

CONFIDENTIAL



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries

Board of Directors' report and
consolidated financial statements

For the year ended 31 December 2023



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

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Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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Board of Directors' report

For the year ended 31 December 2023

The Board of Directors is pleased to present the consolidated financial statements for the year ended 31 December 2023, covering the overall performance of Abu Dhabi Developmental Holding Company PJSC (the "Company" or "ADQ") and its subsidiaries (together referred to as the "Group").

2023 was a critical year for the local economy, with non-oil GDP growth in Abu Dhabi outperforming its regional and global peers. As ADQ's assets employ 85,000 people in the UAE, directly contributing 10% to the emirate's non-oil economy, and supporting 22% of wider non-oil GDP, our activities played an instrumental role in driving overall domestic investment and spending.

In 2023, a landmark year that commemorated the fifth anniversary of ADQ's founding, we relentlessly pursued sustainable growth that drives Abu Dhabi's economic resilience for future generations. We achieved several milestones that underscore our commitment to strengthening our priority and emerging clusters. By harnessing the cluster effect, we have continued to create value, investing in companies that champion core sectors of Abu Dhabi's economy.

Our priority clusters accomplished several milestones during 2023. In January 2023, the Group acquired 100% of real estate development and management company, Al Eskan Al Jamae LLC, which specializes in corporate housing in Abu Dhabi and across the UAE. We further bolstered our Food and Agriculture cluster through the acquisition of a 75% stake in global exporter of fresh fruit, Unifrutti Investments Limited ("Unifrutti"), in February 2023, expanding our reach and capabilities while bringing sector expertise to Abu Dhabi.

Core assets in our Energy & Utilities cluster also reached significant milestones, with Emirates Nuclear Energy Company PJSC (ENEC) commencing commercial operations of its third unit in February 2023. This unit added 1,400 megawatts (MW) of zero-carbon emission electricity capacity, strengthening the UAE's energy security and accelerating its Net Zero 2050 ambitions. In April of 2023, Abu Dhabi National Energy Company PJSC ("TAQA") – a champion within our Energy and Utilities cluster – successfully placed 5-year and 10-year dual-tranche senior unsecured notes with total value of USD 1.5 billion. USD 1 billion of the notes represent TAQA's inaugural green bond issuance, the proceeds of which will be utilized to finance, refinance and invest in eligible green projects, reinforcing ADQ's commitment to sustainability across its portfolio.

To further strengthen our Energy and Utilities cluster, ADQ launched Sustainable Water Solutions Holding Company ("SWS Holding") in May 2023 – by consolidating Abu Dhabi Sustainable Water Solutions Company, Al Wathba Water Company PJSC and Al Etihad Waste Water Company PJSC under the SWS Holding umbrella. In June 2023, TAQA announced its intention to acquire SWS Holding, incorporating a new specialisation and helping to realize the Emirate's circular economy ambitions.

In the same month, the Group successfully acquired 100% of Noatum Holdings, S.L.U ("Noatum"), a global integrated logistics services provider. With operations spanning 26 countries, Noatum's global reach and expertise are poised to further ADQ's vision of creating a global logistics hub in Abu Dhabi.

To bolster our alternative investments approach, in September 2023, ADQ entered into a long-term separate managed account agreement with Lunate Capital Limited.

Abu Dhabi Airports Company PJSC launched Zayed International Airport's new terminal, with the inaugural Etihad Airways flight running in October 2023. Capable of handling up to 45 million passengers annually and connecting Abu Dhabi to 117 global destinations, the new terminal marks a significant milestone in Abu Dhabi's aviation sector.

Within our priority clusters, 2023 ended with the listing of Pure Health Holding PJSC on the Abu Dhabi Securities Exchange in December 2023, creating further momentum within our Healthcare and Lifesciences cluster and strengthening Abu Dhabi's capital markets.

Our emerging clusters also saw several strategic developments. In July 2023, the full ownership of Modon Properties PJSC ("Modon") was transferred to ADQ. In August, ADQ and IHC Capital submitted an offer to combine shareholdings in Modon alongside our shareholding in Abu Dhabi National Exhibition Company PJSC ("ADNEC") and other assets into Q Holding PJSC, later rebranded to Modon Holding. The consolidation was completed in February 2024 and strengthens our Tourism, Entertainment and Real Estate cluster by realizing synergies between key national assets.

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Board of Directors' report (continued)

Our emerging clusters also saw the creation of E7 Group PJSC ("E7") in October 2023 when ADQ successfully completed the acquisition of a 31% equity interest by transferring the entire share capital of United Printing and Publishing LLC to E7. The new combined group has now become a cornerstone asset within our Sustainable Manufacturing cluster.

These developments have further highlighted our commitment to nurturing globally competitive national champions and creating long-term impact. We look forward to 2024, where we hope to continue this momentum through cross-sector value creation and further investments in our portfolio.

In February 2024, ADQ appointed two Deputy Chief Executive Officers to oversee the next chapter in ADQ's growth journey. The Deputy CEO positions were created to further optimize our business model by enhancing the speed and agility of decision-making, maximizing ADQ's ability to realize value creation opportunities, and strengthening oversight across an evolving portfolio of businesses in the markets and communities in which we operate. They will also be supported by two Chief Investment Officers, who are industry experts and carry an incredible wealth of knowledge.

Looking ahead, we believe 2024 presents global investors with a series of challenges, but more importantly, opportunities, alongside shifting patterns of growth, trade and economic policies. These range from the uncertain outlook for interest rates, to an unprecedented international election cycle, and diverging growth performances in some of the world's largest economies. In addition, new technologies such as generative AI look set to disrupt existing business models, and potentially act as a game-changer in boosting employee productivity. As a global investor with assets across multiple continents and industry verticals, ADQ is well placed to capitalize on many of these global trends and themes.

Financial Highlights

Revenue was AED 111,708 million in 2023 compared to AED 99,561 million in 2022.

Profit for the year attributable to the owner of the Company was AED 16,104 million in 2023 compared to profit of AED 11,434 million in 2022.

Total comprehensive income attributable to the owner of the Company was AED 22,193 million in 2023 compared to total comprehensive income of AED 12,231 million in 2022.

Total assets were AED 720,520 million in 2023 compared to AED 609,664 million in 2022.

Total liabilities were AED 358,498 million in 2023 compared to AED 331,042 million in 2022.

For and on behalf of the Board of Directors,



MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Abu Dhabi Developmental Holding Company PJSC ("the Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of other 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities. 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's 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 the matters that, in our professional judgment, are 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC (continued)**

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>The Group has reported revenue of AED 111.7 billion (2022: AED 99.6 billion). Revenue recognition is considered to be a key area of focus given there are multiple revenue streams and sources associated with the Group from its various diversified businesses.</p> <p>Revenue recognised comprises revenue from supply and distribution of water, electricity and wastewater, oil and gas, sale of goods, exhibition and related services, health and insurance services, rental and port and marine services.</p> <p>Revenue from the supply and distribution of water, electricity and wastewater is subject to Maximum Allowed Revenue ("MAR") which is calculated in accordance with a formula defined in the License and Regulatory Control mechanisms document issued by the Department of Energy (DOE). The total revenue recognised from the supply and distribution of water and electricity during the year was AED 42.1 billion (2022: AED 37.0 billion).</p> <p>We focused on this revenue stream since the calculation of MAR is subject to significant judgements, interpretations and assumptions in respect of the definition of notified items, the determination of certain allowable deductions, performance indicators and derogation charges, and Price Control Return ("PCR") adjustments</p> <p>Management also involved a technical assessor to determine the number of active customers and connections, which is a key input in the MAR calculation.</p> <p>The MAR calculation is also subject to change from time to time when Regulatory Control mechanisms provided by the DOE are amended or as clarifications are received from the DOE.</p> <p>Accordingly, the computation of this revenue stream for the year ended 31 December 2023 is considered to be a key audit matter.</p> <p>The Group's revenue recognition accounting policy is disclosed in Note 5 to the consolidated financial statements and details of the amount of revenue recognised during the year is disclosed in Note 7.</p>	<p>We performed the following procedures, inter alia, in respect of revenue recognition:</p> <ul style="list-style-type: none"> • We obtained an understanding of the business process flow and performed walkthroughs to identify the key controls; • We assessed the key controls over revenue to determine if they had been designed and implemented appropriately and, where we planned to rely on controls, we determined if they were operating effectively; • We performed procedures to assess whether the revenue recognition criteria adopted by Group is appropriate and is in accordance with the Group's accounting policy and the requirements of IFRSs; • We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions; and • We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRSs. <p>With respect to revenue recognised from supply and distribution of water and electricity, we performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> • Reperformance of management's calculation of revenue from the supply and distribution of water; • Agreed the inputs used by management to those stipulated in Regulatory Control 2 (RC 2); • Agreed the adjustments in the Price Control Return to actual amounts based on communications with DOE; • Assessed the skills, competence, independence and objectivity of the technical assessor and reviewed their terms of engagement with the Group to determine if their scope was sufficient for audit purposes; • Evaluated the report of management's expert on the revenue drivers and agreed the details in the report to schedules used in the revenue analysis; • Agreed the pass-through charges to invoices and supporting schedules; • Examined the relevant communications with DOE; • Agreed the regulated and unregulated revenue for sales of water and electricity to the revenue calculation used in the other operating revenue. • Assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC (continued)**

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Group audit and consolidation process</p> <p>The Group comprises a large number of subsidiaries, associates and joint ventures ("components") that are significant to the Group's consolidated financial statements. These components are geographically spread and therefore increase the complexity of the Group's overall control environment.</p> <p>The consolidation process requires extensive knowledge of the history of the transactions by the Group. Considering the complexity and size of inter-group transactions and the number of subsidiaries, the accuracy of the consolidation model and completeness of the consolidation adjustments and elimination entries were identified as critical for our audit.</p> <p>Based on the factors noted above, the audit of the group consolidation process is considered to be a key audit matter.</p> <p>The Group's basis of consolidation, list of subsidiaries and material equity-accounted investees are disclosed in notes 5, 35 and 22 to the consolidated financial statements respectively.</p>	<p>We have performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> • We determined the nature and extent of audit procedures to be carried out for components and selected significant Components based on their size and/or risk profile; • During our audit, we specifically focused on the risks in relation to the decentralized structure and extended our involvement in local audit work performed by component auditors; • We organised site visits, meetings and conference calls with auditors of the components in our audit scope. We further discussed the audit approach with significant component auditors and also provided detailed instructions to them which covered, inter alia, the significant areas and risks to be addressed. We also set out the information required to be reported back to us as part of group reporting. These scoped in components include subsidiaries as well as equity accounted investees which were scoped in for the audit; • We obtained an understanding of the business process flow and performed walkthroughs to identify the key controls; • We assessed the controls around consolidation procedures to determine if they had been appropriately designed and implemented appropriately and, where we planned to rely on controls, we determined if they were operating effectively; • we performed test of details on all significant pro-forma consolidation journal entries; • we assessed if the pro-form consolidation journal entries were complete. This included determining that all intercompany transactions and balances had been eliminated on consolidation; and • We recalculated the equity accounted earnings of the associates and joint ventures included in the consolidated statement of profit and loss and consolidated statement of other comprehensive income and recalculated the reconciliation of the equity of these entities to their carrying amount in the consolidated statement of financial position.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC (continued)

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment of non-financial assets</p> <p>As at 31 December 2023, the Group reported AED 326.9 billion (2022: AED 328.1 billion) of property, plant and equipment, AED 5.9 billion (2022: AED 5.7 billion) of goodwill and AED 51.8 billion (2022: AED 49.0 billion) of investments in equity-accounted investees. These assets represent 53% of the Group's total assets (2022: 63%).</p> <p>During the year, the Group reported an impairment loss on non-financial assets of AED 2.9 billion (2022: AED 1.9 billion).</p> <p>For property, plant and equipment and investments in equity-accounted investees, the Group undertakes a review of indicators of impairment and, whenever indicators of impairment exist, an impairment assessment is performed by determining if the recoverable amount, exceeds or is equal to its carrying amount. For goodwill acquired in a business combination, impairment testing is performed annually regardless of whether or not impairment indicators are present.</p> <p>The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilization of the relevant assets.</p> <p>Management employed external valuers to assist them in the determination of recoverable amounts in certain instances.</p> <p>We considered the determination of the recoverable amount of non-financial assets as a key audit matter as management is required to apply significant judgments and make significant estimates including the estimated value of future cash flows, associated discount rates and utilization rates and long-term growth rates based on management's view of future business prospects.</p> <p>The critical accounting estimates made and judgements applied by management are disclosed in Note 6 and further details about impairment of non-financial assets are disclosed in Note 10 to the consolidated financial statements.</p>	<p>We have performed the following procedures in response to the key audit matter identified:</p> <ul style="list-style-type: none"> • We obtained the valuation models prepared by the component management and assessed the valuation methodology adopted and key inputs and assumptions used in the valuation model. • For valuation performed by external parties, we assessed the valuer's competence, capabilities, independence and objectivity and read their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes; • We involved our valuation experts and utilised external data to assess and corroborate the assumptions used; • Where we identified estimates that were outside the acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made; • We reviewed the sensitivity analysis on the significant assumptions to evaluate the extent of their impact on the determination of the recoverable amounts; • We reperformed the arithmetical accuracy of the valuation model and the determination of the impairment loss, if any. • We reassessed the valuation assumptions used in the valuation and involve our subject matter experts to assess the key assumptions used; • We held meetings and discussions with management to discuss their impairment assessments; <p>We determined that the disclosures in the consolidated financial statements relating to this matter were in accordance with the requirements of IFRSs.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC (continued)**

Other Information (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

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 their preparation in compliance with the applicable provisions of the Company's Articles of Association and UAE Federal Law No. (32) of 2021, 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 ISAs and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities 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 and the applicable requirements of ADAA Chairman's Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 on 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ABU DHABI DEVELOPMENTAL HOLDING COMPANY PJSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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.

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 and regulations preclude 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Group has maintained proper books of account;
- The financial information included in the Board of Directors' Report is consistent with the books of account and records of the Group;
- Notes 22, 23 and 37 reflect the disclosures relating to shares purchased or invested by the Group during the financial year ended 31 December 2023;
- Note 40 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- Note 8 reflects the disclosures relating to social contributions made during the year.

Pursuant to the requirements of Article 5 of Abu Dhabi Accountability Authority Chairman Resolution No. 88 of 2021 regarding the examination of internal financial controls over financial reporting, we have been engaged to perform independent assurance engagements to provide reasonable assurance reports over:

- 1) The effectiveness of internal financial controls over financial reporting on the separate financial statements of the Company; and
- 2) The effectiveness of internal financial controls over the consolidation process of the Company for the Group consolidated financial statements.

We have not been engaged to perform an independent assurance engagement on the internal financial controls over financial reporting of the Group.

Further, as required by ADAA Chairman Resolution No. 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities except for the above, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2023, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2023:

- its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Group's consolidated financial statements.

Deloitte & Touche (M.E.)



Obada Alkowitzy
Registration No. 1056
29 March 2024
Abu Dhabi
United Arab Emirates



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of financial position

As at 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Assets			
Non-current assets			
Property, plant and equipment	18	326,941	328,063
Intangible assets and goodwill	19	19,845	18,842
Investment properties	20	16,472	13,938
Right-of-use assets	21	10,773	11,298
Investments in equity-accounted investees	22	51,764	49,028
Accounts and other receivables	16	9,961	7,650
Operating financial assets	24	6,512	6,790
Derivative financial instruments	32	779	1,187
Other financial assets	23	15,261	63,412
Deferred tax assets	14	5,722	6,116
Total non-current assets		464,030	506,324
Current assets			
Inventories	15	14,116	11,946
Accounts and other receivables	16	42,177	37,251
Operating financial assets	24	1,213	1,253
Derivative financial instruments	32	287	385
Other financial assets	23	1,906	16,839
Cash and bank balances	17	48,134	35,012
Total current assets		107,833	102,686
Assets held-for-disposal	42	148,657	654
Total assets		720,520	609,664
Equity and liabilities			
Equity			
Share capital	25	100	100
Contributed capital	25	286,443	371,836
Reserves	25	25,256	4,565
Retained earnings		24,931	(116,648)
Equity attributable to the owner of the Company		336,730	259,853
Non-controlling interests		25,292	18,769
Total equity		362,022	278,622



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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Consolidated statement of financial position (continued)

As at 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Liabilities			
Non-current liabilities			
Loans and borrowings	26	161,693	155,723
Lease liabilities	27	11,279	12,580
Accounts and other payables	28	14,089	13,902
Deferred government grants	29	32,315	36,025
Derivative financial instruments	32	515	561
Retirement benefit obligation	30	2,503	2,423
Provisions	31	24,220	22,506
Deferred tax liabilities	14	2,485	1,869
Total non-current liabilities		249,099	245,589
Current liabilities			
Loans and borrowings	26	29,170	19,859
Lease liabilities	27	2,547	2,114
Accounts and other payables	28	64,652	58,881
Deferred government grants	29	1,338	889
Derivative financial instruments	32	325	229
Provisions	31	2,589	2,479
Total current liabilities		100,621	84,451
Liabilities directly associated with the assets held-for-disposal	42	8,778	1,002
Total liabilities		358,498	331,042
Total equity and liabilities		720,520	609,664

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2024 and signed on their behalf by:

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

The accompanying notes form an integral part of these consolidated financial statements.



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of profit or loss

For the year ended 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Revenues	7	111,708	99,561
Other operating income		530	2,065
Government grants	29	4,648	9,531
Share of results of equity-accounted investees	22	1,837	3,630
Staff costs	8	(20,088)	(20,505)
Professional and consultancy charges		(1,883)	(1,388)
Cost of insurance services		-	(2,248)
Depreciation and amortisation	9	(17,924)	(17,533)
Impairment of non-financial assets	10	(2,930)	(1,953)
Charge in respect of expected credit loss	10	(623)	(1,124)
Other operating expenses	11	(57,379)	(51,005)
Operating profit		17,896	19,031
Other income - net	12	12,308	3,441
Finance income		1,741	594
Finance cost	13	(9,764)	(7,735)
Profit before income tax		22,181	15,331
Income tax expense	14	(1,839)	(1,247)
Profit from continuing operations		20,342	14,084
Discontinued operations			
Loss after income tax from discontinued operations	42	(1,689)	(1,821)
Profit for the year		18,653	12,263
Profit attributable to:			
Owner of the Company		16,104	11,434
Non-controlling interests		2,549	829
		18,653	12,263

The accompanying notes form an integral part of these consolidated financial statements.



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of other comprehensive income

For the year ended 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Profit for the year		18,653	12,263
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligation	30	51	342
Share of other comprehensive loss of equity-accounted investees - net of tax		(55)	-
Fair value gain/(loss) on financial assets measured at FVTOCI		1,100	(232)
		1,096	110
Items that are or may be reclassified subsequently to profit or loss			
Loss on translation of foreign operations		(84)	(1,865)
Changes in fair values of derivative instruments in cash flow hedges - net		(1,021)	3,218
Share of other comprehensive gain of equity-accounted investees - net of tax		74	63
		(1,031)	1,416
Other comprehensive income for the year from continuing operations		65	1,526
Discontinued operations			
Other comprehensive income for the year	42	6,036	676
Total comprehensive income for the year		24,754	14,465
Total comprehensive income attributable to:			
Owner of the Company		22,193	12,231
Non-controlling interests		2,561	2,234
		24,754	14,465

The accompanying notes form an integral part of these consolidated financial statements.



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Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Share capital	Contributed capital	Reserves	Retained earnings	Total equity attributable to the Owner of the Company	Non-controlling interests	Total equity
	(Note 25) AED' million	(Note 25) AED' million	(Note 25) AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2022 (as previously reported)	100	310,994	2,996	(129,424)	184,666	7,178	191,844
Impact of transfer of entities under common control	-	100	-	(127)	(27)	-	(27)
At 1 January 2022 (restated)	100	311,094	2,996	(129,551)	184,639	7,178	191,817
Total comprehensive income for the year							
Profit for the year	-	-	-	11,434	11,434	829	12,263
Other comprehensive income for the year	-	-	728	69	797	1,405	2,202
	-	-	728	11,503	12,231	2,234	14,465
Transactions with the Owner:							
Contributions from the Shareholder	-	67,652	-	-	67,652	-	67,652
Dividends declared (Note 43)	-	-	-	(4,102)	(4,102)	(1,132)	(5,234)
Transfer from retained earnings to reserves	-	-	994	(994)	-	-	-
Acquisition of a subsidiary (Note 37)	-	-	-	-	-	1,528	1,528
Transfers to the Shareholder (Note 37)	-	(5,713)	-	4,245	(1,468)	-	(1,468)
Change in ownership of subsidiaries without loss of control	-	-	-	2,425	2,425	9,067	11,492
Other movements	-	(1,197)	(153)	(174)	(1,524)	(106)	(1,630)
	-	60,742	841	1,400	62,983	9,357	72,340
At 31 December 2022 (restated)	100	371,836	4,565	(116,648)	259,853	18,769	278,622



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Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2023

	Share capital	Contributed capital	Reserves	Retained earnings	Total equity attributable to the Owner of the Company	Non-controlling interests	Total equity
	(Note 25) AED' million	(Note 25) AED' million	(Note 25) AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2023	100	371,836	4,565	(116,648)	259,853	18,769	278,622
Total comprehensive income for the year							
Profit for the year	-	-	-	16,104	16,104	2,549	18,653
Other comprehensive income for the year	-	-	6,045	44	6,089	12	6,101
	-	-	6,045	16,148	22,193	2,561	24,754
Transactions with the Owner:							
Contributions from the Shareholder	-	63,816	-	-	63,816	275	64,091
Dividends declared (Note 43)	-	-	-	(4,000)	(4,000)	(1,054)	(5,054)
Transfer from retained earnings to reserves	-	-	1,598	(1,598)	-	-	-
Acquisition of subsidiaries (Note 37)	-	-	-	-	-	537	537
Option to acquire non-controlling interest	-	-	(302)	-	(302)	-	(302)
Utilisation of contributed capital for absorption of losses (Note 25)	-	(149,209)	13,280	131,125	(4,804)	-	(4,804)
Change in ownership of subsidiaries without loss of control	-	-	46	342	388	4,204	4,592
Other movements	-	-	24	(438)	(414)	-	(414)
	-	(85,393)	14,646	125,431	54,684	3,962	58,646
At 31 December 2023	100	286,443	25,256	24,931	336,730	25,292	362,022

The accompanying notes form an integral part of these consolidated financial statements.



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

Consolidated statement of cash flows

For the year ended 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Cash flows from operating activities			
Profit before income tax from continuing operations		22,181	15,331
Loss before income tax from discontinued operations		(1,689)	(1,817)
Profit before income tax		20,492	13,514
Adjustments for:			
Depreciation and amortisation		17,969	17,642
Impairment of non-financial assets	10,42	3,275	1,450
Charge in respect of expected credit loss	10	623	1,124
Provision for retirement benefit obligation	30	438	500
Provision/(reversal of provision) for slow moving and obsolete inventories	15	193	(195)
Reversal of other provisions		(437)	-
Gain on recognition of an investment	23	(10,784)	-
Fair value loss on financial assets at FVTPL		1,196	1,405
Gain on disposal of property, plant and equipment and investment properties	12	(64)	(208)
Share of results of equity-accounted investees	22,42	(1,350)	(3,908)
Gain on disposal of investments	12	(324)	(2,827)
Government grants income	29	(4,648)	(9,531)
Loss on foreign exchange		471	92
Gain on bargain purchase	12	(255)	-
Dividend income		(333)	(420)
Finance income		(1,778)	(620)
Finance cost	13	9,764	7,735
Revenue recognised from operating financial assets	24	(1,654)	(1,475)
Operating cash flows before changes in working capital		32,794	24,278
Changes in working capital:			
(Increase)/decrease in inventories		(715)	91
(Increase)/decrease in accounts and other receivables		(2,380)	1,488
Increase/(decrease) in accounts and other payables		(364)	9,754
Cash generated from operations		29,335	35,611
Grants received from the government		1,789	7,753
Cash received from service concession arrangements	24	2,029	1,963
Payment in respect of restoration, decommissioning and other provisions	31	(1,310)	(1,895)
Benefits paid in respect of retirement benefit obligation	30	(276)	(376)
Finance income received		1,760	580
Income tax paid		(1,705)	(2,009)
Net cash generated from operating activities		31,622	41,627

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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Consolidated statement of cash flows (continued)

For the year ended 31 December 2023

	Notes	2023 AED' million	2022 (Restated) AED' million
Cash flows from investing activities			
Purchase of property, plant and equipment and investment properties	18 & 20	(21,010)	(17,272)
Proceeds on disposal of property, plant and equipment and investment properties		504	860
Purchase of intangible assets	19	(545)	(867)
Acquisition of subsidiary, net of cash and cash equivalents acquired	37	(2,998)	(7,080)
Disposal of subsidiary, net of cash and cash equivalents	37	-	(3,288)
Transfer of subsidiaries to the Shareholder, net of cash and cash equivalents	37	-	(218)
Acquisition of equity-accounted investees and other financial assets		(52,098)	(62,177)
Decrease in other deposits with banks - net		653	180
Proceeds from disposal of equity-accounted investees and other financial assets		1,583	3,494
Dividends received from equity-accounted investees and other financial assets		2,338	2,905
Loans and advances provided to related parties		(5,989)	(4,987)
Initial direct costs for acquisition of right of use assets		(321)	-
Net cash used in investing activities		(77,883)	(88,450)
Cash flows from financing activities			
Contributions from the Shareholder		63,793	64,883
Proceeds from loans and borrowings	17	57,552	18,593
Repayment of loans and borrowings	17	(45,863)	(36,651)
Repayment of lease liabilities	27	(2,585)	(2,836)
Finance cost paid		(5,032)	(2,124)
Dividends paid to the Shareholder	43	(4,000)	(3,000)
(Payments to)/received from non-controlling interests		(1,054)	9,223
Net cash from financing activities		62,811	48,088
Net increase in cash and cash equivalents including cash and cash equivalents classified within assets held-for-disposal		16,550	1,265
Less: Net increase in cash and cash equivalents classified within assets held-for-disposal	42	(3,613)	-
Effect of movements in exchange rates on cash and cash equivalents		(160)	239
Cash and cash equivalents at the beginning of the year		30,852	29,348
Cash and cash equivalents at end of the year	17	43,629	30,852

The accompanying notes form an integral part of these consolidated financial statements.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Legal status and principal activities

Abu Dhabi Developmental Holding Company PJSC ("ADQ" or "the Company") is registered as a public joint stock company in the Emirate of Abu Dhabi, United Arab Emirates ("UAE"). The Company was incorporated on 26 March 2018 and is wholly owned by the Government of Abu Dhabi (the "Shareholder" or the "Parent" or the "Ultimate parent"). The Company's registered head office is PO Box 164, Abu Dhabi, UAE.

