 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 statement of financial position.

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 statement of profit or loss.

All other notes to the condensed consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Key sources of estimation uncertainty

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a pandemic. As a result, businesses have subsequently seen reduced customer traffic and, where governments mandated, temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the UAE.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these financial statements. Notwithstanding, these developments could impact our future financial results, cash flows and financial position.

Notes to the condensed consolidated financial statements (continued)

4 Fair values

a Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable for the asset or liability.

	30 September 2022 (Unaudited) AED '000				31 December 2021 (Audited) AED '000			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets								
Financial assets at FVTPL								
Investment in equity securities	2,162,961	2,162,961	-	-	1,788,086	1,788,086	-	-
Other investment in equity securities	74,523	-	-	74,523	963	-	-	963
Convertible preference shares	169,116	-	-	169,116	185,545	-	-	185,545
Investment in fixed income securities	3,146,163	3,146,163	-	-	4,102,793	4,102,793	-	-
Derivative assets	135,463	-	135,463	-	88,960	-	88,960	-
Reverse repurchase contracts	459,963	-	459,963	-	112,780	-	112,780	-
Unquoted funds	463,551	-	-	463,551	134,897	-	-	134,897
Total	6,611,740	5,309,124	595,426	707,190	6,414,024	5,890,879	201,740	321,405
Financial liabilities								
Financial liabilities at FVTPL								
Derivative liabilities	(92,989)	-	(92,989)	-	(100,626)	-	(100,626)	-
Total	(92,989)	-	(92,989)	-	(100,626)	-	(100,626)	-

There has been no transfers between Level 1 and Level 2 during the period.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

As at the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000	Fair value hierarchy	Valuation technique
Financial assets at fair value through profit or loss				
a Listed equity securities	2,162,961	1,788,086	Level 1	Quoted bid prices in an active market.
b Other investment in equity securities	74,523	963	Level 3	Valuation is based on Net Asset Values (NAV) or latest transaction price in the market.
c Convertible preference shares	169,116	185,545	Level 3	Options model with unobservable inputs, mainly share price and market volatilities of the underlying shares
d Investment in listed fixed income securities	3,146,163	4,102,793	Level 1	Quoted bid prices in an active market.
e Reverse repurchase contracts	459,963	112,780	Level 2	The valuation is based on broker quotes.
f Derivative assets	135,463	88,960	Level 2	The valuation is based on broker quotes.
g Unquoted funds	463,551	134,897	Level 3	Valuation is based on Net Asset Values (NAV) of the fund calculated by the fund manager.
Financial liabilities at fair value through profit or loss				
a Derivative liabilities	(92,989)	(100,626)	Level 2	The valuation is based on broker quotes.

Notes to the condensed consolidated financial statements (continued)

4 Fair values (continued)

a Fair value hierarchy (continued)

Reconciliation of level 3 fair value movements

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	321,405	255,805
Additions	367,015	103,415
Increase / (decrease) in fair value through profit or loss	18,770	(37,815)
	707,190	321,405

b Fair values of financial assets and liabilities measured at amortised cost

The fair values of financial assets and liabilities approximate their carrying amounts.

5 Non-controlling interests

During the period, the Group invested into Waha MENA Equity Fund SP an amount of AED nil (30 September 2021: AED 34,205 thousand) and non-controlling interest holders invested net amount of AED 139,427 thousand (30 September 2021: AED 64,615 thousand), resulting in a decrease in the Group's ownership from 65.9% to 61.6%; the Group invested an amount of AED nil into Waha CEEMEA Credit Fund SP (30 September 2021: AED 34,205 thousand) and the non-controlling interest holders redeemed net amount of AED 23,514 thousand (30 September 2021: invested net amount of AED 35,640 thousand), resulting in an increase in the Group's ownership from 62.6% to 63.1%; the non-controlling interest holders in Waha Islamic Income Fund SP invested an amount of AED 11,310 thousand (30 September 2021: AED 18,390 thousand), resulting in a decrease in the Group's ownership from 84.9% to 78.4%. The non-controlling interest holders invested an amount of AED 2,100 thousand (30 September 2021: nil) in Waha Principal Investments – Sole Proprietorship LLC. .