The Company was established pursuant to the Abu Dhabi Law No. 2 of 2018 dated 20 February 2018 for the purpose of investing in and managing the developmental companies transferred from the Shareholder to enable them to achieve excellence in performance, productivity, efficiency and quality of the services provided by them.

The Company aims to promote developmental companies through providing guidance, following-up and supervising the operations of these companies in line with their Articles of Association or with the agreements concluded with other stakeholders.

In 2023 and previous years, shares owned by the Shareholder on certain developmental companies were transferred from the Shareholder to the Company.

The acquisition of developmental companies was accounted for as a reorganisation of companies under common control. The Group's historical results were presented to reflect the historical results of developmental companies from the beginning of comparative period presented wherein the entity has been under common control. The carrying amount of assets and liabilities included are based on the historical carrying amounts of such assets and liabilities recognised by the developmental companies.

These consolidated financial statements comprise ADQ and its subsidiaries (together referred to as the "Group").

These consolidated financial statements were authorised for issue by the Board of Directors on 29 March 2024.

2. Statement of compliance and basis of preparation

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the UAE Federal Law No. 32 of 2021 on Commercial Companies and the requirements of Abu Dhabi Law No. 2 of 2018 concerning the establishment of the Company.

2.2. Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:

- Certain financial assets and financial liabilities (including derivative instruments) – measured at fair value; and
- Defined benefit pension liability - measured at fair value;

The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. Details of the Group's material accounting policy information are included in Note 5. Judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates with a significant risk of material adjustments in the subsequent years are disclosed in Note 6.

The Board of Directors have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Statement of compliance and basis of preparation (continued)

2.2. Basis of preparation (continued)

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law shall apply to Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period)." and "Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the reporting period to 31 December 2023 and for the purposes of accounting for Income Taxes.

3. Functional and presentation currency

These consolidated financial statements are prepared in UAE Dirham ("AED"). The functional currency of the Company is AED. All financial information is presented in AED and has been rounded to the nearest million, unless otherwise stated.

4. Adoption of new and revised Standards

4.1. New and amended IFRS Standards that are effective for the current year

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Adoption of new and revised Standards (continued)

4.1. New and amended IFRS Standards that are effective for the current year (continued)

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

Amendments to IAS 12 Income Taxes—International Tax Reform—Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The application of these amendments did not have a material impact on the consolidated financial statements of the Group.

4.2. New and revised IFRS Standards in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Adoption of new and revised Standards (continued)

4.2. New and revised IFRS Standards in issue but not yet effective (continued)

	Effective for annual periods beginning on or after
<i>Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.
<i>Amendments to IAS 1 Presentation of Financial Statements</i> relating to classification of liabilities as current or non-current providing a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.	1 January 2024
<i>Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants</i> requiring that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).	1 January 2024
<i>Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements</i> stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.	1 January 2024
<i>Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback</i> add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.	1 January 2024
<i>IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information</i> requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024, (subject to adoption by jurisdiction)
<i>IFRS S2 Climate-related Disclosures</i> requires an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024, (subject to adoption by jurisdiction)
<i>Lack of Exchangeability (Amendments to IAS 21)</i> The Effects of Changes in Foreign Exchange Rates require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.	1 January 2025

Management anticipates that these new standards, interpretations and amendments will have limited impact on the Group's consolidated financial statements once they are applicable.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information

5.1. Basis of consolidation

The consolidated financial statements include the accounts of ADQ and its subsidiaries.

5.1.1. Subsidiaries

Subsidiaries are entities controlled by the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the entity (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Company 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The accounting policies of the subsidiaries are adjusted where necessary to ensure conformity with the policies adopted by the Group.

5.1.2. Transactions between entities under common control

Acquisition of interests in entities that are under common control of the Shareholder are accounted for in accordance with the pooling of interest method of accounting using predecessor values method. The consolidated financial statements of the combined entities are presented as if the business had been combined from the beginning of the comparative period provided that the combined entities were under common control. The assets and liabilities are accounted for at carrying amounts previously recorded in the books of the transferor. The components of equity of the acquired entities are added to the same components within the Group's equity.

Disposal of interest in entities under common control of the Shareholder are accounted for on the date of transfer without restatement of prior periods. Any gain or loss arising on such transaction is recorded directly in equity.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.1. Basis of consolidation (continued)

5.1.3. Business combinations and goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

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 and IAS 19, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. The goodwill is tested annually for impairment.

The excess of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed over the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.1. Basis of consolidation (continued)

5.1.3. Business combinations and goodwill (continued)

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 as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

5.1.4. Non-controlling interest (NCI)

Non-controlling interests ("NCI") in subsidiaries are identified separately from the Group's equity therein. These interests entitle their holders to a proportionate share of net assets upon liquidation. These may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owner of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owner of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

5.1.5. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

5.1.6. Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owner of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. 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 owner of the Company.

5.2. Investments in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

An associate is an entity over which the Group has significant influence and 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 is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint 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.

Under the equity method, an investment in equity-accounted investee is recognised initially in the consolidated statement of financial position at cost, and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income, including changes in the equity-accounted investees' net assets such as declaration of dividends, until the date on which significant influence or joint control ceases. Loans advanced to equity-accounted entities that have the characteristics of equity financing are also included in the investment on the consolidated statement of financial position.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.2. Investments in equity-accounted investees (continued)

An investment in equity-accounted investee is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in equity-accounted investee, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss in the period which the investment is acquired.

When the Group acquires additional interest in an equity-accounted investee and continues to account for the investee using equity method, the consideration transferred to acquire the additional shares is added to the existing carrying amount of the investment without specific allocation to the underlying assets and liabilities of the investee. The additional ownership interest effectively increases the notional goodwill relating to the equity-accounted investee. Subsequent to the acquisition, the share of investee's profit or loss and other comprehensive income is recognised by the Group based on the new ownership interest.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture (see Note 5.8). When necessary, the entire carrying amount of the investment in equity-accounted investee (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal (FVLCD)) with its carrying amount. Any impairment loss recognised is allocated to the investment, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of associates and joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Losses of an associate or joint venture in excess of the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

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Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.2. Investments in equity-accounted investees (continued)

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.

5.3. Interests 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.

5.4. Property, plant and equipment

5.4.1. Recognition and measurement

Items of property, plant and equipment (except land) are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets (net of credits received from manufacturers in connection with the acquisition of assets, where applicable), including borrowing costs and the initial estimate of the decommissioning obligation. The estimate of the decommissioning obligation is reviewed annually and any changes to the estimate based on revised cost estimates or discount rates applied are added to or deducted from the cost of the relevant asset.

The cost of the property, plant and equipment acquired in a business combination is stated at fair value as at the date of acquisition. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.4. Property, plant and equipment (continued)

5.4.1. Recognition and measurement (continued)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. The cost of spare parts that are essential for the continuity of operations and which are designated as capital spare parts are depreciated on a straight-line basis over the estimated remaining operating life of the property, plant and equipment to which they relate.

When the Group receives items of property, plant and equipment as contributions from another entity (e.g. the Shareholder, a related party or any other third party) for no consideration, the Group recognises the receipt of assets at nil value. These arrangements are not contractual but are equity transactions: either specific capital contributions or non-cash distributions.

5.4.2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in which they are incurred.

5.4.3. Depreciation and derecognition

Depreciation is calculated to allocate the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives (except for oil and gas assets) and is recognised in profit or loss. Land is not depreciated. Property, plant and equipment is assessed for impairment whenever there is an indication that the property, plant and equipment asset maybe impaired.

The estimated useful lives of property, plant and equipment for current and comparative years are as follows:

- Buildings 3 to 55 years
- Plant and equipment 3 to 40 years
- Fixtures and fittings 1 to 20 years
- Leasehold improvements 3 to 55 years
- Aircraft, components and parts 10 to 20 years
- Motor vehicles 1 to 10 years
- Bearer plants 10 to 40 years
- Oil and gas assets Unit of production

Oil and gas properties in the development and production phase ("D&P" assets) and other related assets, which are depreciated on a unit-of-production basis over the proved and probable ("2P") reserves of the field concerned. The unit-of-production rate for the amortisation of field development costs takes into account expenditures incurred to date, together with estimated future development expenditure. Depreciation on oil and gas properties does not commence until the commencement of production from the property.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

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Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.5. Capital work-in-progress

Properties or assets in the construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, net of accumulated impairment losses, if any. Cost includes all direct costs attributable to the design and construction of the property including related staff cost, and for qualifying assets, borrowing cost capitalised in accordance with the Group's accounting policy. The capital work-in-progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed, the asset is commissioned and is available for use

5.6. Non-current assets held-for-sale and discontinued operations

Non-current assets (and disposal groups) classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition 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. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, investment properties and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

A discontinued operation 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 comprehensive income.

5.7. Intangible assets

5.7.1. Recognition and measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

5.7.2. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.7. Intangible assets (continued)

5.7.3. Amortisation and derecognition

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset maybe impaired. The amortisation period and amortisation method for an intangible asset with finite useful life are reviewed at least at end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as change in accounting estimates.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised. The estimated useful lives for current periods are as follows:

- Customer contracts and relationships 10 to 28 years
- IT software and licenses 2 to 7 years
- Rights 28 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

5.7.4. Intangible assets with indefinite useful life

Certain brands, trademarks and landing slots within the Group are considered intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit ("CGU") 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.

5.7.5. Research and development costs

In accordance with IAS 38 Intangible Assets, expenditure incurred on research and development, excluding known recoverable amounts on contracts, and contributions to share engineering programmes, is distinguished as relating either to a research phase or a development phase. All research phase expenditure is charged to the consolidated statement of profit or loss. For development expenditure, this is capitalised as an internally generated intangible asset only if it meets strict criteria, relating in particular to technical feasibility and generation of future economic benefits. Expenditure that cannot be classified into these two categories is treated as being incurred in the research phase.

5.7.6. Exploration and evaluation assets

Pre-license costs and geological and geophysical exploration costs incurred prior to obtaining the rights to explore are recognised in the consolidated profit or loss when incurred. Exploration licences are recognised as an exploration and evaluation ("E&E") asset. The cost of that license includes the directly attributable costs of its acquisition. Examples of such costs may include non-refundable taxes and professional and legal costs incurred in obtaining the license. Costs incurred after the rights to explore have been obtained, such as geological and geophysical costs, drilling costs, appraisal and development study costs and other directly attributable costs of exploration and evaluation activity, including technical and administrative costs for each exploration asset, are capitalised as intangible E&E assets. E&E costs are not amortised prior to the conclusion of appraisal activities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.7. Intangible assets (continued)

5.7.6. Exploration and evaluation assets (continued)

At completion of appraisal activities, if technical feasibility is demonstrated and commercial reserves are discovered, then following development sanction, the carrying value of the relevant E&E asset is reclassified as a development and production ("D&P") asset. This category reclassification is only performed after the carrying value of the relevant E&E asset has been assessed for impairment, and where appropriate, its carrying value adjusted. If commercial reserves are not discovered at the completion of appraisal activity of each asset and it is not expected to derive any future economic benefits, the E&E asset is written off to the consolidated profit or loss.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

5.8. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested at least annually for impairment.

For impairment testing, assets (net of any associated outstanding deferred government grant) are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.9. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct expenses incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Work-in-progress and finished goods comprise cost of materials plus direct labour and attributable overheads. Work-in-progress is valued by reference to the stage of completion.

Provision for slow moving and obsolete inventories is made principally based on the aging of the inventories held.

Nuclear fuel comprises of uranium concentrate in stock and the corresponding services. Elements of nuclear fuel are recorded at their acquisition cost.

The consumption of nuclear fuel elements is proportionally recognised in the profit or loss, considering the monthly electricity actually generated in relation to the total energy provided for each fuel element. Inventory and evaluation of used nuclear fuel elements is carried out periodically.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.9. Inventories (continued)

Biological assets comprise of fresh fruit bunches growing on trees. All biological assets are classified as current assets as they are expected to be harvested within the next year. These are measured at fair value less costs to sell when harvested.

5.10. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

Account receivables (i.e. trade receivables) and debt securities issued are initially recognised when they are originated. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

5.10.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, which in case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.10. Financial instruments (continued)

5.10.1. Financial assets (continued)

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

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). By default, all other financial assets are measured subsequently at FVTPL.

5.10.2. Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

5.10.3. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

5.10.4. 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 recognised at the proceeds received, net of direct issue costs.

5.10.5. Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). By default, all other financial instruments are measured subsequent to FVTPL.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.10. Financial instruments (continued)

5.10.5. Financial liabilities (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

5.10.6. Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, expired or contributed as a capital injection by the lender. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss, other than situations where financial liabilities are contributed as capital injections, in which case they are recognised in equity.

5.10.7. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for expected credit loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.10. Financial instruments (continued)

5.10.8. Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to fuel price risk, interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the consolidated financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

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.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.10. Financial instruments (continued)

5.10.8. Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

5.11. Expected credit loss

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost;
- debt investments measured at FVTOCI; and
- contract assets

The Group also recognizes loss allowances for ECLs on finance lease receivables, which are disclosed as part of accounts and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for account receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.11. Expected credit loss (continued)

5.11.1. Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment that includes forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

5.11.2. Definition of default

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per 'Moody's' or BBB- or higher per 'S&P' or 'Fitch'.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.11. Expected Credit Loss (continued)

5.11.2. Definition of default (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing expected credit losses. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired.

5.11.3. Credit impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

5.11.4. Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. This is generally the case wherein the Group has exhausted all legal and remedial efforts to recover from the customers. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

5.11.5. Measurement and recognition of ECL

ECLs are a probability-weighted measure of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.11. Expected credit loss (continued)

5.11.5. Measurement and recognition of ECL (continued)

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payment to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognises a charge/reversal in respect of expected credit losses in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

5.12. 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 that 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 reporting date, taking into account the risks and uncertainties surrounding the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

5.12.1. Legal provisions

The Group is involved in litigation from time-to-time in the ordinary course of business. At each reporting date, relevant management and legal counsel within the Group and external counsel where necessary evaluate litigation matters, the status of various outstanding legal cases and, where appropriate, establish provisions and disclose any contingent liabilities as required by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. In order to make an assessment for legal provisions and contingent liabilities, various factors are considered including, but not limited to, reviewing, on a case-by-case basis, the underlying facts of pending or threatened litigation, the history with prior claims, the actual or possible claim assessment by internal and external counsel and the status of negotiations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.12. Provisions (continued)

5.12.1. Legal provisions (continued)

Based on the overall assessment of the case, if it is believed it is probable that an outflow of resources will be required to settle the obligation, it is determined whether a reliable estimate can be made. If so, an estimate of the provision under various scenarios, ranging from best case to worst case is made. The "best estimate" outcome is used and the Group records a provision in the consolidated financial statements.

5.12.2. Asset retirement obligations

Certain subsidiaries have legal obligations in respect of site restoration and abandonment of their power generation and water desalination assets and oil and gas properties at the end of their useful lives (decommissioning costs). The Group records a provision for the site restoration and abandonment based upon estimated costs at the end of their useful lives. Accordingly, a corresponding asset is recognised in property, plant and equipment. Decommissioning costs are recorded at the present value of expected costs to settle the obligations using estimated cash flows and are recognised as part of the cost of each specific asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The accretion is expensed as incurred and recognised in the consolidated statement of profit or loss as a finance cost. The estimated future costs of the asset retirement obligations are reviewed annually and adjusted as appropriate. Changes to provisions based on revised cost estimates or discount rates applied are added to or deducted from the cost of the relevant asset.

5.12.3. Provision for onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

5.13. Employee benefits

5.13.1. Short-term benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

5.13.2. Long-term incentive plans

The Group recognises a liability and an expense for long-term incentive plans which are settled in cash based on a formula that takes into consideration the performance of the Group or subsidiaries after certain adjustments. The Group recognises a provision where it is contractually obliged or where there is a past practice that has created a constructive obligation.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.13. Employee benefits (continued)

5.13.3. Retirement benefit obligation

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the consolidated statement of profit or loss in the period during which the services are rendered by employees.

Monthly pension contributions are made in respect of UAE National employees, who are covered by the Law No. 2 of 2000. The contribution made by the Group is recognised in the consolidated statement of profit or loss. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Other than the monthly pension contributions, there is no further obligation on the Group.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group currently operates an unfunded scheme for defined benefits in accordance with the applicable provisions of the UAE Federal Labour Law and relevant provisions of labour laws of countries in which foreign operations are carried out by subsidiaries. This is based on periods of cumulative service and levels of employees' basic salaries at the end of employment contract. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods discounted to determine its present value.

Any unrecognised past service costs are deducted. The discount rate is the yield at the valuation date on US AA-rated corporate bonds, which in the absence of a deep market in corporate bonds within the UAE is the relevant proxy market as determined by the actuaries.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in the consolidated statement of profit or loss on a straight-line basis over the average period until the benefits becomes vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss. The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans within the consolidated statement of profit or loss.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised when the curtailment or settlement occurs.

An actuarial valuation is not performed on end of service benefits in respect of UAE employees for certain group subsidiaries as the net impact of the discount rate and future salary and benefits level on the present value of the benefits obligation are not expected by management to be significant.

5.14. Foreign currency transactions

5.14.1. Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the consolidated statement of profit or loss and presented within 'Other income/expense'.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.14. Foreign currency transactions (continued)

5.14.2. Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owner of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

5.15. Revenue recognition

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount. 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. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognizes revenue from the following major sources:

- Supply and distribution of water and electricity
- Oil, gas and Power
- Sale of goods
- Aviation services
- Exhibitions and related services
- Port, marine and logistics services
- Rental and concessionaires
- Other revenues

5.15.1. Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.15. Revenue recognition (continued)

5.15.1. Revenue from contracts with customers (continued)

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the 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.
2. Identify the 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.
3. 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.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group combines two or more contracts entered into at or near the same time with the same customer and accounts for the contracts as a single contract if one or more of the following criteria are met:

- The two or more contracts entered into at or near the same time with the same customer are negotiated as a package, with a single commercial objective;
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

If the above criteria is met, the arrangements are combined and accounted for as a single arrangement for revenue recognition. Pre-contract cost of obtaining a contract with a customer is recognised as an asset if those costs are expected to be recovered.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability. IFRS 15 requires contract assets and contract liabilities for individual customers to be presented on a net basis.

Variations which are in the nature of an extension of the existing scope of work are accounted for using cumulative catch up adjustments to the cost to complete method of revenue recognition. Variation orders which require addition of distinct goods and services to the scope at discounted prices are accounted for prospectively and variation orders which require addition of distinct goods and services to the scope at standalone selling prices are accounted for as new contracts with the customers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.15. Revenue recognition (continued)

5.15.1. Revenue from contracts with customers (continued)

A loss is recognised in the consolidated statement of profit or loss when the expected contract costs exceed the total anticipated contract revenue. The Group assesses its revenue arrangements against specific criteria to determine, if it is acting as principal or agent.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, and the related revenue recognition policies.

Revenue from supply and distribution of water, electricity and wastewater treatment	Revenue earned from distribution and supply business includes charges recoverable from customers. Revenue is recognised at point in time when the units of electricity and water are supplied to customers and includes an estimate of the value of the units supplied to customers between the date of the last meter reading and the reporting date. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur based on accumulated historical experience of the Group. The Group also earns revenue from distribution of electricity and water in the region of Abu Dhabi. Revenue from distribution of electricity and water in the region of Abu Dhabi is subject to Maximum Allowed Revenue ("MAR") calculated in accordance with a formula as defined in the License document issued by Department of Energy (DOE) previously known as Regulation and Supervision Bureau (RSB). Subsidies in respect of sale of water and electricity for the year are based on the difference between MAR and revenue billed to customers for the supply and distribution of water and electricity.
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The revenue recognition of the Group's power and water generation business is as follows:

- (i) Where the Group determines that the PPA meets the financial asset model requirements for service concession arrangements, consideration receivable is allocated by reference to the relative fair values of the services delivered. Construction revenue is recognised commensurate with completion of construction when the outcome of the contract can be estimated reliably by reference to the stage of completion, operating revenue is recognised as the service is provided and finance revenue is recognised using the effective interest rate method on the financial asset.
- (ii) Where the Group determines that the PPA contains an operating lease, capacity payments are recognised as operating lease rental revenue on a systematic basis to the extent that capacity has been made available to the offtaker during the year. Those payments, which are not included as capacity payments (e.g. fuel revenue), are recognised as revenue in accordance with the contractual terms of the PPA.

The Group earns revenue from provision of sewerage services in the Emirates of Abu Dhabi. Revenue is subject to MAR. Revenue is recognised over time in line with the provision of the sewerage services. When the Group satisfies a performance obligation by transferring a promised good or service, the Group has earned a right to consideration from customer and, therefore, has a contract asset.

Liquidated damages in respect of loss of revenue due to late commissioning are included in revenue net of liquidated damages payable to the offtaker when the right to receive the liquidated damages is established.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.15. Revenue recognition (continued)

5.15.1. Revenue from contracts with customers (continued)

Revenue from oil, gas and power Revenue from the sale of oil and gas, except revenue from gas storage, is recognised at point in time when control of the product is transferred to the customer, which is generally when the product is physically transferred into a vessel, pipe or other delivery mechanism and the customer accepts the product.

The Group's sales of oil and gas are priced based on market prices and where necessary adjusted for a quality differential based on the American Petroleum Institute (API) gravity of the oil and gas sold.

Lifting or offtake arrangements for oil and gas produced by certain of the Group's jointly owned assets are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative production entitlement and cumulative sales attributable to each participant at a reporting date represents 'underlift' or 'overlift'. Underlift and overlift are valued at market value and included within current assets and current liabilities respectively. Movements during an accounting period are adjusted through cost of sales such that gross profit is recognised on an entitlements basis.

Fuel revenue represents reimbursements from the offtakers in the power and water subsidiaries at market prices for fuel consumed in power generation in accordance with the terms of the power and water purchase agreements and the power purchase agreements. Fuel revenue is recognised as and when fuel is consumed in the production of power and water.

Revenue from sale of goods The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Some contracts for the sale of goods provide customers with several considerations including a right of return and volume rebates. If revenue could not be reliably measured, the Group deferred revenue recognition until the uncertainty was resolved. Under IFRS 15, rights of return and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and included in revenue only to the extent that it is highly probable that a significant reversal in the cumulative revenue will not occur when the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

Under IFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products, if any. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group applies the requirements in IFRS 15 on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price. The Group presents a refund liability and an asset for the right to recover products from a customer separately in the consolidated statement of financial position.

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Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.15. Revenue recognition (continued)

5.15.1. Revenue from contracts with customers (continued)

Revenue from aviation services	The Group provides services for aeroplane landing and parking, handling and cargo, airport operation and passenger fees and facilitation charges for which revenue is recognised when the services are provided. The Group sells foods and beverages and other similar items to restaurants, hotels, and lounges at airports and in events. The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.
Revenue from exhibitions and related services	The Group provides catering, licensing and registration, venue services, exhibition and events services. Revenue from providing such services is recognised in the accounting period in which the services are rendered or when the event is held at point in time. Hotel revenue represents the value of services provided by the hotels during the period, net of rebates and allowances. Revenue is recognised as services are performed.
Revenue from port, marine and logistic services	The Group renders property management, marine channel and logistic services to its customers. Revenue from property management is recognised when the services are provided. Revenue from marine channel charges is recognised as revenue when the marine channel is used by vessels mainly for passage and cargo operations. Revenue from logistics operations including freight forwarding, trucking, transportation and warehousing is recognised when these services are provided.

5.15.2. Other revenues

Rental and concession income	Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. Rental income represents the value of space rented out by the Group during the period. This income is recognised on a time apportionment basis.
Other revenues	Other revenues are recognised as the services are provided in accordance with the contractual terms. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

5.15.3. Interest income

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

5.15.4 Dividend income

Dividend income is recognised when the right to receive payment is established.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.15. Revenue recognition (continued)

5.15.5. Other operating income

The Group discloses following amounts under this line item:

- Gains/losses resulting from changes in the fair values of financial instruments; and
- Dividend income.

5.16. Service concessions

The Group accounts for service concession arrangements under IFRIC 12 when the following conditions are met:

- the grantor (usually a government entity) controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor (usually a government entity) controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

In view of the above, concession infrastructure that does not meet the requirements of IFRIC 12 is presented as property, plant and equipment. Under IFRIC 12, the operator's rights over the plant operated under concession arrangements are accounted for based on the party primarily responsible for payment:

- the "intangible asset model" is applied when users have primary responsibility to pay for the concession services; and
- the "financial asset model" is applied when the grantor has the primary responsibility to pay the operator for the concession services.

Where the grantor guarantees the amounts that will be paid over the term of the contract (e.g. via a guaranteed internal rate of return), the financial asset model is used to account for the concession infrastructure, since the grantor is primarily responsible for payment. The financial asset model is used to account for "Build, Operate and Transfer ("BOT")" contracts entered into with the grantor. The Group recognises financial assets from service concession arrangements in the consolidated statement of financial position as operating financial assets.

5.17. Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown under current liabilities in the consolidated statement of financial position.

In line with one of the Group's subsidiary's fiduciary duty towards shareholders of listed companies, dividends publicly distributed to shareholders are routed through the Group's subsidiary, and usually kept for a period of 30 days until distribution to shareholders. The Group records these balances as 'restricted bank balances', with a corresponding liability of 'Dividends payable to shareholders of listed companies'. Interest generated from these deposits is recognised in the consolidated statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.18. Government grants

5.18.1. Identification and recognition of a government grant

As the Government of Abu Dhabi is the Shareholder of the Company, on receipt of any assistance from the Government of Abu Dhabi, the Group evaluates the assistance to determine if the transaction is a transaction with the Government in their capacity as the Shareholder and therefore treated as equity contribution, or if not, then as a government grant.

This determination is done after considering various factors not limited to the following:

- if the purpose of the assistance was a restricted purpose;
- are there conditions associated with the receipt of the assistance;
- if there is evidence of an equity transaction;
- the legal form and documentation of assistance; and
- would similarly support or assistance be given by the Government to an entity not owned by the Government.

Government grants are assistance by the Government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to a contribution to the capital of the Group, it is recognised as additional capital in equity ('contributed capital').

Government grants that are receivable as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

5.18.2. Non-monetary government grants

Non-monetary government grants are recognised in the consolidated statement of financial position at nominal value, and the granted assets are classified with other assets of the same nature as the granted item.

Management believes that, in some cases, when land is initially received through government grants, the probability that future economic benefits will flow to the Group is uncertain, since, until management has established plans to utilise the land, it is possible that such land may revert back to the Government. In addition, in the absence of identified use of the land, the amount of future economic benefits cannot be determined with reasonable certainty. Accordingly, land so received is not initially recognised in the consolidated financial statements until certain events occur, which enable management to conclude that it becomes probable that future economic benefits will flow to the Group from its ownership of such land.

Land received as government grants that do not meet the criteria that future economic benefits will flow to the Group, are not recognised, but their existence is disclosed in the consolidated financial statements.

Furthermore, for certain plots of land based on their current or intended use, it is certain that no future economic benefits will flow to the Group from use of such lands. These are not recognised as assets, but their existence is disclosed in the consolidated financial statements.

The determination of whether future economic benefits will flow to the Group is made by management of subsidiaries using guidelines approved by their Board of Directors; each such determination is also approved by their Board of Directors. Once the determination is made, land is recognised in the consolidated financial statements at nominal value.

At the point of initial recognition, and subsequently, at each reporting date, an assessment is made by management as to the ultimate use of the land, and based on such assessment, the land is transferred to the relevant asset category (such as investment properties or property plant and equipment) depending on its intended use, and is thereafter accounted for using the accounting policy in place for that relevant asset category.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.18.3. Monetary government grants

Monetary government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Monetary grants that compensate the Group for expenses to be incurred are initially recognised in the consolidated statement of financial position as a deferred liability. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to the consolidated statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

Subsequent to initial recognition, such grants are released to profit or loss on a systematic basis over the periods in which the related expenses are recognised. Other government grants related to assets are initially recognised as deferred income at fair value; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

5.19. Leases

5.19.1. The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate ("IBR"). Generally, the Group uses its IBR as the discount rate.

The Group determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.19. Leases (continued)

5.19.1. The Group as Lessee (continued)

The right-of-use asset and lease liability is presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of non-financial assets' policy.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures 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 significant event or change in circumstances resulting in 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, rate or expected payments under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged 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 remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group did not make any such adjustments during the periods presented.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.19.2. The Group as Lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and expected credit loss requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other revenue'.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.20. Investment properties

Investment properties comprise of land, completed properties and properties under development. Land and completed properties are properties held to earn rentals and/or for capital appreciation and properties under development are properties being constructed or developed for future use as investment property.

Investment properties are measured initially at cost, including transaction costs. In case of properties under development all direct costs attributable to the design and construction, including related staff costs, are capitalised as part of the initial cost. Subsequent to initial recognition, investment properties are measured at cost, including transaction costs less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of properties over their estimated useful life of 10 to 50 years, using straight-line method. No depreciation is provided on land. 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.

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

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the Group receives items of investment property as contributions from another entity (e.g. the Shareholder, a related party or any other third party) for no consideration, the Group recognizes the receipt of assets at nil value. These arrangements are not contractual but are equity transactions: either specific capital contributions or non-cash distributions.

5.21. Deferred income or revenue

Deferred revenue or income represents the deferred rental income in relation to leases held by the Group as a lessor and is amortised to the consolidated statement of profit or loss and other comprehensive income in accordance with revenue recognition policies.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.22. Fair value of financial instruments

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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. 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 is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Where necessary, external valuers are involved for valuation of significant assets, when fair value is not readily available. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.23. Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

5.23.1. Current income tax

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

5.23.2. Value added tax

Output value added tax ("VAT") related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis – unless the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Where provision has been made for the expected credit loss of receivables, the charge is recorded for the gross amount of the debtor, including VAT.

5.23.3. Deferred income tax

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

- where the deferred income tax liability arises from the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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 income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 amortised except:

- where the deferred income 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 ventures. Deferred income 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 utilised.

The carrying amount of deferred income 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 income tax asset to be utilised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.23. Taxes (continued)

5.23.3. Deferred income tax (continued)

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of other comprehensive income. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

5.24. Contingencies

From time to time the Group receives claims in the ordinary course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists. A liability is accrued only if an adverse outcome is probable and the amount of the loss can be reasonably estimated. If one of these conditions is not met, the claim is disclosed as a contingent liability, if material.

Contingent liabilities are possible obligations, whose existence will only be confirmed by future events not wholly within the Group's control or present obligation where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Also, to the extent any information required is not disclosed because it is not practicable to do so, that fact is stated. The actual outcome of a claim may differ from the estimated liability and consequently may affect the financial performance and position of the Group.

5.25. 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 temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5.26. Islamic financing arrangements (Sukuks)

Islamic financing arrangements are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, Islamic borrowings are subsequently measured at amortised cost using the effective interest method. Interest on term loans and profit charges on Islamic financing arrangements are charged as an expense as they accrue, with unpaid amounts included in "Accounts and other payables".

5.27. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Material accounting policy information (continued)

5.28. Dividends

Dividend payable is recorded for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

5.29. Current versus non-current classifications

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is 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 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is 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 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

6. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas requiring a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are set out below:

6.1. Critical judgments in accounting policies

6.1.1. Business model assessment

Classification and measurement of financial assets related to new investment initiatives depend on the results of the 'Solely Payments of Principal and Interest' ("SPPI") and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group performs assessment of whether the business model continues to be appropriate for financial assets that are held by the Group; where there is a change in the business model, classification of those assets is changed prospectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6.1. Critical judgments in accounting policies (continued)

6.1.2. Assessment of control and significant influence

One of the Group's principal activities is investing and managing investments through different holdings in investees. The Group applies significant judgement with respect to the classification of investments regarding whether there is control or significant influence exercised on those investments or an investment is simply a financial investment.

For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. Despite the Group owning a majority of the shareholdings in the investee, if there are certain control impediments, including but not limited to restrictions on the Group's financial and operating decision-making ability, management concludes that the Group cannot exercise control over the investee. If management conclude that there is control, these investee companies will be consolidated.

For assessing significant influence, the Group has considered the ability to participate in the financial and operating policy decisions of the investee. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of the investee. The Group has further considered the extent of representation on the Board of Directors, including the ability of another vote holder to operate the investee without regard to the views of the Group, or equivalent governing body of the investee and participation in policy-making processes, including participation in decisions about dividends or other distributions, material transactions between the Group and its investee, interchange of managerial personnel and provision of essential technical information.

Specifically, significant judgement has been applied in assessing the classification of the Company's investment in Etihad Rail Company PJSC ("ERC"). The Company owns 70% of the shares of ERC. However, there are certain control impediments, including but not limited to restrictions on the Company's financial and operating decision-making ability related to ERC. Management has assessed that the Company has significant influence over ERC by virtue of its right pursuant to Federal Decree - Law No. 2 of 2009 to appoint two out of nine directors to the Board of Directors of ERC. Consequently, ERC has been classified as an associate.

The Group considers that it has de-facto control over E7 Group PJSC ("E7"), even though it owns less than 50% of share capital based on the following criteria:

- The Group has appointed majority of the seven members of E7 Board ("Board");
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- In accordance with E7's Articles of Association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity;
- The Group is the single largest shareholder of E7 with 39.76% of the outstanding share capital, furthermore the remainder of E7 shares are widely dispersed amongst various shareholders.

6.1.3. Assessment of fair value of financial assets measured at FVTOCI

On 15 February 2023, the Group signed a Share Transfer Deed with Abu Dhabi National Oil Company PJSC ("ADNOC"), whereby ADNOC transferred 5% shares in ADNOC Gas plc to the Group without any consideration in exchange. This transfer was made in recognition of the long-standing strategic partnership between the two companies; their active collaboration in the past and continued close working relationship to drive the energy transition in the UAE, with a focus on renewable energy and other low-carbon solutions.

In the absence of any specific conditions or any current or future obligations stipulated in the Share Transfer Deed, management have assessed all relevant facts to reach a judgement on the appropriate timing of recognition of the receipt of shares as a gain in the profit and loss statement. Management have concluded that it is appropriate to consider it to be related to achievements of the partnership to date, and account for the one-time gain in the consolidated statement of profit or loss under "Other income" as "gain on recognition of an investment" on receipt.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Critical accounting estimates and judgments (continued)

6.2. Key sources of estimation uncertainty

6.2.1. Calculation of loss allowance

The Group uses a provision matrix to calculate ECLs for trade receivables. 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). The provision matrix is initially based on the historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the hospitality sector, the historical default rates are adjusted. 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 historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 16.

6.2.2. Impairment of non-financial assets (other than goodwill)

A decline in the value of non-financial assets could have a significant effect on the amounts recognised in the consolidated financial statements. Management assesses the impairment of property, plant and equipment, investment properties, right-of-use assets and capital work-in-progress whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that are considered important which could trigger an impairment review include:

- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.
- significant decline in the market value that would be expected from the downturn in general market conditions.
- changes in technology, markets, economies and laws that may cause the asset to become outdated or obsolete.

6.2.3. Useful lives of property, plant and equipment and investment properties

The Group's management determines the estimated useful lives of its property, plant and equipment 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 future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

6.2.4. Discount rate used for initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its IBR.

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 assets in a similar economic environment.

The Group determines its IBR with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing.

6.2.5. Determining the lease term of contracts with renewal and termination options - Group as a lessee

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Critical accounting estimates and judgments (continued)

6.2. Key sources of estimation uncertainty (continued)

6.2.5. Determining the lease term of contracts with renewal and termination options - Group as a lessee (continued)

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 (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e., 3 to 5 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

6.2.6. Measurement and classification of Land transferred from the Shareholder

Management has made judgements, estimates and assumptions regarding the measurement and classification of the Land transferred from the Shareholder. The Land is recorded at fair value based on a valuation exercise performed by an external valuer, which is based on significant unobservable inputs and valuation adjustments. The classification is based on management's intention/project plan for the use of the Land and accordingly classified it as property, plant and equipment, or investment properties.

6.2.7. Estimation of oil and gas reserves

Oil and gas reserves and resources used for accounting purposes are estimated using internationally accepted methods and standards. The Group's annual oil and gas reserves and resources review process includes an external audit process conducted by appropriately qualified parties. All reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. In general, changes in the technical maturity of hydrocarbon reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of annual revisions. Changes in oil and gas reserves are an important indication of impairment or reversal of impairment and may result in subsequent impairment charges or reversals as well as affecting the unit-of-production depreciation charge in the consolidated statement of profit or loss.

6.2.8. Deferred tax asset

The Group recognises the net future tax benefit to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

6.2.9. Provision for lease return conditions

The measurement of the provision for lease return conditions requires management to anticipate: (i) the condition of the asset at the end of lease term based on the expected usage; (ii) the maintenance cost required to be incurred using current values; and (iii) applying appropriate escalation rates to the current cost. Management then applies an appropriate interest rate that discounts the provision to its present value. The present value of the provision is then recognised as a right-of-use asset and depreciated over the lease term.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Revenue

	Revenue from contracts with customers	Other revenue	Total
	AED' million	AED' million	AED' million
Revenue from supply and distribution of water, electricity and wastewater treatment	42,080	-	42,080
Revenue from oil, gas and power	8,287	-	8,287
Revenue from sale of goods	19,346	-	19,346
Rental income	-	2,589	2,589
Revenue from exhibitions and related services	2,085	-	2,085
Revenue from port, marine and logistic services	6,848	-	6,848
¹ Revenue from aviation services	27,735	156	27,891
Revenue from media services	626	-	626
Others	1,459	497	1,956
For the year ended 31 December 2023	108,466	3,242	111,708

	Revenue from contracts with customers	Other revenue	Total
	AED' million	AED' million	AED' million
Revenue from supply and distribution of water, electricity and wastewater treatment	36,960	-	36,960
Revenue from oil, gas and power	10,343	-	10,343
Revenue from sale of goods	17,279	-	17,279
Revenue from health services - net	5,285	58	5,343
Revenue from insurance services	-	2,718	2,718
Rental income	-	2,115	2,115
Revenue from exhibitions and related services	848	-	848
Revenue from port, marine and logistic services	2,977	-	2,977
¹ Revenue from aviation services	19,490	86	19,576
Revenue from media services	714	-	714
Others	460	228	688
For the year ended 31 December 2022 (restated)	94,356	5,205	99,561

¹Revenue from aviation services include revenue recognised from transportation services, customer loyalty programme and sale of guest miles.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Revenue (continued)

7.1. Disaggregation of revenue

The Group mainly derives its revenue from contracts with customers for the transfer of goods and services over a period and at a point in time in the following major product lines. The disaggregation of revenue from contracts with customers is as follows:

	Goods or services transferred at a point in time	Goods or services transferred over a period of time	Total
	AED' million	AED' million	AED' million
Revenue from supply and distribution of water, electricity and wastewater treatment	40,465	1,615	42,080
Revenue from oil, gas and power	6,972	1,315	8,287
Revenue from sale of goods	19,346	-	19,346
Revenue from exhibitions and related services	2,085	-	2,085
Revenue from port, marine and logistic services	6,846	2	6,848
Revenue from aviation services	22,126	5,609	27,735
Revenue from media services	626	-	626
Others	637	822	1,459
For the year ended 31 December 2023	99,103	9,363	108,466

	Goods or services transferred at a point in time	Goods or services transferred over a period of time	Total
	AED' million	AED' million	AED' million
Revenue from supply and distribution of water, electricity and wastewater treatment	35,559	1,401	36,960
Revenue from oil, gas and power	10,001	342	10,343
Revenue from sale of goods	17,279	-	17,279
Revenue from health services - net	5,285	-	5,285
Revenue from exhibitions and related services	830	18	848
Revenue from port, marine and logistic services	2,977	-	2,977
Revenue from aviation services	19,403	87	19,490
Revenue from media services	594	120	714
Others	460	-	460
For the year ended 31 December 2022 (restated)	92,388	1,968	94,356

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Revenue (continued)

7.2. Receivables, contract assets and contract liabilities

The following table provides information about the receivables, contract assets and liabilities from contracts with customers as at year end:

	Notes	2023 AED' million	2022 (Restated) AED' million
Receivables from contracts with customers	16	14,778	13,792
Contract assets	16	2,042	1,667
Contract liabilities	28	8,179	6,402

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. These amounts will be recognised as revenue when the related performance obligations are satisfied by the Group.

8. Staff costs

	Note	2023 AED' million	2022 (Restated) AED' million
Wages and salaries		12,662	11,376
Accommodation and other employees' benefits		6,416	8,062
Provision for retirement benefit obligation	30	438	500
Social security contributions		572	567
For the years ended 31 December		20,088	20,505

9. Depreciation and amortisation

	Notes	2023 AED' million	2022 (Restated) AED' million
Depreciation of property, plant and equipment	18	14,465	14,427
Depreciation of right-of-use assets	21	1,870	1,860
Depreciation of investment properties	20	791	570
Amortisation of intangible assets	19	798	676
For the years ended 31 December		17,924	17,533

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Impairment and expected credit loss

	Notes	2023 AED' million	2022 (Restated) AED' million
Impairment loss on non-financial assets			
Impairment loss/(reversal) on property, plant and equipment	18	1,380	(664)
Impairment loss on assets held-for-disposal		-	61
Impairment loss on intangible assets	19	453	1,050
Impairment loss/(reversal) on investment properties	20	(364)	327
Impairment loss on right-of-use assets	21	-	460
Impairment loss on other non-financial assets		7	27
Impairment loss on investments in equity-accounted investees	22	1,454	692
		2,930	1,953
Expected credit loss on financial assets			
Expected credit loss on accounts and other receivables	16	691	914
Expected credit loss/(reversal) on cash and bank balances		(44)	17
Expected credit loss reversal on other financial assets		(24)	(24)
Expected credit loss on operating financial assets	24	-	217
		623	1,124

11. Other operating expenses

	Notes	2023 AED' million	2022 (Restated) AED' million
Materials and consumables	15	12,989	11,845
Administrative expenses		3,052	3,009
Repairs and maintenance		5,395	5,238
Utilities and communication		120	149
Outsourcing		2,277	2,095
Fuel expenses, energy payments and other related expenses		17,745	18,937
Selling, marketing and distribution		580	739
Provision/(reversal of provision) for slow moving and obsolete inventories	15	193	(195)
Other direct costs	11.1	14,877	8,718
Other expenses		151	470
For the years ended 31 December		57,379	51,005

11.1. Other direct costs

	2023 AED' million	2022 (Restated) AED' million
Power generation and supply	2,893	1,849
Exhibition and related services	1,450	629
Port and marine operations	3,432	846
Aviation and related services	4,557	2,664
Other direct expenses	2,545	2,730
For the years ended 31 December	14,877	8,718

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11.2. Auditors' remuneration

	2023
	AED' million
Audit services	50
Other assurance services	20
Non-assurance services required by law	2
All other non-assurance services performed by statutory auditor	8
For the years ended 31 December	80

12. Other income - net

	Note	2023	2022 (Restated)
		AED' million	AED' million
Foreign exchange loss - net		(487)	(45)
Gain on disposal of property, plant and equipment and investment properties		64	208
Gain on bargain purchase		255	-
¹ Gain on disposal of investments - net		324	2,827
Gain on recognition of an investment	23	10,784	-
Other income		1,368	451
For the years ended 31 December		12,308	3,441

¹During 2023, gain on disposal of investments mainly comprises of investment in a joint venture of a Group's subsidiary. During 2022, gain on the disposal of investments mainly comprised investments in SEHA and Daman (Note 37).

13. Finance cost

	Notes	2023	2022 (Restated)
		AED' million	AED' million
Interest expense on loans and borrowings, and other payables		7,896	5,139
Interest expense on lease liabilities	27	647	692
Asset retirement obligations accretion expense	31	753	660
Other finance costs		468	1,244
For the years ended 31 December		9,764	7,735

14. Income taxes

14.1. Income tax expense

The major components of income tax expense as recognised in the consolidated statement of profit or loss are as follows:

	2023	2022 (Restated)
	AED' million	AED' million
a) Current tax expense		
Current income tax	1,320	2,334
Adjustment in respect of prior years' tax charge	(56)	(77)
	1,264	2,257
b) Deferred tax expense/(credit)		
Origination and reversal of temporary differences	477	(1,071)
Adjustment in respect of prior years' tax charge	98	(2)
Other movements	-	63
	575	(1,010)
c) Income tax expense for the years ended 31 December	1,839	1,247



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Income taxes (continued)

14.2. Deferred income tax

The following are the deferred tax assets recognised by the Group and movements thereon during the current and prior reporting year.

	Asset retirement obligations AED' million	Property, plant and equipment AED' million	Tax losses AED' million	Other temporary differences AED' million	Total AED' million
Deferred tax assets as at 1 January 2022	2,276	1,126	144	1,258	4,804
Adjustment in respect of prior years	-	-	-	2	2
Charged/(credited) to consolidated statement of profit or loss	1,638	(1,129)	1,274	(502)	1,281
Acquisition through business combination	-	-	2	10	12
Other movements	3	3	(29)	40	17
Total deferred tax assets as at 31 December 2022	3,917	-	1,391	808	6,116
Adjustment in respect of prior years	-	-	-	(98)	(98)
(Charged)/credited to consolidated statement of profit or loss	8	(153)	(630)	567	(208)
Acquisition through business combination (Note 37)	18	-	45	171	234
Other movements	(30)	(26)	(3)	(263)	(322)
Total deferred tax assets as at 31 December 2023	3,913	(179)	803	1,185	5,722

Based on the latest available forecast of future profits, the Group has determined AED 2,390 million of tax losses (2022: AED 2,963 million) are unlikely to be utilised in the foreseeable future. Hence, no deferred tax asset benefit has been recognised, though these losses remain available for offset against future taxable profits. There are no unutilised tax losses (2022: Nil) that will expire in the next five-year period.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Income taxes (continued)

14.2. Deferred income tax (continued)

The following are the deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting year.

	Intangible assets	Property, plant and equipment	Investment Properties	Other temporary differences	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
Deferred tax liabilities as at 1 January 2022	-	1,146	32	276	1,454
Charged/(credited) to consolidated statement of profit or loss	(46)	257	16	46	273
Acquisition through business combination (Note 37)	264	3	-	38	305
Other movements	214	(1)	(24)	(352)	(163)
Total deferred tax liabilities as at 31 December 2022	432	1,405	24	8	1,869
Charged/(credited) to consolidated statement of profit or loss	136	(312)	(10)	455	269
Acquisition through business combination (Note 37)	103	217	86	184	590
Other movements	(36)	(222)	26	(11)	(243)
Total deferred tax liabilities as at 31 December 2023	635	1,088	126	636	2,485

14.3. Reconciliation of effective tax rate

The income tax expense relates to subsidiary companies' international operations which are subject to income tax at rates in their respective countries of operations. Providing the product of the consolidated accounting profit multiplied by the applicable tax rates is therefore not meaningful. The profit/(loss) before income tax has been reconciled to the accounting profit subject to tax and the reconciliation between income tax expense and the product of accounting profit subject to tax multiplied by effective income tax rate for the years ended 31 December is as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Income taxes (continued)

14.3. Reconciliation of effective tax rate (continued)

	2023	2022 (Restated)
	AED' million	AED' million
Profit before income tax from continuing operations	22,181	15,331
Loss before income tax from discontinued operations	(1,689)	(1,821)
Profit before income tax	20,492	13,510
Tax calculated at domestic tax rates applicable to profits in respective tax jurisdictions	2,032	2,370
Less the tax effect on:		
Adjustment in respect to income tax of previous years	42	(79)
Withholding taxes	11	23
Tax incentives	(32)	(5)
Special production taxes on upstream tax of previous years	(70)	630
Disallowable expenses	(36)	57
Effect of different tax rates	136	-
Deferred tax recognition due to change in estimates	-	(1,415)
Other movements	(244)	(334)
For the years ended 31 December	1,839	1,247

On 3 October 2022, the United Arab Emirates ("UAE") Ministry of Finance ("MoF") issued Federal Decree - Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") Law to implement a new CT regime in the UAE. The new CT regime became applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375 thousand or to certain types of entities, as prescribed by way of a Cabinet Decision.

As at 31 December 2023, the government of UAE has not (substantively) enacted Pillar Two income tax legislation. Certain multinational entities within the Group should be in the scope of Pillar Two based on the revenue threshold of EUR 750 million and conducting operations in multiple jurisdictions.

Due to the uncertainties and on-going developments with respect to Pillar Two in the Middle East, the Group is not able to provide a reasonable estimate at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

15. Inventories

	2023	2022
Note	AED' million	AED' million
Nuclear fuel	3,685	3,190
Biological assets	290	-
Consumables and stores and spares	7,946	6,812
Raw materials	1,253	1,374
Work-in-progress and finished goods	2,668	2,212
Goods-in-transit	331	294
	16,173	13,882
Less: Provision for slow moving and obsolete inventories	15.1	(1,936)
At 31 December	14,116	11,946

Inventories worth AED 13,238 million (2022: AED 10,778 million) are expected to be recovered in the next 12 months.

During the year, borrowing costs amounting to AED 33 million (2022: AED 58 million) were capitalised in inventories.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Inventories (continued)

15.1. Provision for slow moving and obsolete inventories

	Note	2023 AED' million	2022 AED' million
At 1 January		1,936	2,221
Acquisition through business combination		7	154
Transfer to entities under common control		-	(5)
Charge/(reversal) for the year	11	193	(195)
Disposal of subsidiary		-	(187)
Transfers to assets held-for-disposal		(35)	-
Written off during the year		(39)	(40)
Foreign exchange adjustments		(5)	(12)
At 31 December		2,057	1,936

The cost of inventories recognised as expense and included in the consolidated statement of profit or loss amounted to AED 12,989 million (2022: AED 11,845 million) and is presented as part of "Materials and consumables" (Note 11).

16. Accounts and other receivables

16.1. Details of carrying amount

	Note	2023 AED' million	2022 (Restated) AED' million
Non-current			
Trade receivables due from third parties		667	343
Receivables due from related parties	40	1,852	2,368
Advances to contractors and suppliers		207	870
Lease receivables		2,391	2,358
Loan receivables		4,008	2,276
Other receivables		2,009	644
Allowance for expected credit losses		(1,173)	(1,209)
		9,961	7,650
Current			
Trade receivables due from third parties		14,111	13,449
Receivables due from related parties	40	19,733	17,063
Advances to contractors and suppliers		3,078	1,848
Prepayments		1,551	1,045
Contract assets		2,042	1,667
Loan receivables		37	589
VAT and other tax receivables		1,094	946
Accrued income		1,037	1,491
Other receivables		2,647	2,349
Allowance for expected credit losses		(3,096)	(3,196)
Fair value loss on discounting of trade receivables		(57)	-
		42,177	37,251

The average credit period on sale of goods and rendering of services is 60 days (2022: 60 days). No interest is charged on outstanding trade receivables.

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

The Group does not have significant credit risk concentration on its trade and other receivables, since they arise from diversified businesses that have a large customer base.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Accounts and other receivables (continued)

16.1. Details of carrying amount (continued)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off are subject to enforcement activities.

16.2. Advances to contractors and suppliers

The Group signed various contracts with third parties to execute work requested by governmental entities. In accordance with such contracts, the Group has provided an advance balance to contractors which will be adjusted from future payments to such contractors for work to be executed in future.

16.3. Allowance for expected credit losses

	AED' million
At 1 January 2022	4,863
Charge for the year (Note 10)	914
Transfer to entities under common control	(84)
Written off during the year	(667)
Reversal during the year	(623)
Foreign exchange adjustments	2
At 31 December 2022	4,405
Charge for the year (Note 10)	691
Written off during the year	(617)
Reversal during the year	(100)
Foreign exchange adjustments	(4)
Other movements	(106)
At 31 December 2023	4,269

17. Cash and bank balances

	2023 AED' million	2022 (Restated) AED' million
¹ Restricted cash	2,052	2,128
Bank balances:		
- ² Deposit accounts	17,445	7,821
- Call and current accounts	28,616	25,042
Cash in hand	21	21
Cash and bank balances in the consolidated statement of financial position	48,134	35,012
Less: Bank overdrafts (Note 26)	(1,330)	(307)
Less: Restricted cash	(2,052)	(2,128)
Less: Fixed term deposits (with original maturity of more than three months)	(1,123)	(1,725)
Cash and cash equivalents in the consolidated statement of cash flows	43,629	30,852

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Cash and bank balances (continued)

¹Pursuant to Securities and Commodities Authority ("SCA") Board of Directors Decision No. 2 of 2015, all listed companies are required to deposit their declared cash dividends in the bank account of a subsidiary company by following the process determined by the subsidiary company in coordination with the SCA. The Company shall deposit the cash dividends in the bank accounts of the shareholders of the listed companies within thirty days from the date of the general assembly resolution or board of directors' decision of respective listed companies to distribute such dividends. As at 31 December 2023, the subsidiary company held AED 1,760 million (2022: AED 1,678 million) representing dividends entitlements to the shareholders of certain listed companies and a corresponding amount was recorded as other payables to the shareholders of listed companies. Restricted bank balances are presented net of expected credit loss on the consolidated statement of financial position. Due to the short-term nature of restricted bank balances, their carrying amount is considered to be the same as their fair value.