Notes to the condensed consolidated financial statements (continued)

6 Non-current asset held for sale and discontinued operations

On 24 May 2022, the Group entered into a sale and purchase agreement to sell its subsidiary, Anglo Arabian Healthcare Investment (AAHI), which was completed on 26 July 2022 with a consideration amounting to AED 100,000 thousand. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 22.

The results of the discontinued operations, which have been included in the profit for the period, were as follows:

	Period from 1 January 2022 to 26 July 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000
Revenue from sale of goods and services	92,858	137,868
Cost of sale of goods and services	(83,842)	(114,855)
Gross profit	9,016	23,013
Other income, <i>net</i>	1,844	2,333
General and administrative expenses	(16,710)	(37,739)
Finance cost, <i>net</i>	(4,037)	(5,563)
Loss for the period from discontinued operations	(9,887)	(17,956)

The net cash flows incurred by AAH are as follows:

	Period from 1 January 2022 to 26 July 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000
Operating	2,804	10,263
Investing	(3,240)	(1,475)
Financing	(792)	(7,837)
Net cash (outflow) / inflow	(1,228)	951

During the period, the Group has decided to sell a part of its investment property amounting to AED 466,800 thousand. As result, this portion has been reclassified to an asset held for sale (note 7).

Notes to the condensed consolidated financial statements (continued)

7 Investment property

The movement of investment property is presented below:

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	711,422	715,989
Additions	1,324	1,697
Disposal	(3,132)	(6,264)
Fair value gain	508	-
Transferred to assets held for sale (note 6)	(466,800)	-
	243,322	711,422

The investment property is categorised into level 3 of the fair value hierarchy based on the inputs to the valuation technique accepted by the Royal Institute of Chartered Surveyors. The valuation, as of 30 September 2022 has been determined by management with reference to the valuation carried out on 31 December 2021, performed by an accredited independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. In estimating the fair value, the current use of the property was deemed to be its highest and best use.

During 2020, the Group entered into a Musataha agreement for sale of a serviced land. Total consideration for the transaction is AED 13,000 thousand which is payable in five installments until September 2023.

During 2021, the Group entered into a Musataha agreement for sale of a serviced land. Total consideration for the transaction is AED 9,000 thousand which is payable in five installments until May 2025.

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

Notes to the condensed consolidated financial statements (continued)

8 Loan investments

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Loan investment	39,453	-

During 2022, the Group provided an interest-bearing loan amounting to AED 36,044 thousand at an interest rate of 11% per annum. The loan is repayable in five years. Loan can be extended by the borrower for one year. As of 30 September 2022, the loan is a stage 1 asset.

9 Investments in equity-accounted associates and joint ventures

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

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
As at 1 January	170,242	472,076
Disposals	-	(84,330)
Share of income / (loss), net	7,106	(11,488)
Impairment loss	-	(77,970)
Share of equity reserves	(246)	(285)
Distributions received	(11,586)	(18,603)
Reclassification of investment to FVPTL	-	(109,158)
	165,516	170,242

During the period, the Group exited from an investment in an associate with carrying value of nil. The Group recognised proceeds of AED 31,263 thousand.

Notes to the condensed consolidated financial statements (continued)

10 Financial investments

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Financial assets at fair value through profit or loss		
Unquoted funds	463,551	134,897
Derivative assets ¹	135,463	88,960
Reverse repurchase contracts, net ²	459,963	112,780
Listed fixed income securities ³	3,146,163	4,102,793
Listed equity securities	2,162,961	1,788,086
Convertible preference shares ⁴	169,116	185,545
Other investments	74,523	963
	6,611,740	6,414,024

¹Derivative assets held by the Group include interest rate swaps, total return swaps, credit default swaps and currency futures and have a notional value of 8,501,993 thousand (31 December 2021: 15,714,075 thousand).