²Fixed term deposits are placed with local financial institutions and denominated in UAE Dirhams and carry interest at prevailing market rates.

17.1. Significant non-cash transactions

	Notes	2023 AED' million	2022 (Restated) AED' million
Transfer of PPE from government entities	18	-	500
Additions to PPE arising from transfer of developer and municipality projects	18	21	261
Transfer of PPE to investment properties	18	(37)	(4,260)
Transfer of PPE to inventories	18	(951)	-
Acquisition of subsidiary accounted as an asset acquisition	37	316	-
Acquisition of a subsidiary accounted as a business combination	37	2,686	-
Listing expenses related to reverse acquisition		417	-
¹ Gain on recognition of an investment		10,784	-
Additional investment in associate provided by the Shareholder		-	142
Transfer of net assets to the Shareholder	37	-	(1,468)
Dividend settled with due from the Shareholder	43	-	6,220
Transfer of net assets from the Shareholder		-	2,869

¹In February 2023, Abu Dhabi National Energy Company PJSC ("TAQA"), one of the Group's subsidiaries, received 5% of total issued share capital in ADNOC Gas from ADNOC for nil consideration. The fair value of the investment on initial recognition of AED 10,784 million was assessed based on the closing share price on the first day of trading on the Abu Dhabi Stock Exchange ("ADX"). This amount has not been reflected in the consolidated statement of cash flows.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Cash and bank balances (continued)

17.2. Changes in liability arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	2023		
	Loans and borrowings (Excluding bank overdrafts) AED' million	Lease liabilities AED' million	Total AED' million
At 1 January 2023	175,275	14,694	189,969
Movement during the year:			
Acquisition through business combination	2,294	504	2,798
Additions	57,552	993	58,545
Accrual of interest	1,333	647	1,980
Payments	(45,863)	(2,585)	(48,448)
Lease termination	-	(231)	(231)
Foreign exchange adjustments	116	7	123
Transfers to liabilities directly associated with the assets held-for-disposal	(769)	(139)	(908)
Other movements	(405)	(64)	(469)
	14,258	(868)	13,390
At 31 December 2023	189,533	13,826	203,359
	2022 (Restated)		
	Loans and borrowings (Excluding bank overdrafts) AED' million	Lease liabilities AED' million	Total AED' million
At 1 January 2022 (restated)	191,229	16,219	207,448
Movement during the year:			
Acquisition through business combination	831	785	1,616
Additions	18,593	461	19,054
Accrual of interest	1,078	692	1,770
Payments	(36,651)	(2,836)	(39,487)
Transfers from/(to) the Shareholder	19	(56)	(37)
Lease termination	-	(493)	(493)
Foreign exchange adjustments	(374)	(46)	(420)
Other movements	550	(32)	518
	(15,954)	(1,525)	(17,479)
At 31 December 2022	175,275	14,694	189,969



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment

18.1. Reconciliation of carrying amounts

18.1.1. Cost

	Land and buildings	Plant and equipment	Oil and gas assets	Aircraft, components and parts	Fixtures and fittings	Leasehold improvements	Motor vehicles	Bearer plants	Capital work in progress	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2022	58,253	280,225	68,612	33,255	3,066	526	766	-	113,252	557,955
Acquisition through business combination (Note 37)	885	932	-	-	51	(3)	56	-	132	2,053
¹ Additions	973	1,955	1,013	286	374	72	36	-	10,683	15,392
Transfers between categories	(115)	(698)	-	(229)	660	-	13	-	369	-
Transfers from government entities	433	67	-	-	-	-	-	-	-	500
² Transfers from capital work-in-progress	5,230	19,883	8	73	271	7	3	-	(25,475)	-
Transfers to investment properties (Note 20)	(8,381)	-	-	-	-	-	-	-	(798)	(9,179)
Transfers to assets held-for-disposal	(41)	(292)	-	-	-	-	(2)	-	(1)	(336)
Transfers from/(to) intangible assets (Note 19)	-	794	-	-	-	-	-	-	(1)	793
Disposals	(134)	(3,449)	-	(26)	(1,710)	(28)	(59)	-	(214)	(5,620)
Foreign exchange adjustments	(288)	(513)	(243)	-	(24)	-	(13)	-	(50)	(1,131)
Transfers to inventories	-	(115)	-	-	-	-	-	-	(192)	(307)
Revision of decommissioning and restoration provision	-	48	(626)	-	-	-	-	-	1,919	1,341
Write off	(93)	(34)	-	(18)	(64)	(81)	(2)	-	(12)	(304)
Transfers to the Shareholder (Note 37)	(1,583)	(560)	-	-	(50)	-	(8)	-	(101)	(2,302)
Other movements	246	(278)	69	(84)	13	(12)	2	-	2,236	2,192
At 31 December 2022	55,385	297,965	68,833	33,257	2,587	481	792	-	101,747	561,047



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.1. Reconciliation of carrying amounts (continued)

18.1.1. Cost (continued)

	Land and buildings	Plant and equipment	Oil and gas assets	Aircraft, components and parts	Fixtures and fittings	Leasehold improvements	Motor vehicles	Bearer plants	³ Capital work in progress	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2023 (continued)	55,385	297,965	68,833	33,257	2,587	481	792	-	101,747	561,047
Acquisition through business combination (Note 37)	1,573	271	-	-	232	10	29	334	229	2,678
¹ Additions	442	4,153	1,252	148	1,106	305	72	33	11,433	18,944
Transfers to investment properties (Note 20)	(39)	-	-	-	-	-	-	-	-	(39)
² Transfers from capital work-in-progress	28,678	27,185	-	2,209	3,179	7	228	53	(61,539)	-
Transfers to assets held-for-disposal	(11,167)	-	(1,346)	(536)	(1,287)	-	(63)	-	(1,195)	(15,594)
Transfers from intangible assets (Note 19)	-	601	-	-	-	-	-	-	559	1,160
Disposals	(41)	(468)	(258)	(51)	(20)	(1)	(13)	-	(6)	(858)
Foreign exchange adjustments	(29)	68	90	-	(16)	-	(5)	3	(41)	70
Transfers to inventories	-	(339)	-	-	-	-	-	-	(612)	(951)
Revision of decommissioning and restoration provision	-	1,627	281	-	-	-	-	-	-	1,908
Write off	(39)	(42)	-	(47)	2	-	-	-	(2)	(128)
Other movements	(146)	(893)	69	(72)	794	(309)	(3)	10	437	(113)
At 31 December 2023	74,617	330,128	68,921	34,908	6,577	493	1,037	433	51,010	568,124

¹During 2023, the Group did not receive any property, plant and equipment from the Government of Abu Dhabi (2022: AED 500 million).

Additions in 2023 include transfer of developer and municipality projects to the Group of AED 21 million (2022: AED 261 million).

²In February 2023, Unit 3 of UAE's nuclear plant of the Group began commercial operations for the supply of available capacity and entered its operations phase; Unit 2 commenced operations in 2022. During 2023, costs amounting to AED 24,694 million primarily relating to Unit 3 and AED 28,496 million relating to the new Midfield Terminal building at Abu Dhabi Airport have been capitalised from Capital work in progress ("CWIP") in accordance with IAS 16 - Property, Plant and Equipment upon meeting the qualification criteria.

³As at 31 December 2023, the Group's CWIP mainly relates to the on-going construction of Khalifa Port, Economic Cities & Free Zones development, nuclear power plant, transmission & distribution projects and advances to suppliers regarding purchase of aircraft.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.1. Reconciliation of carrying amounts (continued)

18.1.2. Accumulated depreciation

	Land and building	Plant and equipment	Oil and gas assets	Aircraft, components and parts	Fixtures and fittings	Leasehold improvements	Motor vehicles	Bearer plants	Capital work-in- progress	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2022	17,483	112,528	36,694	9,476	2,520	456	653	-	27	179,837
Charge for the year (Note 9)	1,772	10,445	888	923	286	28	85	-	-	14,427
Transfers between categories	244	2	-	180	(370)	-	(56)	-	-	-
Transfers to investment properties (Note 20)	(4,919)	-	-	-	-	-	-	-	-	(4,919)
Transfers to assets held-for-disposal	(16)	(282)	106	-	-	-	(2)	-	-	(194)
Transfers to the Shareholder (Note 37)	(377)	(456)	-	-	(45)	-	(7)	-	(27)	(912)
Disposals	(679)	(2,541)	-	(26)	(947)	(25)	(53)	-	-	(4,271)
Write-offs	(61)	(33)	-	(7)	(63)	(80)	(1)	-	-	(245)
Foreign exchange adjustments	(70)	(605)	(145)	-	(16)	-	(3)	-	-	(839)
Other movements	(51)	161	-	-	27	-	(9)	-	-	128
At 31 December 2022	13,326	119,219	37,543	10,546	1,392	379	607	-	-	183,012
Charge for the year (Note 9)	1,571	10,366	1,101	977	343	25	62	20	-	14,465
Transfers to investment properties (Note 20)	(2)	-	-	-	-	-	-	-	-	(2)
Transfers to assets held-for-disposal	(3,485)	-	(954)	(452)	(938)	-	(18)	-	-	(5,847)
Disposals	(6)	(404)	(264)	(51)	(20)	(1)	(11)	-	-	(757)
Write-offs	(39)	(42)	-	(47)	-	-	-	-	-	(128)
Foreign exchange adjustments	13	36	75	-	(3)	-	(1)	-	-	120
Other movements	15	(255)	-	187	481	(300)	2	-	-	130
At 31 December 2023	11,393	128,920	37,501	11,160	1,255	103	641	20	-	190,993



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.1. Reconciliation of carrying amounts (continued)

18.1.3. Accumulated impairment loss

	Land and building	Plant and equipment	Oil and gas assets	Aircraft, components and parts	Fixtures and fittings	Leasehold improvements	Motor vehicles	Bearer plants	Capital work-in-progress	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2022	2,041	5,910	27,371	7,280	-	70	8	-	8,598	51,278
Charge for the year (Note 10)	83	(32)	(1,610)	481	19	-	1	-	(109)	(1,167)
Transfers to the Shareholder (Note 37)	-	(40)	-	-	-	-	-	-	-	(40)
Other movements	(33)	(66)	-	-	-	-	-	-	-	(99)
At 31 December 2022	2,091	5,772	25,761	7,761	19	70	9	-	8,489	49,972
Charge for the year (Note 10)	989	372	345	-	2	-	-	17	-	1,725
Transfers to assets held-for-disposal	(1,225)	-	158	-	(15)	-	(1)	-	(345)	(1,428)
Reclassification between categories	200	(40)	-	552	-	(70)	-	-	(642)	-
Other movements	18	-	(243)	-	-	-	-	-	146	(79)
At 31 December 2023	2,073	6,104	26,021	8,313	6	-	8	17	7,648	50,190

18.1.4. Net carrying value

	Land and building	Plant and equipment	Oil and gas assets	Aircraft, components and parts	Fixtures and fittings	Leasehold improvements	Motor vehicles	Bearer plants	Capital work-in-progress	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 31 December 2023	61,151	195,104	5,399	15,435	5,316	390	388	396	43,362	326,941
At 31 December 2022 (restated)	39,968	172,974	5,529	14,950	1,176	32	176	-	93,258	328,063

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.2. Impairment loss and subsequent reversal

In 2023, the Group performed impairment assessment for all CGUs with indicators of impairment. As a result, in 2023, the Group recognised impairment of AED 1,380 million (2022: impairment reversal AED 664 million) which has been recognised in profit or loss from continuing operations. In addition, impairment of AED 345 million (2022: impairment reversal of AED 503 million) is recognized in profit or loss from discontinued operations. A summary of impairment recognised on property, plant and equipment on continuing operations is provided below:

	Notes	2023 AED' million	2022 (Restated) AED' million
Oil and gas assets	18.2.1	-	(1,107)
Aircraft, components and parts	18.2.2	-	481
Manufacturing plants	18.2.3	-	(49)
Exhibition Centre and Hotels	18.2.4	-	100
Airport terminal	18.2.6	1,203	-
Others		177	(89)
		1,380	(664)

18.2.1. Impairment of Oil and Gas assets

In 2023, the Group recognised impairment of AED 345 million which related to its oil and gas assets in Atrush which is reported under discontinued operations (Note 42). In 2022, the Group had recognised impairment reversal of AED 1,610 million on its oil and gas assets.

The calculation of recoverable amount for oil and gas assets is based upon the following key assumptions:

- Reserve and resource volumes;
- Inflation rates;
- Cash flows relating to gas storage;
- Discount rates;
- Foreign exchange rates; and
- Commodity prices.

In the value-in-use calculations, assumptions are also made regarding the cash flows from each asset's ultimate disposal.

Reserve and resource volumes

Reserve and resource volumes form the basis of the production profiles within the discounted cash flow models. The Group's annual oil and gas reserves (proved, probable and possible) and resources review process includes an external audit process conducted by appropriately qualified parties. Where significant, the contingent resources within a segment are also reviewed and reported on. The data generated for each field and location takes into consideration the development plans approved by senior management and reasonable assumptions that an external party would apply in appraising the assets.

Inflation rates

Estimates are obtained from published indices for the countries from which products and services are originated, as well as data relating to specific commodities. Forecast figures are used if data is publicly available. The Group assumed inflation rates ranging from 2% to 4% (2022: 2% to 5%) in perpetuity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.2. Impairment loss and subsequent reversal (continued)

18.2.1. Impairment of Oil and Gas assets (continued)

Cash flows relating to gas storage

Cash flows relating to gas storage are based on assumptions on delivery capacity, injection capacity, working volumes and expected availability. The assumptions have been approved by management and in most cases validated by third party consultants and are supported by non-binding expressions of interests on demand for working volumes.

Discount rates

Discount rates used reflect the estimated weighted average cost of capital rates for potential acquirer group companies developed for each of the locations. A post tax discount rate ranging from 4.3% to 20% (2022: 4.3% to 20%), was used to calculate the recoverable amounts at the reporting date.

Foreign exchange rates and commodity prices

A summary of the 2023 key assumptions is provided below:

	2024	2025	2026	2027	2028
¹ WTI (USD/bbl)	67.00	62.00	62.00	60.00	60.00
¹ AECO (USD/mmbtu)	2.20	2.27	2.80	2.90	2.90
¹ Brent (USD/bbl)	72.00	67.00	67.00	65.00	65.00
Summer/Winter gas spread (Euro/MWh)	3.30	2.20	2.20	2.20	2.20
CAD/USD	1.32	1.29	1.27	1.26	1.26
EUR/USD	0.88	0.86	0.85	0.85	0.85
GBP/USD	0.79	0.77	0.76	0.75	0.74

¹Prices are escalated at 2% thereafter

18.2.2. Impairment of Aircraft, components and parts

During 2023, no impairment was recognised on Aircraft, components and parts (2022: AED 481 million).

18.2.3. Impairment of Manufacturing plants

During 2023, no impairment was recognised on Manufacturing plants. During 2022, the Group assessed the recoverable amounts of its Manufacturing plants and recognised a reversal of impairment of AED 49 million.

The values assigned to the key assumptions represent management's assessment of future trends in the building materials sector and are based on both external and internal sources.

18.2.4. Impairment of Exhibition Centre and Hotels

During 2023, no impairment was recognised on Exhibition Centre and Hotels (2022: AED 100 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.2.5. Impairment of Power and Water assets

The recoverable amount for power and water assets is based on FVLCD. In determining FVLCD, a discounted cash flow valuation model was used, incorporating market-based assumptions. The key assumptions for FVLCD calculations are outlined below together with the approach management has taken in determining the value to ascribe to each asset. Management believes it is appropriate to use cash flow forecasts over such periods due to the long-term power and water purchase agreements associated with the facilities.

The calculation of FVLCD for power and water generation assets is most sensitive to the following assumptions:

- Future cash flows beyond the term of the current power and water purchase agreements ("PWPAs");
- Inflation rates; and
- Discount rates.

The Group's expected future cash flows have been estimated based on work performed by an internal expert. In doing so, management has considered key trends in the relevant power and water sectors, likely extension scenarios including extension tariff projections and the recovery of the residual values.

Inflation rates

Estimates are obtained from published indices for the countries from which products and services are originated. Forecast figures are used if data is publicly available. The Company assumed inflation rates ranging from 2% to 5% in perpetuity (2022: 2% to 5%).

Discount rates

Discount rates used represent the current market assessment of the risks specific to the assets, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The assets are valued using a FVLCD methodology, future cash flows are discounted using post-tax rates ranging from 3.9% to 10% (2022: 3.9% to 10%).

18.2.6. Impairment of Abu Dhabi Airport Terminal

In 2023 the Group opened the new terminal at Abu Dhabi Airport that led to the curtailment of operations at the old airport. Due to their being no viable plan in place at the reporting date to utilize old airport, management carried out an impairment test to determine the fair value less cost of disposal (management concluded that the value in use will be significantly lower than the fair value less cost of disposal as their no viable plans approved to generate future cash flows from these assets).

On November 2023, all operational flights were transferred from the South Side Terminal to the new terminal, the Zayed International Airport - Terminal A. As a result, the Group has assessed the South Side Terminal will be an idle asset for the foreseeable future, thus a review of the recoverable amount was made as a separate CGU.

The review led to the recognition of an impairment loss of AED 1,203 million, which has been recognised in the profit or loss and reported under the 'Transport & Logistics' operating segment. The Company used fair value less costs of disposal of the South Side Terminal and the related infrastructure and equipment ("South Side Terminal Assets"), which is based on the recent market prices of assets with similar age and obsolescence. The key assumption used in the fair value assessment was the 'Cost of disposal rates', which was estimated at AED 200 to AED 525 per square meter.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Property, plant and equipment (continued)

18.3. Security

At 31 December 2023, properties with a carrying amount of AED 28,455 million (2022: AED 31,247 million) were provided as security for bank borrowings (Note 26).

18.4. Property, plant and equipment under construction

Capital work-in-progress as at 31 December 2023 primarily relates to the on-going construction of the extension of Khalifa Port, construction on a new Maintenance, Repairs, and Overhaul (MRO) facility, the on-going construction of major sewerage plant, simulator equipment and advance to customers regarding purchase of aircraft, PPS buildings and other expenditure related to capitalisation of borrowing costs and decommissioning obligation and expenditure pertaining to transmission and distribution infrastructure, particularly sub-stations and gridlines.

The total expenditure incurred related to the construction of the assets amounted to AED 9,898 million (2022: AED 10,683 million). Staff costs of AED 176 million (2022: AED 166 million) have been capitalised within the capital work-in-progress during the year ended 31 December 2023.

18.5. Capitalised borrowing costs

Borrowing costs of AED 1,209 million (2022: AED 1,891 million) have been capitalised, based on a capitalisation rate of 0.01% (2022: 0.04%), during the year ended 31 December 2023 and is included as part of 'Additions'.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill

19.1. Reconciliation of carrying amount

	Goodwill	Brands, Rights and Trademarks	Customer relationships	IT Software and licenses	Exploration and evaluation assets	Landing slots	Other intangible assets	Under development	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Cost									
At 1 January 2022 (restated)	3,088	2,266	1,058	3,277	2,879	772	3,391	6,605	23,336
Acquisition through business combination (Note 37)	4,787	1,641	693	31	-	-	78	59	7,289
Additions	-	411	-	36	3	-	27	390	867
Transfers between categories	-	59	-	9	-	-	(26)	(42)	-
Transfers from 'Under development'	-	-	-	612	-	-	2,646	(3,258)	-
Transfers to property, plant and equipment (Note 18)	-	-	-	-	-	-	(793)	-	(793)
Foreign exchange adjustments	(645)	(626)	(44)	(4)	(2)	-	43	-	(1,278)
Disposals	(138)	2	-	(981)	(1)	-	(11)	(31)	(1,160)
Write off	-	-	-	(122)	-	-	-	(4)	(126)
Other movements	24	9	(2)	(5)	-	-	(30)	-	(4)
Transfers to the Shareholder (Note 37)	-	-	-	-	-	-	(176)	-	(176)
At 31 December 2022	7,116	3,762	1,705	2,853	2,879	772	5,149	3,719	27,955
Acquisition through business combination (Note 37)	1,884	355	487	14	-	-	575	-	3,315
Additions	3	2	480	101	6	-	149	284	1,025
Transfers between categories	(480)	4	480	4	-	-	-	(8)	-
Transfers from 'Under development'	-	-	-	52	-	-	2,051	(2,103)	-
Transfers to property, plant and equipment (Note 18)	-	-	-	-	-	-	(601)	(559)	(1,160)
Foreign exchange adjustments	(95)	(248)	(13)	3	(1)	-	3	-	(351)
Disposals	(7)	(181)	-	(56)	-	-	-	-	(244)
Write off	-	-	-	(4)	-	-	-	-	(4)
Other movements	32	96	(21)	(11)	(1)	-	-	(5)	90
Transfers to assets held-for-disposal	(682)	-	-	-	-	-	-	-	(682)
At 31 December 2023	7,771	3,790	3,118	2,956	2,883	772	7,326	1,328	29,944



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.1. Reconciliation of carrying amount (continued)

	Goodwill	Brands, Rights and Trademarks	Customer relationships	IT Software and licenses	Exploration and evaluation assets	Landing slots	Other intangible assets	Under development	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Accumulated amortisation									
At 1 January 2022	-	166	327	1,906	-	-	1,064	-	3,463
Transfers between categories	-	(7)	-	7	-	-	-	-	-
Charge for the year (Note 9)	-	291	61	192	-	-	132	-	676
Disposals	-	(1)	-	(918)	-	-	-	-	(919)
Foreign exchange adjustments	-	(12)	(25)	(8)	-	-	(2)	-	(47)
Other movements	-	8	45	(107)	-	-	(14)	-	(68)
Transfers to the Shareholder (Note 37)	-	-	-	-	-	-	(71)	-	(71)
At 31 December 2022	-	445	408	1,072	-	-	1,109	-	3,034
Charge for the year (Note 9)	-	227	177	177	-	-	217	-	798
Foreign exchange adjustments	-	(73)	(19)	3	-	-	2	-	(87)
Disposals	-	(99)	-	(1)	-	-	-	-	(100)
Write off	-	-	-	(8)	-	-	-	-	(8)
Other movements	-	(7)	-	(11)	-	-	6	-	(12)
Transfers to assets held-for-disposal	-	-	-	-	-	-	(13)	-	(13)
At 31 December 2023	-	493	566	1,232	-	-	1,321	-	3,612



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.1. Reconciliation of carrying amount (continued)

	Goodwill	Brands, Rights and Trademarks	Customer relationships	IT Software and licenses	Exploration and evaluation assets	Landing slots	Other intangible assets	Under development	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Accumulated impairment									
At 1 January 2022	544	253	479	880	2,874	-	173	3	5,206
Transfers between categories	77	(77)	-	-	-	-	-	-	-
Charge for year (Note 10)	926	123	-	-	-	-	1	-	1,050
Foreign exchange adjustments	(84)	(4)	-	(1)	-	-	-	(3)	(92)
Other movements	(3)	(5)	(30)	(13)	-	-	-	-	(51)
Transfers to the Shareholder (Note 37)	-	-	-	-	-	-	(34)	-	(34)
At 31 December 2022	1,460	290	449	866	2,874	-	140	-	6,079
Charge for year (Note 10)	448	2	-	3	-	-	-	-	453
Foreign exchange adjustments	(28)	-	(1)	(2)	-	-	-	-	(31)
Other movements	-	(13)	-	(2)	-	-	1	-	(14)
At 31 December 2023	1,880	279	448	865	2,874	-	141	-	6,487
Net carrying value									
At 31 December 2023	5,891	3,018	2,104	859	9	772	5,864	1,328	19,845
At 31 December 2022 (restated)	5,656	3,027	848	915	5	772	3,900	3,719	18,842

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.2. Goodwill

The following table highlights the goodwill and impairment testing information for each cash-generating unit, as well as the assumptions to which the impairment testing were most sensitive:

Description	Cash generating unit (CGU)	Carrying amount of goodwill 2023 AED' million	Carrying amount of goodwill 2022 AED' million	Discount rate	Growth rate
¹ London International Exhibition Centre	Exhibitions and other related services	-	514	N/A	N/A
Abu Dhabi Ports Operating Company - Abu Terminals PJSC	Ports and marine services	33	33	5.5%	3.5%
Mazroui International Cargo Company LLC	Ports and marine services	22	22	5.5%	3.5%
Divetech Marine Engineering Services LLC	Ports and marine services	26	26	5.5%	3.5%
Alligator Shipping Container Line LLC	Ports and marine services	19	11	5.5%	3.5%
Transmar International Shipping Company	Ports and marine services	154	149	5.5%	3.5%
Transcargo International	Ports and marine services	11	11	5.5%	3.5%
Safeen Diving and Subsea Services LLC	Ports and marine services	103	93	5.5%	3.5%
Al Eskan Al Jamae LLC	Ports and marine services	233	-	5.5%	3.5%
TTEK Inc.	Ports and marine services	46	-	5.5%	3.5%
Noatum Group	Ports and marine services	972	-	5.5%	3.5%
Global Aerospace Logitics LLC ("GAL")	Aviation	354	833	14.7%	2.0%
Amoun Pharmaceutical Company S.A.E	Health and Pharmaceutical	235	298	12%-18%	3%-6%
Pharmax Pharmaceuticals FZ LLC	Health and Pharmaceutical	65	65	12%-18%	3%-6%
Pharma Strategy Partners GmBH ("Acino")	Health and Pharmaceutical	1,243	1,420	12%-18%	3%-6%
M8	Health and Pharmaceutical	391	-	12%-18%	3%-6%
MEFAR INTERNATIONAL İLAÇ SAN. A.Ş ("BMG")	Health and Pharmaceutical	226	514	12%-18%	3%-6%
¹ King Li Limited (Formerly known as Lanos Investment Limited)	Exhibitions and other related services	-	151	N/A	N/A
SHERWOOD ENVIRONMENT SPV LIMITED	Food and Agriculture	22	-	8.3%-11.4%	2%-22.1%
SAFCO Enterprises Limited	Food and Agriculture	223	-	8.3%-11.4%	2%-22.1%
Nabil Foods (Holding) Limited	Food and Agriculture	194	194	8.3%-11.4%	2%-22.1%
Agthia Group PJSC	Food and Agriculture	104	104	8.3%-11.4%	2%-22.1%
Atyab	Food and Agriculture	425	425	8.3%-11.4%	2%-22.1%
Al Faysal Bakery and Sweets Company WLL	Food and Agriculture	97	97	8.3%-11.4%	2%-22.1%
BmB Group	Food and Agriculture	359	359	8.3%-11.4%	2%-22.1%
Abu Auf	Food and Agriculture	334	337	8.3%-11.4%	2%-22.1%
At 31 December		5,891	5,656		

¹Transferred to assets held for disposal

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.2. Goodwill (continued)

For all the above impairment tests, the recoverable amount of the relevant business units was determined based on value-in-use calculation using pre-tax cash flows projections over a five-year term. These projections are based on a financial budget approved by the Board of Directors of the respective companies. In assessing value-in-use, some budgets were adjusted to deliver an adequate balance between historic performance and likely future outcomes. Growth rates based on published industry research where available or on the historic average of real gross domestic products ("GDP") for the local economy.

Transmar International Shipping Company ("Transmar")

The Group recognised goodwill of AED 154 million on the acquisition of 70% ownership of International Associated Cargo Carrier B.V. ("IACC"). IACC is a private limited liability company duly established and existing under the laws of the Netherlands having operations in Egypt. It wholly owns Transmar, a leading regional container line specialised in stevedoring, warehousing and port services. The goodwill has been allocated to the ports and marine services CGU.

Safeen Diving and Subsea Services LLC

The Group recognised goodwill of AED 103 million after entering into a shareholders agreement with National Marine Dredging Company (NMDC) relating to establishing a new subsidiary company under the name Safeen Diving and Subsea Services LLC (Subsea). The Group holds 51% shares in Subsea. Safeen Diving and Subsea Services LLC (Subsea) has been incorporated for deep sea diving and underwater survey activities.

Al Eskan Al Jamae LLC (EAJ)

Effective 1 January 2023, the Group entered into an agreement to merge 100% of EAJ with the existing owned entity Kizad Communities Development & Services Company (KC), a 100% owned subsidiary of the Group. Goodwill of AED 233 million has been recognised during the year on the transaction.

Noatum Holding, SLU

Effective 30 June 2023, the Group completed the acquisition of 100% equity in Noatum Holdings, SLU ("Noatum"), a global integrated logistics services group and recognised goodwill of AED 972 million on acquiring 100% of Noatum. The PPA calculation is booked on a provisional basis and will be finalised within 12 months of the transaction.

Global Aerospace Logistics LLC ("GAL")

Effective September 2022, the Group acquired control of GAL and started to account for this investment as a subsidiary. The Group has recognised goodwill of AED 354 million allocated to the 'Aviation' CGU upon completion of PPA exercise.

Amoun Pharmaceutical Company S.A.E ("Amoun")

During 2021, the Group acquired Amoun, resulting in recognition of goodwill amounting to AED 474 million. The goodwill has been allocated to the Healthcare and Pharmaceutical CGU. The goodwill recognised has been revalued to reflect the decline in the Egyptian Pound (EGP). No impairment is required to be booked in relation to this goodwill during the year ended 31 December 2023.

Pharma Strategy Partners GmbH ("Acino")

During 2022, the Group acquired Acino, resulting in recognition of goodwill amounting to AED 2,663 million. The goodwill has been allocated to the Healthcare and Pharmaceutical CGU. As a result of the conflict between Russia and Ukraine, an impairment assessment was carried out resulting in an impairment of AED 318 million being recognised during the year ended December 2023 (2022: AED 1,013 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.2. Goodwill (continued)

M8

On 30 November 2023, the Group completed the acquisition of Moksha8 and all subsidiaries ("M8") and acquired 100% equity stake and from its Seller MONTREUX M8 REP, LLC. Goodwill of AED 391 million was recognised on completion of the acquisition.

MEFAR INTERNATIONAL İLAÇ SAN. A.Ş ("BMG")

During 2022, the Group acquired BMG, resulting in recognition of goodwill amounting to AED 529 million. The goodwill has been allocated to the Healthcare and Pharmaceutical CGU. As a result of the impairment assessment AED 127 million impairment has been recognised during the year ended 31 December 2023. The goodwill recognised has been revalued to reflect the decline in the Turkish Lira (TRY).

SAFCO Enterprises Limited

The Group recognised goodwill of AED 223 million from the acquisition of 70% of SAFCO Enterprises Limited during 2023. The PPA calculation is booked on a provisional basis and will be finalised within 12 months of the transaction.

Nabil Foods (Holding) Limited

This comprises a goodwill of AED 194 million resulting from the acquisition Nabil Foods (Holding) Limited on 30 September 2021. The goodwill has been allocated to the 'Food and Agriculture' CGU. Management performed an impairment assessment for the goodwill at year-end.

Agthia Group PJSC

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. Management anticipates that no reasonably possible change in any of the key assumptions above would cause the carrying value of any of the CGU including goodwill to materially exceed its recoverable amount. The weighted average capital cost rate applied to cash flow projections range from 8.3% to 11.4% (2022: 8.3% to 13%). A growth rate ranging from 4.2% to 19.1% (2022: 4.2% to 19.1%) has been used based on the management's approved business plan.

Others

The Group has recognised goodwill on the acquisition of Atyab, Al Faysal Bakery, BMB Group, and Abu Auf amounting to AED 425 million, AED 97 million, 359 million and AED 334 million respectively. The Group performed an impairment assessment for the above goodwill at year-end. This goodwill has been allocated to the 'Food and Agriculture' CGU. The recoverable amount has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the management covering a 5-year period. The pre-tax discount rate applied to cash flow projections range from 8.3% to 11.4% is 9.25% and revenues are extrapolated using a range of 4.2% to 19.1% as growth rate. Management anticipates that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of the CGU including goodwill to materially exceed its recoverable amount.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Intangible assets and goodwill (continued)

19.3. Brands, Rights and Trademark

During 2023, Brands, Rights and Trademarks increased as a result of acquisition of Moksha8 and its subsidiaries.

The fair value arising from the acquisition is attributable to access to the distribution network in Latin American region and acquired contractual relationships.

During 2022, Brands, Rights and Trademarks increased as a result of acquisition of Acino and Birgi by AED 948 million and AED 164 million respectively. The 'Relief from Royalty' method was used as the basis for valuation. The fair value of Acino's trademark has been calculated by discounting the cumulative cash flows of royalty income and saving of marketing costs to present value using a 10.5% discount rate. The trademark has been assigned a useful life of 15 years. The fair value of Birgi's customer relationship has been calculated by discounting the cumulative cash flows of royalty income and saving of marketing costs to present value using a 12% discount rate. It will continue to be deployed in the same market. Customer relationships have been assigned a useful life of 15 years.

19.4. Exploration and evaluation assets

The exploration and evaluation assets are tested for impairment on the existence of triggering events as stated in IFRS 6 - Exploration for and Evaluation of Mineral Resources. The decline in commodity prices was taken to be an impairment indicator and an impairment assessment was done.

The recoverable amount for the assets was computed based on their value-in-use. In determining value-in-use, an appropriate discounted cash flow valuation model was used, incorporating market-based assumptions. The key assumptions for the value-in-use calculations for Oil and Gas assets are outlined in Note 18.2 together with the approach management has taken in determining the value to ascribe to each. Following post-Covid-19 pandemic recovery, commodity prices rose, hence, no impairment has been recognised.

19.5 Landing slots

The Group has assessed the carrying value of landing slots for impairment as at the reporting date. An independent appraisal was conducted by a reputed industry valuer considering the latest available market information. Based on such appraisal, it was determined that no impairment is required to be recorded against the landing slots as at 31 December 2023 (2022: Nil).

20. Investment properties

Investment properties comprises a number of commercial properties that are leased to third parties. Each of the leases contains a non-cancellable period with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and historically the average renewal period is four years. No contingent rents are charged.

Further information on investment properties is disclosed as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Investment properties (continued)

20.1. Reconciliation of carrying amount

	Land AED' million	Building AED' million	Under construction AED' million	Total AED' million
Cost				
At 1 January 2022 (restated)	815	8,028	2,547	11,390
Acquisition through business combination (Note 37)	-	78	-	78
Additions	-	26	1,854	1,880
Transfers from 'Under construction'	78	1,389	(1,467)	-
Transfers from property, plant and equipment (Note 18)	1,519	6,930	730	9,179
Transfers to assets held-for-disposal	(30)	-	-	(30)
Transfers from joint ventures (Note 22)	-	-	100	100
Disposals	-	(6)	-	(6)
Foreign exchange adjustments	(10)	-	(183)	(193)
Other movements	76	141	(34)	183
Transfers to the Shareholder (Note 37)	(75)	-	-	(75)
At 31 December 2022	2,373	16,586	3,547	22,506
Acquisition through business combination (Note 37)	-	3,462	-	3,462
Additions	130	13	1,923	2,066
Transfers from 'Under construction'	-	1,009	(1,009)	-
Transfers from property, plant and equipment (Note 18)	-	39	-	39
Transfers to assets held-for-disposal	(228)	(2,303)	(851)	(3,382)
Foreign exchange adjustments	1	-	(104)	(103)
Other movements	(12)	31	(324)	(305)
At 31 December 2023	2,264	18,837	3,182	24,283
Accumulated depreciation				
At 1 January 2022	-	1,989	-	1,989
Charge for the year (Note 9)	-	570	-	570
Transfers from property, plant and equipment (Note 18)	-	4,919	-	4,919
Other movements	-	(4)	-	(4)
At 31 December 2022	-	7,474	-	7,474
Charge for the year (Note 9)	-	791	-	791
Transfers to assets held-for-disposal	-	(517)	-	(517)
Transfers from property, plant and equipment (Note 18)	-	2	-	2
Other movements	-	20	-	20
At 31 December 2023	-	7,770	-	7,770
Accumulated impairment				
At 1 January 2022	6	798	-	804
Charge for the year (Note 10)	-	5	322	327
Other movements	4	(37)	-	(33)
Transfers to the Shareholder (Note 37)	(4)	-	-	(4)
At 31 December 2022	6	766	322	1,094
Reversal for the year (Note 10)	-	(364)	-	(364)
Transfers to assets held-for-disposal	(1)	(366)	(322)	(689)
At 31 December 2023	5	36	-	41
Net carrying value				
At 31 December 2023	2,259	11,031	3,182	16,472
At 31 December 2022 (restated)	2,367	8,346	3,225	13,938

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. Investment properties (continued)

20.2. Transfer of property, plant and equipment

During 2023 investment properties transferred from property, plant and equipment of AED 37 million (2022: AED 4,260 million) were recognised.

20.3. Amounts recognised in profit or loss

Rental income recognised from investment properties amounted to AED 2,084 million (2022: AED 1,913 million) while maintenance expenses of AED 541 million were incurred for the year ended 31 December 2023 (2022: AED 563 million).

During the year, the Group engaged an independent appraiser to perform a valuation on certain plots of land. The independent appraiser is an industry specialist in valuing various types of properties using the investment method as basis of valuation. Consequently, the Group recognised impairment reversal of AED 364 million (2022: Impairment loss: AED 327 million) based on the valuation reports obtained.

20.4. Industrial Cities and Labour of Abu Dhabi

A portion of the Group's investment properties is recognised at cost of AED 1, which represents the nominal value of the granted assets. These investment properties include warehouses and assets relating to Khalifa Industrial Zone Abu Dhabi, Zayed Port, ICAD and Razeen. Details of these assets is mentioned in note 29.1.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Right of use assets

	Aircraft, components and parts	Land	Building	Port infrastructure	Equipment	Motor Vehicles	Fuel contracts	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Cost								
At 1 January 2022 (restated)	17,879	853	4,647	384	1,241	214	4,374	29,592
Acquisition through business combination (Note 37)	-	433	190	-	-	165	-	788
Additions	224	3	184	-	158	23	-	592
Foreign exchange adjustments	-	-	(40)	-	(8)	(1)	-	(49)
Transfers to the Shareholder (Note 37)	-	-	(13)	-	(188)	(5)	-	(206)
Termination and lease returns	(1,814)	(329)	(387)	-	(7)	(67)	-	(2,604)
¹ Other movements	(198)	32	(106)	(2)	(40)	(117)	-	(431)
At 31 December 2022	16,091	992	4,475	382	1,156	212	4,374	27,682
Acquisition through business combination (Note 37)	-	157	32	-	298	26	-	513
Additions	295	419	315	-	247	76	-	1,352
Termination and lease returns	(375)	(138)	(150)	-	(255)	(6)	-	(924)
Transfers to assets held-for-disposal	-	-	(180)	-	(6)	(9)	-	(195)
Transfers (to)/from property, plant and equipment (Note 18)	-	-	(29)	-	-	2	-	(27)
¹ Other movements	(92)	(27)	(61)	9	10	3	-	(158)
At 31 December 2023	15,919	1,403	4,402	391	1,450	304	4,374	28,243
Accumulated depreciation								
At 1 January 2022	5,980	22	1,362	39	543	151	1,117	9,214
Charge for the year (Note 9)	946	73	307	8	168	50	308	1,860
Foreign exchange adjustments	-	-	(4)	-	(2)	(2)	-	(8)
Transfers from the Shareholder (Note 37)	-	-	(2)	-	(149)	(2)	-	(153)
Termination and lease returns	(907)	(80)	(238)	-	(64)	(64)	-	(1,353)
Other movements	-	(32)	(88)	14	(3)	(12)	-	(121)
At 31 December 2022	6,019	(17)	1,337	61	493	121	1,425	9,439
Charge for the year (Note 9)	696	54	310	11	424	67	308	1,870
Transfers to property, plant and equipment (Note 18)	-	-	(67)	-	-	(3)	-	(70)
Transfers to assets held-for-disposal	-	-	(3)	-	(3)	(5)	-	(11)
Termination and lease returns	(405)	-	(108)	-	(109)	(5)	-	(627)
Other movements	2	(34)	45	-	23	(3)	-	33
At 31 December 2023	6,312	3	1,514	72	828	172	1,733	10,634



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Right of use assets (continued)

¹Other movements include the re-assessment of provision for lease return costs considering the updated fleet plan, future utilisation and maintenance events. The change in estimate has resulted in a net increase in right-of-use assets and provision for lease return conditions by AED 88 million (2022: net increase of AED 110 million).

	Aircraft, components and parts	Land	Building	Port infrastructure	Equipment	Motor Vehicles	Fuel contracts	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Accumulated impairment								
At 1 January 2022	6,146	99	790	-	424	-	-	7,459
Charge for the year (Note 10)	351	38	71	-	-	-	-	460
Termination and lease returns	(991)	-	-	-	-	-	-	(991)
Other movements	17	-	-	-	-	-	-	17
At 31 December 2022	5,523	137	861	-	424	-	-	6,945
Termination and lease returns	(79)	-	-	-	(30)	-	-	(109)
At 31 December 2023	5,444	137	861	-	394	-	-	6,836
Net carrying amount								
At 31 December 2023	4,163	1,263	2,027	319	228	132	2,641	10,773
At 31 December 2022	4,549	872	2,277	321	239	91	2,949	11,298

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Right of use assets (continued)

21.1. Amounts recognised in consolidated statement of profit or loss

The table below shows the amounts recognised in the consolidated statement of profit or loss in respect of leases for the year ended 31 December 2023.

	2023	2022
	AED' million	AED' million
Interest on lease liabilities (Note 13)	647	692
Income from sub-leasing right-of-use assets	-	47
Expenses relating to short-term leases	-	4
Depreciation expense of right-of-use assets (Note 9)	1,870	1,860
	2,517	2,603

21.2. Amounts recognised in consolidated statement of cash flow

The table below shows the amounts recognised in the consolidated statement of cash flows in respect of leases for the year ended 31 December 2023.

	2023	2022
	AED' million	AED' million
Total cash outflow for leases:		
Repayment of lease liabilities	(2,585)	(2,836)

21.3. Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees

	2023	2022
	AED' million	AED' million
Investment in associates	43,540	37,888
Investment in joint ventures	8,224	11,140
	51,764	49,028

22.1. Reconciliation of carrying amounts

	Associates	Joint ventures	Total
	AED' million	AED' million	AED' million
At 1 January 2023	37,888	11,140	49,028
Acquisition through business combination	114	-	114
Additional investments during the year	5,970	313	6,283
¹ Group's share of results for the year	1,680	(330)	1,350
Dividends received	(1,227)	(168)	(1,395)
Disposals	-	(267)	(267)
² Group's share of other comprehensive income/(loss) - net of tax	35	(100)	(65)
Transfers to assets held-for-disposal	(760)	(1,088)	(1,848)
Impairment charge for the year (Note 10)	(154)	(1,300)	(1,454)
Foreign exchange adjustments	(6)	24	18
At 31 December 2023	43,540	8,224	51,764

	Associates	Joint ventures	Total
	AED' million	AED' million	AED' million
At 1 January 2022	24,047	6,470	30,517
Additional investments during the year	13,113	4,895	18,008
Transfers to investment property	-	(100)	(100)
¹ Group's share of results for the year	3,222	686	3,908
Dividends received	(1,591)	(205)	(1,796)
Disposals	(9)	(57)	(66)
Transfers due to change in ownership	-	(1,204)	(1,204)
² Group's share of other comprehensive income/(loss) - net of tax	(219)	665	446
Impairment charge for the year (Note 10)	(692)	-	(692)
Foreign exchange adjustments	17	(10)	7
At 31 December 2022	37,888	11,140	49,028

¹Group's share of results for the year includes loss of AED 487 million (2022: profit of AED 278 million) in respect of discontinued operations (Note 42).

²Group's share of other comprehensive income/(loss) - net of tax for the year includes loss of AED 84 million (2022: income of AED 383 million) in respect of discontinued operations (Note 42).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.2. Investment in associates

22.2.1. List of material associates

Name	% shareholding	Principal business activities	Domicile
Lulu International Holdings Limited	20%	Multinational conglomerate company that operates a chain of hypermarkets and retail companies	UAE
Pure Health Holding PJSC ("Pure Health")	43.93%	Hospital management services, laboratory management services, screening services, residency visa testing services, procurement and supply of diagnostic and medical related products	UAE
Louis Dreyfus Company International Holding BV ("LDC")	45%	Global merchant and processor of agricultural goods	Netherlands
Etihad Rail Company PJSC ("ERC")	70%	Development, construction and operation of a planned railway network in the UAE	UAE

Details of material associates

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 5.

Pure Health Holding PJSC ("Pure Health")

During Q4 2021, ADQ completed the acquisition of 27% stake in Pure Health Medical Supplies LLC by transferring two healthcare support services subsidiaries (Rafed and Union 71), valued at AED 1,152 million (previously provisionally valued at AED 112 million during 2021), and paying additional cash consideration of AED 342 million.

During Q4 2022, ADQ acquired 45.01% interest in Pure Health by transferring three subsidiaries (SEHA, Daman, and The Life Corner LLC), valued at AED 5,394 million, and 27% shares in Pure Health Medical Supplies LLC.

The transaction was accounted for as an acquisition of additional 18% interest in Pure Health Medical Supplies LLC through transferring SEHA, Daman and Life Corner LLC. The initial 27% interest in Pure Health Medical Supplies LLC was therefore not subject to a revaluation.

During October 2023, the shareholders of Pure Health approved to change the legal status of Pure Health from limited liability company to public joint stock company.

During December 2023, Pure Health shares were listed on Abu Dhabi Stock Exchange ("ADX"). As part of listing, Pure Health issued new shares, which resulted in increase in the equity of Pure Health and diluted ADQ's ownership interest in Pure Health from 45.01% to 43.93%. ADQ invested AED 1,240 million in the newly issued shares by Pure Health.

Other transactions during the year

Etihad Rail Company PJSC ("ERC")

During 2023, the Group has provided additional capital contribution to ERC amounting AED 3,399 million (2022: AED 3,473 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.2. Investment in associates (continued)

22.2.2. Summarised financial information for material associates

The summarised financial information represents the material associates' financial statements (not adjusted for the percentage ownership of the Group) prepared in accordance with IFRSs, except for the Group's share of results and dividends received.

	2023			
	Lulu	Purehealth	LDC	ERC
	AED' million	AED' million	AED' million	AED' million
Summarised statement of financial position				
Non-current assets	28,698	9,590	19,975	20,795
Current assets	9,400	18,584	62,345	3,855
Non-current liabilities	(25,107)	(3,892)	(19,674)	(3,792)
Current liabilities	(10,831)	(8,226)	(36,894)	(2,359)
Non-controlling interests	-	(4)	(125)	(127)
Net assets	2,160	16,052	25,627	18,372
Ownership %	20%	43.93%	45%	70%
Group's share of net assets on the basis of ownership interest				
	432	7,052	11,532	12,860
Reconciling item:				
Goodwill	1,620	4,596	-	-
Identifiable intangible assets	1,279	1,039	-	-
Fair value adjustments	-	-	(981)	-
Deferred tax liabilities	(261)	(470)	-	-
Equity injection not attributable to the Company	-	-	-	(295)
Carrying amount of investment in associates at 31 December 2023	3,070	12,217	10,551	12,565
Reconciliation of the carrying amount of investment in associates:				
At 1 January 2023	3,371	10,366	9,477	9,200
Investments made during the year	-	1,240	-	3,399
Groups' share of results for the year	(299)	(103)	1,854	(34)
Dividends received	-	-	(825)	-
Groups' share of other comprehensive income/(loss) for the year	(2)	60	45	-
Impairment charge for the year	-	-	-	-
Other movements	-	654	-	-
At 31 December 2023	3,070	12,217	10,551	12,565
Summarised statement of comprehensive income				
Revenue	28,072	16,399	185,917	458
Profit/(loss) for the year	(188)	965	3,706	(49)
Other comprehensive income/(loss)	(9)	136	99	-
Total comprehensive income/(loss)	(197)	1,101	3,805	(49)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.2. Investment in associates (continued)

22.2.2. Summarised financial information for material associates (continued)

	2022 (Restated)			
	Lulu AED' million	Purehealth AED' million	LDC AED' million	ERC AED' million
Summarised statement of financial position				
Non-current assets	29,394	8,156	18,873	18,237
Current assets	8,686	16,765	60,850	1,458
Non-current liabilities	(21,679)	(3,412)	(17,455)	(3,664)
Current liabilities	(14,042)	(10,221)	(39,355)	(2,480)
Non-controlling interests	-	-	(158)	-
Net assets	2,359	11,288	22,755	13,551
Ownership %	20%	45.01%	45%	70%
Group's share of net assets on the basis of ownership interest				
	472	5,081	10,240	9,486
Reconciling item:				
Goodwill	1,620	4,178	-	-
Identifiable intangible assets	1,279	1,107	-	-
Fair value adjustments	-	-	(1,167)	-
Dividends declared not attributable to the Company	-	-	404	-
Equity injection not attributable to the Company	-	-	-	(286)
Carrying amount of investment in associates at 31 December 2022	3,371	10,366	9,477	9,200
Reconciliation of the carrying amount of investment in associates:				
At 1 January 2022	4,119	1,997	7,709	5,769
Investments made during the year	-	8,315	7	3,473
Groups' share of results for the year	(26)	1,027	1,844	(42)
Dividends received	(22)	(964)	(174)	-
Groups' share of other comprehensive income/(loss) for the year	(7)	(9)	91	-
Impairment charge for the year	(693)	-	-	-
At 31 December 2022	3,371	10,366	9,477	9,200
Summarised statement of comprehensive income				
Revenue	26,643	12,295	220,097	328
Profit/(loss) for the year	(132)	3,675	3,684	(60)
Other comprehensive income/(loss)	(34)	(20)	202	-
Total comprehensive income/(loss)	(166)	3,655	3,886	(60)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.2. Investment in associates (continued)

22.2.3. Aggregate financial information of associates that are not individually material

The Group also has interest in a number of individually immaterial associates. The following table analyses, in aggregate, the carrying amount and share of results and OCI of these associates.

	2023	2022
	AED' million	AED' million
Group's share of results	262	419
Group's share of other comprehensive loss	(68)	(294)
Group's share of total comprehensive income	194	125
Carrying amount of the Group's interest in immaterial associates	5,137	5,474

22.3. Investment in joint ventures

22.3.1. List of material joint ventures

Name	% shareholding	Principal business activities	Domicile
Abu Dhabi Future Energy Company PJSC ("Masdar")	43%	Deployment of renewable energy	UAE
Sheikh Shakhbout Medical City ("SSMC")	75%	Health care	UAE
Al Dahra Holding LLC ("Al Dahra")	50%	Agriculture	UAE

Details of material joint ventures

Sheikh Shakhbout Medical City ("SSMC")

SSMC is a joint venture in which the Group has joint control and a 75% ownership interest. The SSMC joint venture is principally engaged in the provision of healthcare and related services. SSMC joint venture is structured as a separate vehicle and the Group has a residual interest in its net assets. The operating and strategic decisions of the joint venture such as business plans approval and budgetary decisions should be unanimously approved by both venturers. Accordingly, the Group has classified its interest in SSMC as a joint venture. In accordance with the agreement under which SSMC joint venture is established, the Group and the other investor ("Mayo Clinic") in the joint venture have agreed to make additional contributions in proportion to their interests to make up any losses, if required, up to a maximum amount of AED 2,080 million (Group: AED 1,922 million and Mayo Clinic: AED 158 million).

Al Dahra Holding LLC ("Al Dahra")

During 2021, the Group acquired 50% equity interest in Al Dahra for total consideration of AED 2,579 million. Al Dahra is a prominent multinational leader in agribusiness, specialising in the cultivation, production and trading of animal feed, essential food commodities and end-to-end supply chain management. The investment has been classified as a joint venture and accounted for using equity method.