²Reverse repurchase contracts are shorted simultaneously. The carrying amounts presented are net of reverse repurchase receivables of AED 2,363,376 thousand and corresponding liabilities of AED 1,903,413 thousand (31 December 2021: reverse repurchase receivables of AED 2,162,879 thousand and corresponding liabilities of AED 2,050,099 thousand). The repurchase agreements are subject to a master netting agreement.

³Listed fixed income securities totalling AED 1,814,464 thousand (31 December 2021: AED 2,972,924 thousand) are pledged as security against the Group's borrowings under repurchase agreements.

⁴On 20 August 2020, the Group entered into a subscription agreement with Despegar.com, a NYSE-listed online travel company in Latin America to acquire 50,000 Series B Preferred Shares, without par value for an aggregate purchase price of \$50 million. The terms of the transaction include an option to the holder to convert each Series B Preferred Shares into 108.1081 common shares of Despegar.com. Series B Preferred Shares carry an annual dividend of 4% which is payable on a quarterly basis. The issuer also has an option to enforce conversion at any time from the third to seventh anniversary of the deal closing date, if for at least 10 consecutive trading days volume weighted average price of the common shares exceeds \$13.88 between third and fifth anniversary and \$12.49 between fifth and seventh anniversary. In addition, the issuer has right to redeem at any time on or after the seventh anniversary in cash. The Group paid net cash consideration of AED 180,222 thousand for the transaction which was closed on 21 September 2020. As of reporting date, the fair value of the instrument is estimated at AED 169,116 thousand (31 December 2021: AED 185,545 thousand).

Notes to the condensed consolidated financial statements (continued)

11 Trade and other receivables

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Trade receivables	175,770	174,767
Allowance for expected credit losses	(16,326)	(73,461)
	159,444	101,306
Prepayments and advances	23,927	7,852
Accrued interest	54,518	49,216
Amounts set aside for prior years dividends	37,703	37,805
Deposits under lien	1,034	1,034
Margin accounts	308,743	414,450
Other receivables	72,783	31,226
Allowance for expected credit losses on other receivables	(547)	(989)
	657,605	641,900

12 Cash and bank balances

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Deposits held with banks	-	110,340
Cash at banks	687,686	1,310,765
Cash in hand	109	354
Cash and bank balances	687,795	1,421,459
Less: Allowance for expected credit losses	(85)	(109)
	687,710	1,421,350

13 Share capital and dividend

On 28 March 2022, the Company held its Annual General Meeting which, among other things, approved a cash dividend of AED 138,807 thousand representing 7.55 fils per share and bonus shares of 2.45% (24 March 2021: approved a cash dividend of AED 110,311 thousand representing 6 fils per share).

The basic and diluted earnings per share for the current period ended 30 September 2022 and 2021 has been calculated using the weighted average number of shares outstanding during the period after considering the effect of treasury shares.

	Nine-month period ended 30 September 2022 (Unaudited)	Nine-month period ended 30 September 2021 (Unaudited)	Three-month period ended 30 September 2022 (Unaudited)	Three-month period ended 30 September 2021 (Unaudited)
Profit for the period attributable to Owners of the Company (AED '000)	186,966	296,540	99,684	32,059
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,867,925,493	1,838,508,714	1,867,925,493	1,838,508,714

Notes to the condensed consolidated financial statements (continued)

14 Borrowings

The movement in borrowings is presented below:

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Year ended 31 December 2021 (Audited) AED '000
At 1 January	4,117,198	4,211,842
Loans drawn-down	20,661	647,575
Loan arrangement and prepaid interest costs, net of amortisations	4,141	(16,921)
Loans repaid	(833,789)	(725,298)
Loans transferred to a disposal group (note 22)	(689)	-
	3,307,522	4,117,198

On 15 August 2021, the Group completed the refinancing of its existing \$500 million secured revolving loan facility, replacing it with a 3 year \$500 million secured revolving loan facility. The facility is initially secured by a pledge over the Group's shareholding in Waha Land LLC and certain investments.

During 2022, net amount of AED 6,628 thousand was repaid from the AED 378,000 thousand secured Murabaha-Ijara based financing for further development of its light industrial real estate project.

During 2022, the Group's repurchase liabilities against its investment in fixed income securities decreased by AED 806,305 thousand.

15 Derivative liabilities

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Financial liabilities at fair value through profit or loss		
Other derivative liabilities ¹	98,989	100,626
	92,989	100,626

¹ Other derivative liabilities held by the Group represent interest rate swaps, total return swaps, credit default swaps, and currency futures, and have a notional value of 663,352 thousand (31 December 2021: 684,995 thousand).

16 Trade and other liabilities

	30 September 2022 (Unaudited) AED '000	31 December 2021 (Audited) AED '000
Trade payables	235,116	161,850
Interest accrued on borrowings	40,598	34,114
Dividends payable	37,706	37,808
Long term employee incentive plans accrual	48,767	61,626
Deferred income	9,324	11,746
Other payables and accruals	64,373	127,002
	435,884	434,146

Notes to the condensed consolidated financial statements (continued)

17 Leases

	Right-of-use assets AED '000	Lease liabilities AED'000
As at 1 January 2022	99,649	119,918
Depreciation expense	(11,147)	-
Interest expense	-	5,433
Payments	-	(9,985)
New leases	29,188	29,188
Reassessment of lease terms	34	34
Leases transferred to a disposal group (note 22)	(83,587)	(107,059)
As at 30 September 2022 (Unaudited)	34,137	37,529
As at 1 January 2021	113,550	126,383
Depreciation expense	(14,687)	-
Interest expense	-	8,376
Payments	-	(15,627)
New leases	859	859
Reassessment of lease terms	(73)	(73)
As at 31 December 2021 (Audited)	99,649	119,918

18 Revenue from sale of goods and services

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Revenue	79,847	91,447	24,472	25,728
Cost of sales	(65,412)	(65,794)	(21,045)	(20,266)
Gross profit	14,435	25,653	3,427	5,462

Revenue and cost of sales of services are mainly attributable to the healthcare operations. Performance obligations relating to goods and services are satisfied at the point in time

All revenues are generated within UAE.

Notes to the condensed consolidated financial statements (continued)

19 Income from financial investments, net

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Financial assets at fair value through profit or loss				
Net gain / (loss) from unquoted funds	40,582	(476)	2,777	(488)
Net gain from derivatives	472,846	171,910	89,441	49,866
Net (loss) / gain from listed fixed income securities	(121,013)	162,423	32,603	25,783
Net (loss) / gain from listed equity securities	(37,312)	346,282	78,520	113,452
Net loss from convertible preference shares	(15,395)	(10,006)	(13,486)	(20,016)
	339,708	670,133	189,855	168,597

20 General and administrative expenses

	Nine-month period ended 30 September 2022 (Unaudited) AED '000			Three-month period ended 30 September 2022 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	55,821	16,440	72,261	31,275	6,355	37,630
Legal and other professional expenses	10,799	11,020	21,819	4,176	4,278	8,454
Depreciation	4,022	2,406	6,428	1,353	826	2,179
Amortisation of intangible assets	23	260	283	1	231	232
Marketing expenses	1,816	1,485	3,301	500	527	1,027
Provision for expected credit losses	-	359	359	-	115	115
Others	9,385	8,583	17,968	5,380	2,809	8,189
	81,866	40,553	122,419	42,685	15,141	57,826
	Nine-month period ended 30 September 2021 (Unaudited) AED '000			Three-month period ended 30 September 2021 (Unaudited) AED '000		
	Company	Subsidiaries	Total	Company	Subsidiaries	Total
Staff costs	98,416	12,987	111,403	33,082	4,490	37,572
Legal and other professional expenses	11,856	4,505	16,361	1,667	1,659	3,326
Depreciation	2,487	5,339	7,826	839	1,774	2,613
Amortisation of intangible assets	214	43	257	66	15	81
Marketing expenses	1,180	811	1,991	385	254	639
Provision / (reversal) for expected credit losses	-	613	613	-	(1,309)	(1,309)
Others	6,637	10,899	17,536	2,075	3,264	5,339
	120,790	35,197	155,987	38,114	10,147	48,261