Abu Dhabi Future Energy Company PJSC ("Masdar")

On 21 June 2022, the Group acquired a 43% stake in Masdar alongside Abu Dhabi National Oil Company ("ADNOC") and Mubadala Investment Company ("Mubadala") who own 24% and 33% respectively. The partnership creates a global clean energy powerhouse that consolidates the renewable energy efforts of the Group, Mubadala and ADNOC under the Masdar brand. The investment has been classified as a joint venture as all shareholders have joint control over the decision making of Masdar.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.3. Investment in joint ventures (continued)

22.3.2. Summarised financial information for material joint ventures

	Masdar AED' million	2023 SSMC AED' million	Al Dahra AED' million
Summarised statement of financial position			
Non-current assets	15,623	722	6,128
Current assets	5,632	3,075	2,290
Non-current liabilities	(7,186)	(159)	(1,979)
Current liabilities	(1,990)	(686)	(3,133)
Non-controlling interests	-	-	(134)
Net assets	12,079	2,952	3,172
Ownership %	43%	75%	50%
Group's share of net assets			
Impairment recognised	5,194	2,214	1,586
Equity accounting adjustments	-	-	(1,300)
Classified as loans and advances	55	-	-
	(1,424)	-	-
Carrying amount of investment in joint ventures at 31 December 2023	3,825	2,214	286
Reconciliation of the carrying amount of investment in joint ventures:			
At 1 January 2023	3,885	2,133	1,762
Investments made during the year	21	65	-
Group's share of results for the year	(27)	14	(110)
Group's share of other comprehensive income/(loss) for the year	(54)	2	(66)
¹ Impairment charge for the year	-	-	(1,300)
At 31 December 2023	3,825	2,214	286
Summarised statement of comprehensive (loss)/income			
Revenue	3,191	2,570	5,123
Profit/(loss) for the year	(63)	19	(197)
Other comprehensive income/(loss)	(126)	2	(230)
Total comprehensive (loss)/income	(189)	21	(427)

¹As at 31 December 2023, the Group performed impairment assessment for its investment in Al Dahra based on consideration of various factors, including changes in market conditions and financial performance of the investee. The recoverable amount of the investee was estimated using market approach, Enterprise value to EBITDA multiple, which involved applying a market-derived multiple to the investee's earnings before interest, taxes, depreciation and amortisation (EBITDA) to determine the fair value of the investee. The multiple used was derived from comparable transactions and market data for similar companies within the investee's industry.

As a result of the impairment test, the Group recognised impairment of AED 1,300 million (2022: Nil) to write down the value of the investee to its recoverable amount of AED 286 million. The impairment has been recognised in profit or loss from continuing operations and is disclosed under the 'Food & Agriculture' segment of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.3. Investment in joint ventures (continued)

22.3.2. Summarised financial information for material joint ventures (continued)

	2022			
	Galaxy II AED' million	Masdar AED' million	SSMC AED' million	Al Dahra AED' million
Summarised statement of financial position				
Non-current assets	8,384	8,657	659	6,203
Current assets	372	4,823	2,945	3,083
Non-current liabilities	(5,189)	(1,677)	(140)	(2,063)
Current liabilities	(401)	(2,275)	(620)	(3,699)
Net assets	3,166	9,528	2,844	3,524
Ownership %	50%	43%	75%	50%
Group's share of net assets	1,583	4,097	2,133	1,762
Equity accounting adjustments	-	(212)	-	-
Carrying amount of investment in joint ventures at 31 December 2022	1,583	3,885	2,133	1,762
Reconciliation of the carrying amount of investment in joint ventures:				
At 1 January 2022	1,024	-	1,898	1,728
Transfers to investment property	-	-	(100)	-
Investments made during the year	-	3,901	358	-
Group's share of results for the year	260	(16)	(23)	283
Group's share of other comprehensive income/(loss) for the year	383	-	-	(249)
Dividends received from equity accounted investees	(84)	-	-	-
At 31 December 2022	1,583	3,885	2,133	1,762
Summarised statement of comprehensive (loss)/income				
Revenue	-	59	2,232	8,205
Profit/(loss) for the year	520	(38)	(31)	450
Other comprehensive Income/(loss)	765	-	-	(498)
Total comprehensive income/(loss)	1,285	(38)	(31)	(48)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Investments in equity-accounted investees (continued)

22.3. Investment in joint ventures (continued)

22.3.3. Aggregate financial information of joint ventures that are not individually material:

The Group also has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the carrying amount and share of results and OCI of these joint ventures:

	2023 AED' million	2022 AED' million
Group's share of results	(207)	182
Group's share of other comprehensive income	18	531
Group's share of total comprehensive income/(loss)	(189)	713
Carrying amount of the Group's interest in immaterial joint ventures	1,899	1,777

23. Other financial assets

	2023 AED' million	2022 AED' million
a) ¹ Financial assets measured at FVTOCI		
² Equity securities	14,323	7,506
Debt securities	74	59
	14,397	7,565
b) ³ Financial assets measured at FVTPL		
Equity securities	2,753	72,109
Debt securities	17	577
	2,770	72,686
At 31 December	17,167	80,251
Non-current	15,261	63,412
Current	1,906	16,839
At 31 December	17,167	80,251

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Other financial assets (continued)

¹Financial assets measured at FVTOCI

Financial assets measured at FVTOCI comprise of equity and debt securities which are not held for trading, and which the Group irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group consider this classification to be more relevant.

²As disclosed in Note 17.1, in February 2023, the Group received 5% of total issued share capital in ADNOC Gas. At initial recognition, the Group made an irrevocable election to recognise the investment at FVTOCI. The investment was initially recorded at its fair value, AED 10,784 million, and a gain of equal amount was recognised in the consolidated statement of profit or loss under 'Other income - net'. At the end of the reporting period, the investment was carried at AED 11,858 million in the consolidated statement of financial position.

³Financial assets measured at FVTPL

The Group has made investments in a portfolio of listed shares, funds and private companies, which have been designated as measured at FVTPL.

Fair value of quoted equity securities is arrived at using the closing bid price of the shares in the capital markets, except for certain unquoted equity securities for which fair value is based on a valuation technique based on unobservable inputs due to lack of an active market.

During the year, the Group made additional investments amounting to AED 76,051 million (2022: AED 51,900 million). It also recorded net fair value gain of AED 6,060 million (2022: net fair value gain of AED 1,392 million) and dividend income of AED 965 million (2022: AED 420 million) which has been recorded in the consolidated statement of profit or loss in the line 'Other operating income'. This has been offset by transfers to assets held for disposal of AED 126,411 million (Note 42).

Information about the Group's exposure to credit and market risks is included in Note 33, and fair value measurement is included in Note 34.

24. Operating financial assets

	2023	2022
	AED' million	AED' million
Operating financial assets related to:		
Water and electricity	7,725	8,043
Non-current	6,512	6,790
Current	1,213	1,253
At 31 December	7,725	8,043

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Operating financial assets (continued)

The movement in operating financial assets is as follows:

	2023	2022
	AED' million	AED' million
At 1 January	8,043	9,034
Recognised during the year	1,654	1,475
Consideration received during the year	(2,029)	(1,963)
Expected credit loss (Note 10)	-	(217)
Foreign exchange adjustments	57	(286)
At 31 December	7,725	8,043
Maturity profile based on undiscounted cash flows		
Within 1 year	1,213	1,253
Between 1 - 5 years	4,850	5,013
After 5 years	2,724	1,788
At 31 December	8,787	8,054

The Group manages three concession contracts as defined by IFRIC 12, covering electricity generation.

The foreign subsidiaries namely TAQA Morocco (formerly Jorf Lasfar Energy Company SCA (Jorf Lasfar)), TAQA Neyveli Power Company Pvt Ltd (Neyveli) and Takoradi International Company (Takoradi), have entered into power purchase agreements ("PPAs") with offtakers in the countries where they operate. Under the PPAs the foreign subsidiaries undertake to make available, and the offtakers undertake to purchase, the available net capacity of the plants for a period of time in accordance with various agreed terms and conditions as specified in the PPAs as follows:

TAQA Morocco:

The subsidiary had the right of possession for the site and the plant units (units 1 to 4) for a period of 30 years ending in September 2027. On 24 January 2021, TAQA Morocco with Office National de l'Electricité ("ONE") signed an extension to the PPA for a further 17 years from 2027 to 2044. At the end of the PPA, the ownership of the site and the plants will be transferred to the offtaker.

During 2009, ONE and TAQA Morocco signed a strategic partnership agreement to extend the capacity of the plant by constructing two new units (units 5&6) with an approximate gross capacity of 350 MW each. In June 2014, the two new units were completed and a 30-year PPA ending 2044 was entered into.

Jorf Lasfar:

The subsidiary has the right of possession for the site and the plant units for a period of 30 years ending in September 2027. After the 30-year period, the ownership of the site and the plants will be transferred to the offtaker. During 2009, Office National de l'Electricité ("ONE"), TAQA Morocco and TAQA, signed a strategic partnership agreement to extend the capacity of JLEC by two new units of an approximate gross capacity of 350 MW each. As per this agreement, TAQA Morocco or an affiliate will build, own, and operate the new units 5 and 6 under a 30-year power purchase agreement with ONE.

Neyveli:

The subsidiary has a 30-year PPA with the offtaker ending in December 2032. On the expiry date of the PPA, the offtaker has the option to acquire the plant at a price equal to 50% of the terminal value as defined in the PPA.

Takoradi:

The subsidiary had originally signed a 25-year PPA with the offtaker ending in March 2024. On expiry date of the PPA, the plant is to be transferred to the offtaker at a nominal amount. The expansion project has increased the existing 220 MW capacity to 330 MW. As a result of the expansion the PPA term has been extended to 2039.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24. Operating financial assets (continued)

Operating financial assets with a carrying amount of AED 7,725 million (2022: AED 8,043 million) are pledged as security for the related borrowings in the subsidiaries.

25. Capital and reserves

25.1. Share capital

	2023	2022
	AED' million	AED' million
Authorised:		
500 million equity shares of AED 1 each	500	500
Issued and fully paid up:		
100 million equity shares of AED 1 each	100	100

The Government of Abu Dhabi owns all equity shares issued by the Company, which were issued at the time of incorporation of the Company.

25.2. Contributed capital

Details of contributed capital is as follows:

	2023	2022 (Restated)
	AED' million	AED' million
¹ Transfer of net assets of entities in line with EC resolution No. 143 of 2019	28,419	51,384
² Transfer of net assets of Abu Dhabi Power	60,588	60,588
³ Transfer of loan balances provided by the Government of Abu Dhabi to subsidiaries	4,274	4,274
⁴ Transfer of net assets of entities in line with EC resolution No. 33 of 2020	1,044	1,044
⁵ Transfer of net assets of entities in line with EC resolution No. 145 of 2020	14,238	14,238
⁶ Transfer of net assets of entities in line with resolution No. 11 of 2021 of Supreme Council for Financial and Economic Affairs	2,833	2,833
⁷ Transfer of loan balances provided by the Government of Abu Dhabi to the Company	14,121	14,121
⁸ Transfer of equity securities in line with EC resolution No. 162 of 2021	138	138
⁹ Transfer of net assets of entities in line with EC resolution No. 135 of 2020	453	453
¹⁰ Transfer of net assets of entities in line with Supreme Council for Financial and Economic Affairs resolution No. 20 of 2022	-	114,660
¹¹ Transfer of net assets of entities in line with Share Transfer Agreement	15,425	15,425
¹² Transfer of net assets of entities in line with Supreme Council for Financial and Economic Affairs resolution No. 48 of 2023	100	100
Other transfer of entities under common control	1,326	1,326
Funding from the Shareholder	143,484	91,252
At 31 December	286,443	371,836

¹Pursuant to Abu Dhabi Law No. 2 of 2018 and Executive Council Resolution No. 143/2019, the ownership of certain developmental companies (subsidiaries and associate) owned by the Government of Abu Dhabi were transferred to the Company. Based on that, all assets and liabilities were consolidated in the Group's consolidated financial statements and the net equity (excluding retained earnings and reserves) was recorded as contributed capital.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Capital and reserves (continued)

25.2. Contributed capital (continued)

²Pursuant to Abu Dhabi Law No. 3 of 2019, 100% of the shares of Abu Dhabi Power were transferred to the Company by the Government of Abu Dhabi. The amount recognised as contributed capital represents the retained profits and special reserves of Abu Dhabi Power and its subsidiaries as at the date of transfer.

³On 20 June 2019, as communicated by the Department of Finance ("DOF"), a loan receivable due from Abu Dhabi National Exhibition Company PJSC ("ADNEC"), one of the subsidiaries of the Company, amounting to AED 4,274 million has been transferred from DOF to the Company. Consequently, the loan transferred has been recognised as contributed capital.

^{4 & 5}Pursuant to Abu Dhabi Law No. 2 of 2018 and Executive Council Resolution No. 33/2020 and 145/2020, the ownership of certain developmental companies (subsidiaries and associates) owned by the Government of Abu Dhabi were transferred to the Company. Based on that, all assets and liabilities were consolidated in the Group's consolidated financial statements and the net equity (excluding retained earnings and reserves) was recorded as contributed capital.

⁶On 7 September 2021, Supreme Council for Financial and Economic Affairs passed resolution No. 11 of 2021, transferring shares in Advanced Military Maintenance, Repair and Overhaul Centre LLC ("AMMROC") and Global Aerospace Logistics LLC ("GAL") to the Company. Based on that, all assets and liabilities of AMMROC were consolidated in the Group's consolidated financial statements and the net equity (excluding retained earnings and reserves) was recorded as contributed capital. GAL, on the other hand, was accounted for as an equity-accounted investee from its acquisition date with the initial recognition amount being recorded as contributed capital. In 2022, the Group acquired control over GAL through change in the composition and representation of the Board of Directors of GAL and started to account for this investment as a subsidiary from 1 October 2022.

⁷On 15 April 2021, a loan provided by the Government of Abu Dhabi, in its capacity as a shareholder, to a subsidiary of the Group, amounting to AED 14,121 million, was transferred to the Company and was recognised as contributed capital.

⁸Pursuant to Executive Council Resolution No. 162/2021, the Government of Abu Dhabi transferred shares of multiple listed entities to the Company. Consequently, the market value of these shares was recorded as contributed capital.

⁹Pursuant to Executive Council Resolution No. 135/2020, some functions of the Abu Dhabi Agriculture and Food Safety Authority (ADAFSA) were transferred to the Company (ADAFSA to ADQ/Silal). Consequently, the value of the net assets transferred was recorded as contributed capital.

¹⁰ On 11 October 2022, Supreme Council for Financial and Economic Affairs passed resolution No. 20 of 2022, transferring shares in Etihad Aviation Group ("EAG") to the Company. Based on that, all assets and liabilities of EAG were consolidated in the Group's consolidated financial statements and the net equity (excluding retained earnings and reserves) was recorded as contributed capital.

¹¹Pursuant to the share transfer agreement effective 19 December 2021, the shares of Growth Special Investments LLC were transferred to the Company by the Shareholder. Consequently, the value of the net assets transferred was recorded as contributed capital.

¹²In July 2023, Supreme Council for Financial and Economic Affairs passed its resolution No. 48 of 2023 to transferring full ownership of Modon Properties PJSC ("Modon") from the Shareholder to ADQ. The transfer of Modon has been accounted for as an acquisition of a business under common control using the "pooling of interest" method.

Utilisation of Contributed Capital

^{1,10}During 2023, contributed capital of AED 131,125 million, 13,280 million and 4,804 million were utilised towards absorption of losses, transfer to distributable reserves and payables mainly for the mega development projects, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Capital and reserves (continued)

25.3. Reserves

25.3.1. Restrictive reserve

As required by the UAE Federal Law No. 2 of 2015 and the articles of association of certain subsidiaries registered in UAE, 10% of profit is transferred to the statutory reserve until such reserve equals 50% of paid up capital of the respective subsidiaries. Ordinarily, the reserve is not available for distribution.

25.3.2. Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

25.3.3. Fair value reserve

The fair value reserve is comprised of the cumulative net change in the fair value of debt and equity securities designated at FVTOCI until the assets are derecognised or reclassified.

25.3.4. Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25.3.5. Reconciliation of reserves

	Foreign currency translation reserve AED' million	Restrictive reserves AED' million	Hedging reserve AED' million	Fair value reserve AED' million	Other reserve AED' million	Total AED' million
At 1 January 2022 (restated)	(1,805)	4,931	(681)	170	381	2,996
Other comprehensive income/(loss):						
Foreign exchange loss on retranslation of foreign operations	(1,822)	-	-	-	-	(1,822)
Changes in fair value of cash flow hedge	-	-	2,043	-	-	2,043
Fair value gain on financial assets measured at FVTOCI	-	-	-	61	-	61
Share of other comprehensive income/(loss) of equity-accounted investees	(340)	-	453	-	333	446
	(2,162)	-	2,496	61	333	728
Transaction with the owner						
Transfer to reserves from retained earnings	-	994	-	-	-	994
Other movements	(114)	44	-	-	(83)	(153)
	(114)	1,038	-	-	(83)	841
At 31 December 2022	(4,081)	5,969	1,815	231	631	4,565

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Capital and reserves (continued)

25.3. Reserves (continued)

25.3.5. Reconciliation of reserves (continued)

	Foreign currency translation reserve	Restrictive reserves	Hedging reserve	Fair value reserve	Other reserve	Total
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
At 1 January 2023	(4,081)	5,969	1,815	231	631	4,565
Other comprehensive income/(loss):						
Foreign exchange loss on retranslation of foreign operations	(84)	-	-	-	-	(84)
Changes in fair value of cash flow hedge	-	-	(922)	-	-	(922)
Fair value gain on financial assets measured at FVTOCI	-	-	-	7,121	-	7,121
Share of other comprehensive income/(loss) of equity-accounted investees	(11)	-	(68)	26	(17)	(70)
	(95)	-	(990)	7,147	(17)	6,045
Transaction with the owner						
Transfer to reserves from retained earnings	-	1,631	-	-	(33)	1,598
Acquisition of NCI without loss of control	-	(19)	-	-	65	46
Utilisation of contributed capital for absorption of losses	-	-	-	-	13,280	13,280
Option to acquire NCI	-	-	-	-	(302)	(302)
Other movements	47	(19)	2	80	(86)	24
	47	1,593	2	80	12,924	14,646
At 31 December 2023	(4,129)	7,562	827	7,458	13,538	25,256

25.4. Capital risk management

The Group's policy is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure in light of changes in economic and market conditions. The total equity comprises share capital, reserves, contributed capital, retained earnings and non-controlling interests aggregating to AED 362,022 million as at 31 December 2023 (2022: AED 278,622 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Capital and reserves (continued)

25.4. Capital risk management (continued)

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is calculated as loans and borrowings and lease liabilities, less cash and bank balances. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserves. The Group aims to keep the ratio below 2.

	Notes	2023 AED' million	2022 (Restated) AED' million
Loans and borrowings	26	190,863	175,582
Lease liabilities	27	13,826	14,694
Less: Cash and bank balances	17	(48,134)	(35,012)
Net debt		156,555	155,264
Total equity		362,022	278,622
Less: Hedging reserve	25.3	(827)	(1,815)
Adjusted equity		361,195	276,807
Net debt to adjusted equity ratio		0.43	0.56

26. Loans and borrowings

	Note	2023 AED' million	2022 (Restated) AED' million
Bank overdrafts	17	1,330	307
Bank borrowings		79,577	68,216
Term loan from Department of Finance (DoF)		60,550	60,510
Other loans and borrowings		49,406	46,549
At 31 December		190,863	175,582
Non-current		161,693	155,723
Current		29,170	19,859
At 31 December		190,863	175,582

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 33.



**Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Loans and borrowings (continued)

26.1. Terms and repayment schedule

	Original currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Carrying amount
				AED' million 2023	AED' million 2023	AED' million 2022 (Restated)
¹ Bank credit facilities	^a AED	EIBOR + (0.5% - 1.7%)	2024-2031	10,789	8,248	1,458
	^b USD	LIBOR + (0.5% - 1.4%)	2024-2026	5,762	3,992	3,477
	Others	Various	2024-2037	549	549	1,019
² Bank term loan	AED	EIBOR/SOFR + (0.5% - 3%)	2024-2032	11,033	6,740	2,152
	USD	LIBOR + (0.5% - 2.5%)	2024-2042	58,328	55,310	56,224
	Others	1.8%-4.9%	2024-2029	5,142	4,738	3,886
Bank overdraft	AED	45 basis points above interest on deposits	-	1,330	1,330	307
³ Sukuk	USD	0.0476	2025	3,305	3,305	3,309
⁴ Equity bridge loan	USD	LIBOR + (1.07% - 1.1%)	2025	3,328	3,304	3,292
Term loan from DoF	USD	0.0406	2053	60,550	60,550	60,510
⁵ Abu Dhabi National Energy Company bonds	USD	3.2%-6.6%	2036	3,447	3,447	4,290
⁶ Global Medium Term	USD	2.03% - 4.88%	2024-2049	25,408	25,408	21,932
	Euro	3.1%	2024	738	738	735
⁷ Other bonds	USD	2.5% - 6.18%	2029-2038	11,342	11,266	11,375
	Others	3.8%	2038	745	745	762
Others	AED	LIBOR/EIBOR/KIBOR/SAIBOR/EURIBOR mid corridor rate + (0.4% - 3%)	2024	1,212	1,193	854
Total loans and borrowings				203,008	190,863	175,582

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Loans and borrowings (continued)

26.1. Terms and repayment schedule (continued)

^{1a} During the year, the Group paid-off outstanding credit facilities worth AED 6,967 million (2022: 3,002 million). As at 31 December 2023, the Group is in compliance with financial covenants on the loans and borrowings, as applicable.

On 3 April 2023, the Group, through its subsidiary, Abu Dhabi Ports Company PJSC ("AD Ports") signed a General Corporate Facility (GCF) agreement with a syndicate of 13 regional and international banks. The multi-currency facility, equivalent to around USD 2,000 million includes three tranches amounting to EUR 600 million, USD 600 million and AED 2,800 million with a tenure of up to 2.5 years with initial terms of 1.5 years extendable by up to 12 months at the Group's discretion. An aggregate of at least 50% of this financing shall go towards funding acquisitions undertaken by AD Ports or its subsidiaries and the rest could be utilised for funding organic growth projects and for general corporate purposes. The facility was competitively priced at initial 12-month margin of 0.50%, 0.65% and 0.45% for the Euro, USD, and AED tranches respectively. As at reporting date, the outstanding borrowings related to this facility amounted to AED 5,632 million.

^{1b} During 2021, AD Ports obtained an unsecured senior revolving credit facility with a credit limit of USD 1,000 million (AED 3,672.5 million) from a syndicate of local and international banks for the purpose of financing capital expenditure and general corporate purposes of the Group. The facility has a tenure of 3 years and an extension option of two years at one year increments and carries an effective interest rate of 0.85% over LIBOR depending on the facility utilisation.

²The secured bank loans are secured over property, plant and equipment with a carrying amount of AED 28,455 million (2022: AED 31,247 million) (Note 18).

During 2021, the Group availed new bank credit facilities with a syndicate of 33 banks with 2 tranches. Tranche A is a USD 2,500 million revolving credit facility, which carries interest of Daily Compounded SOFR with 5-day lookback plus 0.75% margin plus utilisation margin and expires in December 2026. Tranche B is a USD 2,000 million revolving credit facility carry interest of Daily compounded SOFR with 5-day lookback plus 0.85% margin and expires in December 2024. The Tranche A and Tranche B was utilised by USD 2,000 million and USD 1,000 million, respectively, as at 31 December 2023.

During 2023, the Group entered into bank credit facilities of USD 2,500 million with 14 banks that carry interest of 1.05% margin plus Daily compounded SOFR and expires on 26 June 2028. The Group has fully utilised these facilities as at reporting date.

On 18 April 2023, Abu Dhabi National Energy Company PJSC ("TAQA"), a subsidiary of the Group, issued an aggregate AED 5,509 million (USD 1,500 million) in 5-year and 10-year dual tranche senior unsecured notes. The 10-year notes at AED 3,673 million (USD 1,000 million) were issued with a coupon rate of 4.70% per annum and are a green bond issuance. The 5-year notes at AED 1,836 million (USD 500 million) were issued as conventional bonds at a coupon rate of 4.38% per annum.

On 26 June 2023, Emirates Nuclear Energy Corporation PJSC ("ENEC"), a subsidiary of the Group, entered into term loan facility agreement with a syndicate of commercial lenders consisting of First Abu Dhabi Bank and Abu Dhabi Commercial Bank with maturity period until 2042. This term loan facility carries an effective interest rate of 6.76% based on variable rate of Secured Overnight Financing Rate (SOFR). These funds have been used for repayment of loans from The Export-Import Bank of Korea which amounted to AED 9,074 million. The senior loan is repayable in instalments. As at reporting date, the outstanding borrowings related to this facility amounted to AED 8,788 million.

³In December 2019, a subsidiary of the Group issued non-convertible Sukuk with a total value of USD 300 million (AED 1,102 million) under the USD 3,000 million Trust Certificate Issuance Programme. The Sukuk has a profit rate of 4.76% per annum payable semi-annually and is due for settlement in December 2025. Another subsidiary of the Group has issued privately placed Sukuk bonds of USD 600 million (AED 2,204 million) at an agreed interest rate with a tenor of five years and repayable on 3 November 2025.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Loans and borrowings (continued)

26.1. Terms and repayment schedule (continued)

⁴The outstanding equity bridge loan agreement is with Korea Electric Power Corporation (KEPCO). The agreement was amended in 2021 and the total amount of the facility was increased to USD 1,223 million (AED 4,492 million).

The Group has drawn down USD 906 million (AED 3,328 million) as at 31 December 2023. This equity bridge loan is stated net of unamortised transaction costs. Prepaid transaction costs are amortised on a straight-line basis and capitalised to the cost of CWIP during the construction period of the underlying funded asset. This unsecured equity bridge loan agreement carries commitment fees of 0.55% on the value of the undrawn facility balance.

⁵Abu Dhabi National Energy Company bonds are recorded at amortised cost using effective interest rates and are direct, unconditional, and unsecured obligations of a subsidiary of the Group. Interest on the US dollar bonds is payable semiannually. Accrued interest is included under 'Accrued expenses' (Note 28).

⁶Abu Dhabi National Energy Company global medium-term notes are recorded at amortised cost using effective interest rates and are direct, unconditional, and unsecured obligations of a subsidiary of the Group. During 2023, the Group issued an aggregate AED 5,509 million (USD 1,500 million) in 5 year and 10 year dual tranche senior unsecured notes. The 10-year notes at AED 3,673 million (USD 1,000 million) were issued with a coupon rate of 4.696% per annum and are a green bond issuance. The 5-year notes at AED 1,836 million (USD 500 million) were issued as conventional bonds at a coupon rate of 4.375% per annum.

⁷In 2021, Abu Dhabi Ports PJSC ("Abu Dhabi Ports"), a subsidiary of the Group, issued unsecured 10-year bonds under a Euro Medium Term Note Programme, which was jointly listed on the London Stock Exchange (LSE) and Abu Dhabi Securities Exchange (ADX). The bonds mature on 6 May 2031 and carry a coupon of 2.5% per annum and par value of AED 3,672.5 million (USD 1,000 million). The settlement of the offering occurred on 6 May 2021 and the Group received cash of AED 3,579 million (USD 979.2 million). The bonds are recorded at amortised cost and are secured by a number of security documents including the subsidiaries' contractual rights, cash deposits, other assets and guarantees. Interest on the bonds is payable semi-annually.

27. Lease liabilities

	Note	2023 AED' million	2022 AED' million
At 1 January		14,694	16,219
Acquisition through business combination (Note 37)		504	785
Additions		993	461
Accrual of interest	13	647	692
Payments		(2,585)	(2,836)
Transfers to the Shareholder (Note 37)		-	(56)
Lease terminations		(231)	(493)
Transfers to liabilities directly associated with the assets held-for-disposal		(139)	-
Foreign exchange adjustments		7	(46)
Other movements		(64)	(32)
At 31 December		13,826	14,694
Non-current		11,279	12,580
Current		2,547	2,114
At 31 December		13,826	14,694

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Lease liabilities (continued)

Maturity analysis of lease liabilities is as follows:

	2023	2022
	AED' million	AED' million
Less than one year	2,848	2,506
Between one and five years	7,234	8,714
More than five years	6,943	6,872
Less: Unearned interest	(3,199)	(3,398)
At 31 December	13,826	14,694

28. Accounts and other payables

	Note	2023	2022 (Restated)
		AED' million	AED' million
Non-current			
Retention payables		883	977
Accounts payable due to third parties		216	291
Payables due to related parties	40	1,396	1,556
¹ Other payables		9,350	9,481
Contract liabilities		2,244	1,597
At 31 December		14,089	13,902
Current			
Accounts payable due to third parties		8,397	8,465
Project accruals and claims		2,646	2,158
Accrued expenses		16,964	16,563
Payables due to related parties	40	12,460	13,205
VAT and other tax liabilities		1,968	1,947
Contract liabilities		5,935	4,805
Retention payables		1,137	1,026
¹ Other payables		15,145	10,712
At 31 December		64,652	58,881

¹Other payables include liabilities associated with business combinations and divestments amounting to AED 9,149 million (2022: AED 10,218 million), liabilities in relation to mega development projects of AED 4,486 million (2022: Nil) and liability against restricted bank balance representing dividend payments by companies listed on ADX amounting to AED 1,760 million (2022: 1,687 million).

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29. Governments grants

29.1. Non-monetary government grants

The Group has received the following non-monetary assets by way of government grants as at 31 December 2023 and 2022 and are recognised at nominal amounts:

	Currently classified as
Future economic benefits certain	
¹ Plot of land in Taweelah	Non-monetary grants related to assets (included under PPE)
¹ Head Office Building of a subsidiary	Non-monetary grants related to assets (included under PPE)
¹ Warehouses	Non-monetary grants related to assets (included under PPE and IP)
¹ Labour camps and garage buildings	Non-monetary grants related to assets (included under PPE)
¹ Land fills	Non-monetary grants related to assets (included under PPE)
¹ Solid waste management plants	Non-monetary grants related to assets (included under PPE)
¹ Commercial ports	Non-monetary grants related to assets (included under PPE and IP)
¹ Other ports assets	Non-monetary grants related to assets (included under PPE and IP)
² Grant of Barakah Land- Abu Dhabi Govt	Non-monetary grants related to assets (included under PPE)
² Grant of Al Ruwais Land- Abu Dhabi Govt	Non-monetary grants related to assets (included under PPE)
³ Sheikh Shakhbout Medical City	Non-monetary grants related to assets (included under PPE and IP)
³ Administration Building- Al Ain Hospital	Non-monetary grants related to assets (included under PPE and IP)
³ Mortuary Building - New Al Ain Hospital	Non-monetary grants related to assets (included under PPE and IP)
³ Mortuary Building - Baniyas	Non-monetary grants related to assets (included under PPE)
Future economic benefits uncertain	
² Grant of Capital District Land - Abu Dhabi Govt	Non-monetary grants related to assets (included under PPE)

¹The Government of Abu Dhabi granted the Group non-monetary assets comprising a plot of land in Taweelah, office building, warehouses, labour camps and garage buildings, various landfills, solid waste management plants, commercial ports and other port assets in the areas of Khalifa Industrial Zone, Zayed Port, ICAD and Razeen. These non-monetary government grants are recognised at a nominal value of AED 1

²The title of the parcels of land have been transferred to the Group at no cost from the Government of Abu Dhabi and recorded at nominal value.

³Grants from the government of Abu Dhabi are provided to the Group to support operations of healthcare business. The assets are of a specialised nature as the building is designed and constructed based on the technical specifications and can only be utilised for the purposes of providing healthcare services whereas the land is designated for a specialised use and hence is restricted. There are no explicit conditions attached to the government grants received except that these should be utilised by the Group for the purpose it is provided for.

29.2. Monetary government grants

The Group receives monetary government grants from the Government of Abu Dhabi. Monetary grants include grants received/ acquired to compensate the Group for expenses to be incurred and grants related to the acquisition and construction of assets. These grants are initially recognised in the consolidated statement of financial position as deferred government grants. Subsequent to initial recognition, such grants are released to profit or loss as government grant income when the conditions attached to the government grants have been fulfilled.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Governments grants (continued)

29.3. Deferred government grants

Movement in deferred government grants during the year is as follows:

	Monetary grants related to operating expenses	Monetary grants related to assets	Non-monetary grants related to assets	Total
	AED' million	AED' million	AED' million	AED' million
At 1 January 2022	35	30,700	6,140	36,875
Grant received during the year	1,331	629	-	1,960
Release to income	(805)	(501)	(605)	(1,911)
Other movements	(45)	(651)	686	(10)
At 31 December 2022	516	30,177	6,221	36,914
Grant received during the year	574	444	-	1,018
Release to income	(402)	(517)	(491)	(1,410)
Transfers to liabilities directly associated with the assets held-for-disposal	(32)	(1,263)	(1,401)	(2,696)
Other movements	(139)	(34)	-	(173)
At 31 December 2023	517	28,807	4,329	33,653

	2023	2022
	AED' million	AED' million
Non-current	32,315	36,025
Current	1,338	889
At 31 December	33,653	36,914

Recognised government grants income during the year is as follows:

	2023	2022
	AED' million	AED' million
Operating government grants received and recognised during the year	3,238	7,620
Release to income of deferred government grants:		
- Related to income	402	805
- Related to assets	1,008	1,106
	4,648	9,531

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Retirement benefit obligation

	Note	2023 AED' million	2022 AED' million
At 1 January		2,423	3,953
Acquisition through business combination	37	54	347
Charge for the year	8	438	500
Benefits paid		(276)	(376)
Transfers from a related party		-	18
Net actuarial gain recognised in other comprehensive income		(51)	(342)
Disposal of a subsidiary		-	(1,473)
Transfers to the Shareholder	37	-	(120)
Foreign exchange adjustments		(17)	(37)
Other movements		(68)	(47)
At 31 December		2,503	2,423

Defined benefit obligations

In accordance with the provisions of IAS 19, an exercise to assess the present value of its defined benefit obligations as at 31 December 2023 and 2022 is carried out (except for those subsidiaries wherein impact is not considered to be significant), in respect of employees' end of service benefit liabilities under relevant local regulations and contractual arrangements.

The provision is recognised based on the following significant assumptions:

	2023	2022
Average period of employment (years)	24.0	40.0
Average annual rate of salary increase (percentage)	2.0%	4.6%
Average annual voluntary termination rate (percentage)	5.0%	6.9%
Discount rate (percentage)	2.0%	6.0%

The present values of the defined benefit obligations as at 31 December 2023 and 2022 were computed using the actuarial assumptions set out above.

The defined benefit obligation does not expose the Group to any unusual risk. The Group did not operate or own a defined contribution plan during the year or as at the reporting date. There is no regulatory requirement to fund for these benefits in advance. The Group intends to pay benefits directly as they fall due.

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single rate has been used.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30. Retirement benefit obligation (continued)

Defined benefit obligations (continued)

Details of net actuarial gain recognised in the consolidated statement of other comprehensive income is as follows:

	2023	2022
	AED' million	AED' million
Actuarial gain experience adjustments	(36)	(99)
Actuarial gain from changes in demographic assumptions	(14)	(10)
Actuarial gain from changes in financial assumptions	(1)	(233)
For the years ended 31 December	(51)	(342)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2023		2022	
	Increase	Decrease	Increase	Decrease
	AED' million	AED' million	AED' million	AED' million
Discount rate (0.5%)	196	217	133	168
Annual rate of salary increase (0.5%)	217	197	116	188

Employees' pension scheme

Monthly pension contributions are made in respect of UAE National employees, who are covered by the UAE Federal Law No. 2 of 2000. The contribution made by the Group is recognised in the consolidated statement of profit or loss. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Other than the monthly pension contributions, there is no further obligation on the Group. Contributions to the pension scheme for the year ended 31 December 2023 amounting to AED 572 million (2022: AED 567 million) were charged to the consolidated statement of profit or loss (Note 8).

31. Provisions

	2023	2022 (Restated)
	AED' million	AED' million
Legal provisions	8	-
Provision for decommissioning and restoration	22,790	20,481
Provision for lease return	3,301	3,465
Others	710	1,039
At 31 December	26,809	24,985



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Provisions (continued)

Movement in provisions during the year is as follows:

	2023				Total AED' million
	Legal provisions AED' million	Provision for decommissioning and restoration AED' million	Provision for lease return AED' million	Others AED' million	
At 1 January	-	20,481	3,465	1,039	24,985
Acquisition through business combination (Note 37)	3	72	-	273	348
Provisions during the year	5	-	107	109	221
Reversals during the year	-	(15)	(84)	(594)	(693)
Accretion expense (Note 13)	-	753	-	-	753
Revision in estimated cash flows	-	1,850	-	-	1,850
Disposal of assets	-	-	-	-	-
Paid during the year	-	(1,002)	(187)	(121)	(1,310)
Foreign exchange adjustments	-	73	-	(8)	65
Liabilities directly associated with the assets held-for-disposal	-	580	-	-	580
Other movements	-	(2)	-	12	10
At 31 December	8	22,790	3,301	710	26,809

	2022				Total AED' million
	Legal provisions AED' million	Provision for decommissioning and restoration AED' million	Provision for lease return AED' million	Others AED' million	
At 1 January	2	21,196	3,930	1,257	26,385
Provisions during the year	-	2,300	358	218	2,876
Reversals during the year	-	(1,408)	-	(355)	(1,763)
Accretion expense (Note 13)	-	660	-	-	660
Revision in estimated cash flows	-	(434)	-	-	(434)
Disposal of assets	-	(12)	-	-	(12)
Paid during the year	-	(1,047)	(823)	(25)	(1,895)
Foreign exchange adjustments	-	(152)	-	42	(110)
Liabilities directly associated with the assets held-for-disposal	-	(622)	-	(53)	(675)
Other movements	(2)	-	-	(45)	(47)
At 31 December	-	20,481	3,465	1,039	24,985

	2023 AED' million	2022 (Restated) AED' million
Non-current	24,220	22,506
Current	2,589	2,479
At 31 December	26,809	24,985

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Provisions (continued)

As part of the lease agreements between the Group's subsidiaries certain subsidiaries have a legal obligation to remove the power and water desalination plants at the end of the plants' useful lives or before if the subsidiaries become unable to continue their operations to that date and to restore the land. The Group, shall at their sole cost and expense, dismantle, demobilise, safeguard and transport the assets, eliminate soil and ground water contamination, fill all excavation and return the surface to grade of the designated areas. The fair value of the decommissioning and restoration liability has been calculated using an expected present value technique. This technique reflects assumptions such as costs, plant useful life, inflation and profit margin that third parties would consider assuming the settlement of the obligation.

In addition, the Group's foreign subsidiaries involved in the oil and gas sector make provisions for the future cost of decommissioning oil and gas properties and facilities at the end of their economic lives. The economic life and the timing of the decommissioning liabilities are dependent on Government legislation, commodity prices and the future production profiles of the respective assets. In addition, the costs of decommissioning are subject to inflationary / deflationary pressures in the cost of third-party service providers.

Pursuant to the Decree No. (6) of 2009, Federal Authority for Nuclear Regulation (FANR), is required to establish a Decommissioning Trust Fund (DTF), which will be responsible to carry out the complete decommissioning activities in relation to the dismantling of the Barakah Nuclear Power Plant (BNPP). Based on the arrangements with FANR, the Group is obliged to make annual contributions of AED 112.6 million (USD 31 million) per unit to ensure that the DTF has sufficient funds at the end of the nuclear plant's economic life to perform the complete decommissioning of the plant. The DTF will be responsible for maintaining and investing the funds as per its own discretion. Annual contributions are based on the initial cost estimate for the decommissioning liability which includes the cost estimates in respect of the decommissioning activities, radioactive waste management, the DTF administration fees and management of external agencies, as part of the overall dismantling of the plant. Annual contribution is subject to an appraisal / review by FANR which will then reassess the amount of the annual contribution periodically in order to ensure the sufficiency of funds at the time of decommissioning of the plant. Based on the above, the Group has recognized a provision in relation to decommissioning liability / future outflow of economic resources as at 31 December 2023, in accordance with the IAS 37 Provisions, Contingent liabilities and Contingent Assets. Judgment has been applied to determine whether all of the following conditions are satisfied to recognize a provision: (i) a present obligation exists as a result of past events; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate of the obligation can be made. The obligating event for the recognition of the aforementioned provision is determined when the nuclear reactor in each unit achieves initial criticality, which occurred on 31 July 2020 for Unit 1, 27 August 2021 for Unit 2 and 22 September 2022 for Unit 3. The present value of the expected future cash outflows in relation to decommissioning liability have been discounted using discount rate that reflect the current market assessment of the time value of money and the risks specific to the liability. Consequently, management has recognised a provision amounting to AED 7,791 million as at 31 December 2023 (31 December 2022: AED 5,844 million).

Provision for lease return costs represents the present value of the expected cost to meet the contractual lease end obligations on assets held under operating leases considering the existing fleet plan, future utilisations and long-term maintenance schedules.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Derivative financial instruments

	Notional Amount 2023 AED' million	Notional Amount 2022 AED' million	Carrying Amount 2023 AED' million	Carrying Amount 2022 AED' million
Assets				
Non-current				
Interest rate swaps	18,505	18,576	709	1,164
Foreign currency forward contracts	1,613	7	69	23
Other derivative financial instruments	4	-	1	-
			779	1,187
Current				
Interest rate swaps	18,505	18,576	147	259
Foreign currency forward contracts	1,613	7	49	2
Other derivative financial instruments	4	-	91	124
			287	385
Total assets	20,122	18,583	1,066	1,572
Liabilities				
Non-current				
Interest rate swaps	9,975	13,254	467	496
Foreign currency forward contracts	1,204	1,961	21	65
Commodity derivatives	-	-	27	-
			515	561
Current				
Interest rate swaps	9,975	13,254	111	97
Foreign currency forward contracts	1,204	1,961	159	132
Other derivative financial instruments	-	-	55	-
			325	229
Total liabilities	11,179	15,215	840	790

33. Financial risk management

The Group has exposure to the following risks arising from its financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk, foreign currency risk, equity price risk and commodity price risk).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.1. Risk management framework

The Group's Board of Directors ("BOD") has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Audit and Risk Committee ("ARC"), to assist the BOD in fulfilling its oversight responsibilities with respect to the effectiveness of internal controls, risk management and governance. The ARC reports regularly to the BOD on its activities.

The Group's risk management policies are established to identify, analyse, mitigate and monitor the risks faced by the Group, and to set appropriate risk appetite limits and to monitor management adherence to appetite 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 maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's ARC 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. ARC is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

33.2. Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and bank balances, receivables from third party customers and related parties and investments in debt securities.

As at year end, the maximum exposure to credit risk was as follows:

	Notes	2023 AED' million	2022 (Restated) AED' million
¹ Accounts and other receivables	16	50,477	44,597
² Other financial assets	23	91	636
³ Cash and bank balances	17	48,113	34,991
At 31 December		98,681	80,224

¹excluding advances to contractors and suppliers, prepayments and VAT receivables.

²excluding equity securities at FVTOCI and FVTPL.

³excluding cash in hand.

33.2.1. Accounts and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Each subsidiary within the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee of each subsidiary.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.2. Credit risk management (continued)

33.2.1. Accounts and other receivables (continued)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Group is closely monitoring the economic environment in the UAE and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility.

The Group establishes an allowance for expected credit losses in respect of accounts and other receivables, including contract assets.

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

	2023	2022
	AED' million	AED' million
At 1 January	4,405	4,863
Charge for the year (Note 10)	691	914
Transfer from entities under common control	-	(84)
Reversal during the year	(617)	(667)
Written off during the year	(100)	(623)
Foreign exchange adjustments	(4)	2
Other movements	(106)	-
At 31 December	4,269	4,405

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.2. Credit risk management (continued)

33.2.1. Accounts and other receivables (continued)

		2023	
	Expected credit loss rate (in %)	Estimated total gross carrying amount at default AED' million	Expected credit loss AED' million
Current	1.1%	19,477	208
Less than 30 days past due	1.5%	639	9
30 – 60 days past due	0.0%	524	-
61 – 90 days past due	0.1%	254	-
91 – 120 days past due	2.4%	622	15
121 – 150 days past due	0.8%	887	7
151 – 180 days past due	1.8%	79	1
More than 180 days past due	12.2%	3,858	469
Specific provisioning	14.8%	24,137	3,560
At 31 December 2023		50,477	4,269

		2022 (Restated)	
	Expected credit loss rate (in %)	Estimated total gross carrying amount at default AED' million	Expected credit loss AED' million
Current	1.6%	26,700	427
Less than 30 days past due	3.0%	628	19
30 – 60 days past due	0.6%	338	2
61 – 90 days past due	0.6%	450	3
91 – 120 days past due	3.8%	562	21
121 – 150 days past due	4.0%	884	36
151 – 180 days past due	0.1%	2,566	3
More than 180 days past due	10.6%	4,978	527
Specific provisioning	45.3%	7,491	3,367
At 31 December 2022		44,597	4,405

33.2.2. Other financial assets

With respect to credit risk arising from the other financial assets (except for equity instruments carried at FVTPL and FVTOCI) of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial instruments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.2. Credit risk management (continued)

33.2.3. Cash and bank balances (excluding cash on hand)

As at 31 December 2023 and 2022, though the Group has significant bank balances, management believes that the risk arising out of cash and bank balances are minimal as these are placed with reputable local banks. The Group monitors its position on a regular basis. There is no provision for expected credit losses made for the years ended 31 December 2023 and 2022.

33.3. Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash, liquid assets on demand and committed and uncommitted undrawn bank facilities to meet its expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group maintains substantial amount of its cash resources at banks and in short term time deposits. The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2023 and 2022.

The contractual undiscounted cash flow analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the reporting date are as follows:

	2023					Carrying amount AED' million
	Undiscounted cash flows				Total AED' million	
	Less than one year AED' million	1-5 years AED' million	More than 5 years AED' million			
Loans and borrowings	23,861	76,496	95,833		196,190	190,863
Derivative financial instruments	957	1,807	505		3,269	840
Lease liabilities	2,479	5,774	6,991		15,244	13,826
Accounts and other payables	61,472	15,943	-		77,415	76,773
	88,769	100,020	103,329		292,118	282,302

	2022 (Restated)					Carrying amount AED' million
	Undiscounted cash flows				Total AED' million	
	Less than one year AED' million	1-5 years AED' million	More than 5 years AED' million			
Loans and borrowings	19,730	91,447	81,320		192,497	175,582
Derivative financial instruments	260	-	530		790	790
Lease liabilities	4,026	1,851	17,511		23,388	14,694
Accounts and other payables	63,573	5,865	-		69,438	68,889
	87,589	99,163	99,361		286,113	259,955

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.4. Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

33.4.1. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 are denominated in a different currency from each subsidiary's functional currency), loans and borrowings, other financial assets and the Group's net investments in foreign subsidiaries and joint ventures.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies. The functional currencies of Group companies are primarily the AED. Foreign currency transactions are primarily denominated in GBP, EUR and other currencies.

As at 31 December 2023, the Group was exposed to a currency risk relating to cash and cash equivalents amounting to GBP 42 million or AED 195 million (2022: GBP 47 million or AED 210 million), EUR 154 million or AED 623 million (2022: EUR 106 million or AED 419 million) and borrowings and accrued interest amounting to GBP 86 million or AED 400 million (2022: GBP 48 million or AED 213 million), EUR nil (2022: EUR 187 million or AED 735 million).

The following tables demonstrate the sensitivity to a reasonably possible change in GBP, EUR, EGP, TRL and other exchange rates, with all other variables held constant. The impact on the Group's profit is due to changes in the exchange rate of AED for the financial assets and financial liabilities denominated in GBP, EUR, EGP, TRL and KRW. The Group's exposure to foreign currency changes for all other currencies is not material. The impact of translating the net assets of foreign operations into AED is excluded from the sensitivity analysis.

	Change in rate	GBP Effect on profit AED' million	EUR Effect on profit AED' million	EGP Effect on profit AED' million	TRL Effect on profit AED' million	Others Effect on profit AED' million
2023	+/- 10%	+/-76	+/- 287	+/- 8	+/-34	+/-59
2022	+/- 10%	+/- 75	+/- 374	+/- 0.5	+/- 176	+/- 186

33.4.1.1. Forward Foreign Exchange Contracts

Certain subsidiaries use forward foreign exchange contracts to hedge their risk associated with foreign currency fluctuations relating to scheduled maintenance cost payments to overseas suppliers. The following table summarises certain information relating to the derivatives as of 31 December 2023 and 2022:

	Fair value liabilities AED' million	Fair value assets AED' million
2023	180	118
2022	197	25

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.4. Market risk management (continued)

33.4.2. Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Carrying amount	
	2023 AED' million	2022 AED' million
Total interest-bearing net debt	219,363	160,926
Total variable-rate interest-bearing net debt	41,691	29,086
Variable-rate interest-bearing net debt as a % of total interest-bearing net debt	19%	18%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	2023		2022 (Restated)	
	100 bp increase AED' million	100 bp decrease AED' million	100 bp increase AED' million	100 bp decrease AED' million
Impact on profit	(417)	417	(291)	291
Impact on equity	(133)	133	(134)	134

33.4.2.1 Interest Rate Swaps

In order to reduce their exposure to interest rate fluctuations on variable interest-bearing loans and borrowings, certain subsidiaries have entered into interest rate swap arrangements with counter-party banks for a notional amount that matches the outstanding interest-bearing loans and borrowings and Islamic loans. The derivative instruments were designated as cash flow hedges. The hedging arrangement is composed of a fixed leg based on fixed rate (ranging from 0.84% to 5.85%) and a variable leg (EIBOR/LIBOR + margin rates). The following table summarises certain information relating to the derivatives for each subsidiary as of 31 December 2023 and 2022:

	Notional value assets	Fair value assets	Notional value liabilities	Fair value liabilities
	AED' million	AED' million	AED' million	AED' million
2023	18,505	856	9,975	578
2022 (Restated)	18,576	1,423	13,254	593

33.4.2.2. Cross currency interest rate swaps

During 2012, the Group entered into a cross currency rate swap agreement to hedge the Group's exposure on a Malaysian Ringgit bond issued during the year. Under the terms of the cross-currency rate swap, Group is required to pay a fixed rate of 5.3% per annum on an initial exchange amount of USD 215 million and receive a fixed rate of 4.65% per annum on an amount of MYR 650 million. During 2022, the cross currency swap was settled and the MYR 650 million loan fully repaid. The derivative instrument fair value as at 31 December 2023 is Nil (2022: AED Nil million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33. Financial risk management (continued)

33.4. Market risk management (continued)

33.4.3. Equity price risk

Equity price risk arises from equity securities classified as financial assets measured at FVTPL and financial assets measured at FVTOCI. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Management Committee or BOD based on the delegation of authority.

The primary goal of the Group's investment strategy is to maximise investment returns. In accordance with this strategy, certain investments are classified at FVTPL since their performance is actively monitored and they are managed on a fair value basis.

The following table demonstrates the sensitivity of the Group's equity and profit or loss to a 5% decrease in the price of its equity holdings, assuming all other variables, in particular foreign currency rates, remain constant.

Market index	Changes in Variables	2023 AED' million	2022 AED' million
Abu Dhabi Securities Exchange	5%	1,650	419
Dubai Financial Market	5%	19	20
Germany Stock Market Index	5%	69	94
London Stock Exchange	5%	10	16
Indonesia Stock Exchange	5%	5	-
Egypt Stock Exchange	5%	822	366
Saudi Stock Exchange	5%	-	9

33.4.4. Commodity price risk

TAQA GEN X LLC, a subsidiary of the Group is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of gas and sale of electricity. Due to volatility in the prices of these commodities, the subsidiary's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group mitigates the commodity price risks using forward commodity contracts.

EAG, a subsidiary of the Group is affected by the volatility of purchase price of aviation fuel. Its operating activities require the ongoing purchase of aviation fuel. To manage this volatility, the subsidiary's management has devised a policy to hedge between 20% to 75% of anticipated exposure for the rolling 24 months. The subsidiary mitigates the commodity price risk exposure by using derivative contracts to maintain hedge levels within policy parameters laid down by its Board. At the reporting date, the Group has hedged fuel volumes of 13 million barrels with a negative fair value of AED 107 million (2022: fuel volumes of 13 million barrels with a positive fair value of AED 107 million).