Notes to the condensed consolidated financial statements (continued)

21 Finance cost, net

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Interest on borrowings	83,728	67,228	30,260	24,092
Interest on lease liabilities	1,351	1,059	472	315
Amortisation of loan arrangement costs	5,141	1,044	1,733	888
Interest income from loan investments at amortised cost	(3,408)	(1,748)	(1,419)	(390)
Interest earned on time deposits	(3,520)	(889)	(2,678)	(386)
Unwinding of interest on disposal of investment property	(1,071)	(721)	(431)	(346)
	82,221	65,973	27,937	24,173

22 Disposal of subsidiary

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

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

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

Notes to the condensed consolidated financial statements (continued)

22 Disposal of subsidiary (continued)

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

23 Related parties

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

Key management personnel compensation

	Nine-month period ended 30 September 2022 (Unaudited) AED '000	Nine-month period ended 30 September 2021 (Unaudited) AED '000	Three-month period ended 30 September 2022 (Unaudited) AED '000	Three-month period ended 30 September 2021 (Unaudited) AED '000
Salary and benefits	5,211	5,429	1,301	1,500
End of service and other long-term benefits	478	501	146	151
	5,689	5,930	1,447	1,651

24 Operating segments

During 2021, the Group realigned its operating segments following developments in key responsibilities of management and internal reporting. Following the realignment, we have reclassified the industrial real estate industry from Private Investments to a new segment called "Waha Land". Furthermore, we have renamed our Capital Markets segment to Public Markets to be in line with the Group's external publications. Comparative periods were reclassified accordingly.

Notes to the condensed consolidated financial statements (continued)

24 Operating segments (continued)

Private Investments

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

Public Markets

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

Waha Land

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

Corporate

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

The following table presents revenue and profit information for the Group's operating segments for the nine-month period ended 30 September 2022 and 2021, respectively:

AED '000

Nine-month period ended 30 September 2022 (Unaudited)

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

Notes to the condensed consolidated financial statements (continued)

24 Operating segments (continued)

AED '000 Nine-month period ended 30 September 2021 (Unaudited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Revenue from sale of goods and services	91,447	-	-	-	91,447
Share of loss from equity-accounted associates and joint ventures, net	(14,427)	-	-	-	(14,427)
Impairment of equity-accounted associates and joint ventures	(77,969)	-	-	-	(77,969)
Gain on disposal of equity-accounted associates and joint ventures	50,511	-	-	-	50,511
Income from financial investments, net	24,431	-	645,702	-	670,133
Income from investment property, net	-	36,236	-	-	36,236
Other income, net	2,160	1,349	423	36	3,968
Profit / (loss) for the period from continuing operations	(17,198)	28,800	594,012	(133,469)	472,145
Loss from discontinued operations	(17,956)	-	-	-	(17,956)
(Loss) / profit for the period	(35,154)	28,800	594,012	(133,469)	454,189
Other comprehensive loss	(30)	-	-	-	(30)

Segment income reported above represents income generated from external customers. There was no inter-segment income during the period (30 September 2021: AED nil).

The following table presents assets and liabilities information for the Group's operating segments as at 30 September 2022 and 31 December 2021, respectively:

AED '000 As at 30 September 2022 (unaudited)	Private Investments	Waha Land	Public Markets	Corporate	Consolidated
Segment assets	1,146,928	819,402	6,749,238	248,513	8,964,081
Segment liabilities	75,134	115,038	2,045,033	1,657,773	3,892,978
As at 31 December 2021 (audited)					
Segment assets	963,484	800,978	7,187,151	637,953	9,589,566
Segment liabilities	238,661	126,114	2,743,559	1,689,842	4,798,176