The following table shows the effect of price changes on the fair value of the forward commodity contracts on the profit before tax:

	Change in price	Effect of profit before tax AED' million
2023	+/- 10%	+/- 640
2022	+/- 10%	+/- 630

The Group also enters into physical commodity contracts in the normal course of business. These contracts are not derivatives and are treated as executory contracts, which are recognised and measured at cost when the transactions occur.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Fair value of financial instruments

34.1. Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 December 2023 and 2022

	2023					Total AED' million
	FVTPL AED' million	FVTOCI – equity instruments AED' million	FVTOCI – debt instruments AED' million	Financial assets amortised cost AED' million	Other financial liabilities AED' million	
a) Financial assets measured at fair value						
Derivative financial instruments	1,066	-	-	-	-	1,066
Equity securities	2,753	14,323	-	-	-	17,076
Debt securities	17	-	74	-	-	91
Accounts and other receivables (Note 33)	1,567	-	-	-	-	1,567
	5,403	14,323	74	-	-	19,800
Transfers to assets held-for-disposal (Note 42)	98,833	27,578	-	-	-	126,411
	104,236	41,901	74	-	-	146,211
b) Financial assets not measured at fair value						
Accounts and other receivables (Note 33)	-	-	-	48,910	-	48,910
Cash and bank balances (Note 17)	-	-	-	48,134	-	48,134
Corporate debt securities (Note 23)	-	-	-	15	-	15
	-	-	-	97,059	-	97,059
c) Financial liabilities measured at fair value						
Derivative financial instruments (Note 32)	840	-	-	-	-	840
	840	-	-	-	-	840
d) Financial liabilities not measured at fair value						
Loans and borrowings (Note 26)	-	-	-	-	190,863	190,863
Lease liabilities (Note 27)	-	-	-	-	13,826	13,826
Accounts and other payables (Note 33)	-	-	-	-	76,773	76,773
	-	-	-	-	281,462	281,462

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Fair value of financial instruments (continued)

34.1. Accounting classifications (continued)

	2022 (Restated)					Total AED' million
	FVTPL AED' million	FVTOCI – equity instruments AED' million	FVTOCI – debt instruments AED' million	Financial assets amortised cost AED' million	Other financial liabilities AED' million	
a) Financial assets measured at fair value						
Derivative financial instruments	1,572	-	-	-	-	1,572
Equity securities	72,109	7,506	-	-	-	79,615
Debt securities	577	-	59	-	-	636
Accounts and other receivables (Note 33)	1,677	-	-	-	-	1,677
	75,935	7,506	59	-	-	83,500
b) Financial assets not measured at fair value						
Accounts and other receivables (Note 33)	-	-	-	42,920	-	42,920
Cash and bank balances (Note 17)	-	-	-	35,012	-	35,012
	-	-	-	35,012	-	35,012
c) Financial liabilities measured at fair value						
Derivative financial instruments (Note 32)	790	-	-	-	-	790
	790	-	-	-	-	790
d) Financial liabilities not measured at fair value						
Loans and borrowings (Note 26)	-	-	-	-	175,582	175,582
Lease liabilities (Note 27)	-	-	-	-	14,694	14,694
Accounts and other payables (Note 33)	-	-	-	-	68,889	68,889
	-	-	-	-	259,165	259,165

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Fair value of financial instruments (continued)

34.2. Fair value hierarchy

In the consolidated statement of financial position, financial instruments include financial assets at FVTPL which are measured at fair value based on quoted market prices which are readily available or based on valuation models.

In some limited circumstances, management believes that the cost may be an appropriate estimate of fair value for an unquoted equity investment. This may be the case if sufficient more recent information is unavailable to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Availability of observable market prices reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the instruments and markets and is subject to changes based on specific events and general conditions in the financial market.

Valuation models' inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used. The valuation of the Group's financial assets at FVTPL is generally based on recent market transactions on an arm's length basis, in the absence of an active market. If no market data is available, the Group may value its investments using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry, such as the Market approach and Net Asset Value (NAV) method.

34.2.1. Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about the fair values of these financial assets as at 31 December 2023 and 2022:

	2023			Total AED' million
	Level 1 AED' million	Level 2 AED' million	Level 3 AED' million	
a) Financial assets measured at fair value				
Derivative financial instruments (Note 32)	106	960	-	1,066
Equity securities (Note 23)	16,231	773	72	17,076
Debt securities (Note 23)	-	32	59	91
Accounts and other receivables (Note 34.1)	-	-	1,567	1,567
	16,337	1,765	1,698	19,800
Transfers to assets held-for-disposal (Note 42)	36,697	13,817	75,897	126,411
	53,034	15,582	77,595	146,211
b) Financial liabilities measured at fair value				
Derivative financial instruments (Note 32)	338	502	-	840
	338	502	-	840

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Fair value of financial instruments (continued)

34.2. Fair value hierarchy (continued)

34.2.1. Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

	2022 (Restated)		Level 3 AED' million	Total AED' million
	Level 1 AED' million	Level 2 AED' million		
a) Financial assets measured at fair value				
Derivative financial instruments (Note 32)	554	1,018	-	1,572
Equity securities (Note 23)	18,945	9,300	51,370	79,615
Debt securities (Note 23)	-	577	59	636
Accounts and other receivables (Note 34.1)	-	-	1,677	1,677
	19,499	10,895	53,106	83,500
b) Financial liabilities measured at fair value				
Derivative financial instruments (Note 32)	26	764	-	790
	26	764	-	790

There were no transfers between any levels during 2023 and 2022. The carrying values of financial assets (except as mentioned above) and financial liabilities of the Group approximate their fair values, as they are either short term in nature, or held at amortised cost. The nominal values less provision for expected credit losses of accounts and other receivables are assumed to approximate their fair values as they are recoverable and will be settled within 12 months.

34.2.2. Determination of fair value of Group's Level 3 financial instruments

	2023	2022	Valuation techniques	Significant unobservable inputs	Sensitivity	2023	2022
	Carrying amount AED' million	Carrying amount AED' million				Change in valuation AED' million	Change in valuation AED' million
Equity securities	75,969	51,370	Market approach	NAV	+/- 5%	+/- 3,798	+/- 2,569
Debt securities	59	59	Discounted cash flow	Discount rate and expected cash flows	+/- 5%	+/- 4	Nil
Accounts and other receivables	1,567	1,677	Discounted cash flow	Discount rate and expected cash flows	+/- 5%	+/- 78	+/- 84
	77,595	53,106					

34.2.3. Reconciliation of Level 3 fair values (recurring fair values)

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	2023 AED' million	2022 AED' million
At 1 January	53,106	25,713
Additions	27,001	30,570
Change in fair value of investments	(1,072)	(3,588)
Foreign exchange adjustments	-	569
Disposals/redemption	(1,440)	(158)
At 31 December	77,595	53,106

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. List of material subsidiaries

The table below provides the details of material subsidiaries forming part of the Group.

Name	% shareholding	Principal business activities	Domicile
Abu Dhabi Airports Company PJSC	100%	Operation and maintenance of airport and its related activities	UAE
¹ Abu Dhabi National Exhibition Company PJSC	100%	Operate venues for international and local exhibitions and events	UAE
Abu Dhabi Ports Company PJSC	75.4%	Ownership and operation of the commercial ports, lease of residential buildings and industrial plots	UAE
Abu Dhabi Power Corporation PJSC	100%	Development, operations, and maintenance of high-voltage power and bulk water transmission networks	UAE
General Holding Corporation PJSC	100%	UAE's largest industrial investment holding company mandated to create, optimise, promote and champion capital- intensive assets	UAE
Abu Dhabi Securities Exchange PJSC	100%	Stock exchange established to trade shares of UAE companies	UAE
¹ Growth Special Investments LLC	100%	Establish and manage investments in local and overseas entities in various sectors	UAE
¹ ADQ Capital Venture Limited	100%	Establish and manage investments in local and overseas entities in various sectors	UAE
Emirates Nuclear Energy Company PJSC	100%	Responsible for the deployment and ownership of nuclear energy plants in the UAE	UAE
ADQ Aviation and Aerospace Services LLC	100%	Repair, maintenance and overhaul of military aircraft and sale of spare parts related to military aircraft	UAE
Amoun Pharmaceutical SAE	99.9%	Development, manufacture, marketing, and distribution of a range of human pharmaceutical and animal health/veterinary products in Egypt.	Egypt
Pharma Strategy Partners GmBH ("Acino")	100%	Development, manufacture and distribution of high quality medicinal products	Switzerland
MEFAR INTERNATIONAL İLAÇ SAN. A.Ş	100%	Development, manufacture, marketing and distribution of sterile injectable products	Turkey
Etihad Aviation Group PJSC	100%	Airline, commercial air transportation, maintenance activities, loyalty programs and management services	UAE
Unifrutti Investments Limited	75%	Produce and export quality fresh fruit to international markets	Cyprus
¹ Modon Properties PJSC	51%	Manage the development of projects of a developmental and community nature and management and follow-up of housing construction projects	UAE
² E7 Group PJSC	39.76%	Print, publish and package newspapers, magazines, books and other printed materials	UAE

¹Classified as assets held-for-disposal in 2023

²During 2023, the Group acquired 39.76% interest in E7 Group PJSC ("E7") by transferring the entire share capital of United Printing & Publishing to E7. This resulted in an increase of AED 974 million of non-controlling interest as presented in the consolidated statement of changes in equity.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Transfer from entities under common control

In July 2023, the full ownership of Modon Properties PJSC ("Modon") was transferred from the Shareholder to ADQ.

In October 2022, the Supreme Council for Financial and Economic Affairs passed its resolution No. 20 of 2022 transferring the full ownership of Etihad Aviation Group PJSC ("EAG") to the Company.

In December 2022, the full ownership of Abu Dhabi Waste Management Center ("Tadweer") was transferred to Abu Dhabi Power Corporation PJSC from the Shareholder pursuant to a law issued by the Ruler of Abu Dhabi.

The Company has not applied IFRS 3 Business Combinations since the business combination has been effected between companies under common control and therefore, is excluded from the scope of the said IFRS. Accordingly, the value of the net assets transferred were recorded under "contributed capital", "reserves" and "retained earnings" within the equity.

The Company has accounted for the effect of the acquisition of the above entity under the "pooling of interest" method and predecessor accounting is applied.

In accordance with IFRS 10 Consolidated Financial Statements, the Company has elected to consolidate the income, expenses, assets and liabilities of the of the above subsidiaries from the beginning of the comparative period as described in Note 1.

The carrying amounts of assets and liabilities acquired which were recognised previously in the financial statements of the subsidiaries are set out below:

	2023	2022		
	Modon AED' million	Tadweer AED' million	EAG AED' million	Total AED' million
a) Assets acquired at book value				
Property, plant and equipment	-	417	26,435	26,852
Intangible assets and goodwill	-	-	1,032	1,032
Right of use assets	-	17	8,682	8,699
Inventories	-	1	99	100
Accounts and other receivables	270	88	2,604	2,692
Other assets	-	-	1,638	1,638
Cash and cash equivalents	808	33	1,796	1,829
	1,078	556	42,286	42,842
b) Liabilities assumed at book value				
Loans and borrowings	-	-	29,751	29,751
Lease Liabilities	-	18	12,567	12,585
Retirement benefit obligation	-	3	775	778
Deferred government grants	-	503	-	503
Accounts and other payables	1,105	32	10,643	10,675
Provisions	-	-	4,007	4,007
Other liabilities	-	-	297	297
	1,105	556	58,040	58,596

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
Consolidated financial statements for the year ended 31 December 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Transfer from entities under common control (continued)

	2023	2022		
	Modon AED' million	Tadweer AED' million	EAG AED' million	Total AED' million
c) Equity carried over under book value method				
Retained earnings/(deficit)	(127)	-	(122,862)	(122,862)
Other reserve	-	-	(54)	(54)
Non-controlling interests	-	-	(3)	(3)
	(127)	-	(122,919)	(122,919)
d) Consideration transferred	-	-	-	-
e) Difference recognised in 'Contributed capital'	100	-	107,165	107,165

37. Acquisition, transfer and disposal of subsidiaries

37.1. Acquisition of subsidiaries

Assets acquired and liabilities assumed

For the year ended 31 December 2023

The fair values of the identifiable assets and liabilities as at the respective dates of acquisition are as follows:

	2023				Total
	Unifrutti AED' million	EAJ AED' million	Noatum AED' million	¹ Others AED' million	
Assets					
Property, plant and equipment	2,148	2	466	62	2,678
Right-of-use assets	199	-	290	24	513
Investment properties	-	3,462	-	-	3,462
Intangible assets arising on the acquisition	17	-	1,009	405	1,431
Inventories	572	2	6	228	808
Deferred tax asset	136	-	40	58	234
Other assets	111	176	118	1	406
² Accounts and other receivables	659	37	1,022	469	2,187
Cash and bank balances	247	48	518	559	1,372
	4,089	3,727	3,469	1,806	13,091
Liabilities					
Loans and borrowings	800	996	341	225	2,362
Lease liabilities	189	-	290	25	504
Accounts and other payables	745	190	1,184	535	2,654
Provisions	-	-	338	10	348
Retirement benefit obligation	43	2	-	9	54
Deferred tax liabilities	265	86	114	125	590
	2,042	1,274	2,267	929	6,512
Identifiable net assets acquired	2,047	2,453	1,202	877	6,579

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Acquisition, transfer and disposal of subsidiaries (continued)

37.1. Acquisition of subsidiaries (continued)

Goodwill/gain on bargain purchase arising from the acquisition of subsidiaries have been recognised as follows:

	Unifrutti	EAJ	2023 Noatum	¹ Others	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
Purchase consideration	1,346	2,686	2,143	1,498	7,673
NCI acquired	448	-	31	58	537
Less: Fair value of identifiable net assets acquired	(2,047)	(2,453)	(1,202)	(877)	(6,579)
Total goodwill/(bargain gain)	(253)	233	972	679	1,631
Cash consideration paid to acquire	1,147	16	2,143	1,064	4,370
Cash and bank balances acquired	(247)	(48)	(518)	(559)	(1,372)
Net cash flow on acquisition	900	(32)	1,625	505	2,998

¹Others mainly comprise of TTEK Inc., M8, Sherwood Environment SPV Limited, E7 Group PJSC and SAFCO Enterprises Limited.

²The fair value of accounts and other receivables acquired is deemed to be equal to its carrying value.

Unifrutti Investments Limited ("Unifrutti")

On 28 February 2023, the Group acquired 75% of the equity interest in Unifrutti Investments Limited ("Unifrutti"), a Cyprus-based company engaged in producing and exporting quality fresh fruit to international markets, to expand its reach and capabilities in the 'Food & Agriculture' sector as well as bringing the sector expertise to Abu Dhabi. Acquisition-related costs (included in other operating expenses) amounted to AED 45 million.

The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 31 December 2023 due to the usual complexities involved in a purchase price allocation (PPA) exercise, therefore, the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the difference between the identifiable net assets acquired and the consideration is recognised as a bargain gain. For the non-controlling interests, the Group elected to recognise the non-controlling interests at its proportionate share of the combined assets and liabilities.

Unifrutti contributed AED 2,172 million revenue and AED 130 million loss to the Group's results for the period between the date of acquisition and the reporting date. If the acquisition of Unifrutti had been completed on the first day of the financial year, the Group's revenues for the year would have been higher by AED 434 million and Group's profit would have been lower by AED 26 million.

Al Eskan Al Jamae LLC ("EAJ")

On 1 January 2023, Abu Dhabi Ports Company PJSC ("AD Ports"), a subsidiary of the Group, merged 100% of Al Eskan Al Jamae LLC ("EAJ") with Kizad Communities Development & Services Company ("KC"), a 100% owned subsidiary of AD Ports, for a consideration of AED 2,686 million that was paid through issuance of 47.8% shares of KC. EAJ is a real estate development and management company, specialising in corporate housing in Abu Dhabi and other cities of UAE and, as such, supports the Group's wider growth targets.

Acquisition-related costs (included in other operating expenses) amounted to AED 1.2 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Acquisition, transfer and disposal of subsidiaries (continued)

37.1. Acquisition of subsidiaries (continued)

EAJ (continued)

The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 31 December 2023 due to the usual complexities involved in a purchase price allocation (PPA) exercise, therefore, the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the difference between the identifiable net assets acquired and the consideration is recognised as goodwill.

The goodwill is attributed to the synergies that the Group expects to achieve by expanding business mass group accommodations and management of workers residential cities.

For the non-controlling interests, the Group elected to recognise the non-controlling interests at its proportionate share of the combined assets and liabilities.

EAJ contributed AED 333 million revenue and AED 56 million profit to the Group's results for the period between the date of acquisition and the reporting date.

Noatum Holdings, SLU and subsidiaries ("Noatum")

On 30 June 2023, AD Ports completed the acquisition of 100% equity in Noatum, which is a global integrated logistics services provider with presence across 26 countries and has high growth potential and capacity to scale. The total purchase consideration for 100% ownership of Noatum amounts to AED 2,143 million.

The initial accounting for this transaction (which was assessed as a business acquisition in line with IFRS 3) was incomplete as at 31 December 2023 due to the usual complexities involved in a PPA exercise, therefore the Group has recognised identifiable assets acquired and liabilities assumed using provisional amounts and the difference between the identifiable net assets acquired and the consideration is recognised as goodwill.

The goodwill is attributed to the synergies that the Group expects to achieve by creating a market-leading international logistics brand, merging its existing logistics business with Noatum to create a significant presence in the region and enhancing services across the Group's global footprint.

For the non-controlling interests, the Group elected to recognise the non-controlling interests at its proportionate share of the combined assets and liabilities.

Noatum contributed AED 1,920 million revenue and AED 24 million profit to the Group's results for the period between the date of acquisition and the reporting date. If the acquisition of Noatum had been completed on the first day of the financial year, Group's revenues for the year would have been higher by AED 2,194 million and Group's profit would have been higher by AED 3 million.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37.1. Acquisition of subsidiaries (continued)

Assets acquired and liabilities assumed

For the year ended 31 December 2022

The fair values of the identifiable assets and liabilities as at the respective dates of acquisition are as follows:

	2022					Total
	Acino	Etihad Airways Engineering LLC	GAL	BMG	¹ Others	
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Assets						
Property, plant and equipment	515	578	9	142	809	2,053
Investment properties	-	76	2	-	-	78
Right-of-use assets	78	264	-	9	437	788
Intangible assets arising on the acquisition	1,705	3	-	196	598	2,502
Other assets	495	47	12	65	61	680
² Accounts and other receivables	558	292	5,768	43	516	7,177
Cash and bank balances	233	735	177	31	368	1,544
	3,584	1,995	5,968	486	2,789	14,822
Liabilities						
Loans and borrowings	-	490	250	69	22	831
Lease liabilities	87	304	3	17	374	785
Trade and other payables	450	276	3,220	129	491	4,566
Deferred tax liabilities	288	-	-	17	-	305
Retirement benefit obligation	-	113	162	-	72	347
	825	1,183	3,635	232	959	6,834
Identifiable net assets acquired	2,759	812	2,333	254	1,830	7,988

Goodwill arising from the acquisition of subsidiaries have been recognised as follows:

	2022					Total
	Acino	Etihad Airways Engineering LLC	GAL	BMG	¹ Others	
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Purchase consideration	5,422	812	-	783	2,174	9,191
Fair value of retained interest	-	-	2,000	-	56	2,056
NCI acquired	-	-	1,166	-	362	1,528
Less: Fair value of identifiable net assets acquired	(2,759)	(812)	(2,333)	(254)	(1,830)	(7,988)
Total goodwill	2,663	-	833	529	762	4,787
Cash consideration paid to acquire	5,422	812	-	783	1,607	8,624
Cash and bank balances acquired with the subsidiaries	(233)	(735)	(177)	(31)	(368)	(1,544)
Net cash flow on acquisition	5,189	77	(177)	752	1,239	7,080

¹Others mainly comprise of businesses acquired from Etihad Aviation Group (EAG), including Etihad Airport Services Ground, Etihad Airport Services Cargo, Etihad Secure Logistics etc.), Divetech Marine Engineering Services LLC, International Associated Cargo Carrier BV and Safeen Diving and Subsea Services LLC.

²The fair value of accounts and other receivables is deemed to be equal to its carrying value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Acquisition, transfer and disposal of subsidiaries (continued)

37.1. Acquisition of subsidiaries (continued)

Assets acquired and liabilities assumed (continued)

Pharma Strategy Partners GmbH ("Acino")

On 15 February 2022, the Group acquired 100% of the issued share capital of Acino, thus obtaining control. Acino is a swiss based pharmaceutical company engaged in development, manufacturing and distribution of high-quality medicinal products in advanced and refined drug delivery systems across the globe. Acquisition-related costs (included in 'Other operating expenses') amount to AED 42 million.

Acino contributed AED 2,075 million revenue and AED 132 million loss to the Group's results for the period between the date of acquisition and the reporting date.

If the acquisition of Acino had been completed on the first day of the financial year, Group revenues for the year would have been higher by AED 2,189 million and Group profit would have been higher by AED 155 million.

Etihad Airways Engineering LLC ("EAE")

On 18 May 2022, a subsidiary of the Group acquired 100% of the equity interest in EAE, a leading aircraft maintenance and engineering solution company.

MEFAR INTERNATIONAL İLAÇ SAN. A.Ş ("BMG")

On 27 July 2022, the Group acquired 100% of the issued share capital of MEFAR INTERNATIONAL İLAÇ SAN. A.Ş ("BMG") thus obtaining control. BMG is a pure-play CDMO (Contract Development and Manufacturing Organisation) business manufacturing sterile injectable products.

BMG contributed AED 56 million revenue and AED 46 million loss to the Group's results for the period between the date of acquisition and the reporting date.

Global Aerospace Logistics L.L.C ("GAL")

During the year ended 31 December 2021, EDGE had transferred its partial ownership in GAL represented by 50% of share capital to ADQ Aviation and Aerospace Services LLC. The 50% share of net equity value per the financial statements of GAL on the date of transfer was recognised as an investment in equity-accounted investees with the corresponding effect given to the 'Contributed capital' within the equity.

The Company had started to perform equity accounting for GAL from 1 October 2021. During the year ended 31 December 2022, the Group acquired control over GAL through change in the composition and representation of the Board of Directors of GAL and started to account for this investment as a subsidiary from 28 September 2022.



Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Acquisition, transfer and disposal of subsidiaries (continued)

37.2. Transfer of subsidiaries

For the year ended 31 December 2023

There were no transfer of subsidiaries out of the Group during the year ended 31 December 2023.

For the year ended 31 December 2022

In June 2022, the ownership of Image Nation Abu Dhabi FZ LLC ("Image Nation") and the ownership of Abu Dhabi Media Company PJSC ("AD Media") was transferred from the Group to the Shareholder.

The above transfers were accounted for as deemed distributions to the Shareholder in accordance with IAS 1 - 'Presentation of Financial Statements' and were presented in the consolidated statement of changes in equity.

The net assets of the subsidiaries transferred to the Shareholder at the date of transfer were as follows:

	2022		Total AED' million
	Image Nation AED' million	AD Media AED' million	
Assets			
Property, plant and equipment	-	1,350	1,350
Right-of-use assets	-	53	53
Investment properties	-	71	71
Intangible assets and goodwill	71	-	71
Inventories	-	38	38
Accounts and other receivables	80	102	182
Cash and bank balances	194	24	218
	345	1,638	1,983
Liabilities			
Lease liabilities	1	55	56
Accounts and other payables	103	236	339
Retirement benefit obligation	9	111	120
	113	402	515
Reduction in contributed capital	1,654	4,059	5,713
Increase in retained earnings	(1,422)	(2,823)	(4,245)
Net assets transferred to the Shareholder	232	1,236	1,468

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Acquisition, transfer and disposal of subsidiaries (continued)

37.3. Disposal of subsidiaries

For the year ended 31 December 2023

There were no disposal of subsidiaries during the year ended 31 December 2023.

For the year ended 31 December 2022

During October 2022, ADQ acquired 45% interest in Pure Health Holding LLC by transferring SEHA and Daman, and 27% shares in Pure Health Medical Supplies LLC (Note 22).

	SEHA AED' million	Daman AED' million	Total AED' million
Assets			
Property, plant and equipment	856	9	865
Right-of-use assets	10	61	71
Intangible assets and goodwill	147	76	223
Inventories	557	-	557
Accounts and other receivables	2,784	5,182	7,966
Other financial assets	-	552	552
Cash and bank balances	630	2,658	3,288
Other assets	-	46	46
	4,984	8,584	13,568
Liabilities			
Lease liabilities	13	69	82
Accounts and other payables	2,234	6,770	9,004
Deferred government grants	456	-	456
Retirement benefit obligation	1,409	64	1,473
	4,112	6,903	11,015
Net assets disposed of	872	1,681	2,553
Consideration received	3,961	1,433	5,394
(Gain)/loss on disposal	(3,089)	248	(2,841)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Material partly-owned subsidiaries

The table shows details of subsidiaries of the Group that have material non-controlling interests ('NCI'):

2023:

Name	Domicile	Ownership interest	Profit allocated to NCI AED' million	Accumulated NCI AED' million
^{1,2} Abu Dhabi Power Corporation PJSC	UAE	100%	2,110	11,762
Abu Dhabi Ports Company PJSC	UAE	75.4%	636	8,604
¹ General Holding Corporation PJSC (SENAAT)	UAE	100%	211	2,310

2022:

Name	Domicile	Ownership interest	Profit allocated to NCI AED' million	Accumulated NCI AED' million
^{1,2} Abu Dhabi Power Corporation PJSC	UAE	100%	422	10,509
Abu Dhabi Ports Company PJSC	UAE	75.4%	576	5,159
¹ General Holding Corporation PJSC (SENAAT)	UAE	100%	184	2,181

During 2023, AD Ports acquired 100% of Al Eskan Al Jamae LLC ("EAJ") that was paid through issuance of 47.8% shares of Kizad Communities Development & Services Company ("KC"). This transaction resulted in an increase of AED 2,891 million of non-controlling interest as presented in the consolidated statement of changes in equity.

During 2022, the Group sold 24.58% and 8.6% shareholdings in AD Ports and TAQA respectively, to non-controlling interests without losing control. These transactions resulted in an increase of AED 2,425 million and AED 9,067 million in retained earnings and non-controlling interests respectively as presented in the consolidated statement of changes in equity.

The following table summarises the information relating to each of the Group's subsidiaries that have material NCI, before any intra-group eliminations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Material partly-owned subsidiaries (continued)

	2023			2022		
	¹ AD Power AED' million	AD Ports AED' million	¹ SENAAT AED' million	¹ AD Power AED' million	AD Ports AED' million	¹ SENAAT AED' million
Non-current assets	171,070	36,335	11,114	144,886	24,908	12,231
Current assets	33,335	9,830	7,953	32,943	4,361	8,773
Non-current liabilities	(76,381)	(21,585)	(2,915)	(72,712)	(13,882)	(3,796)
Current liabilities	(32,389)	(9,578)	(3,380)	(36,995)	(4,978)	(4,806)
Net assets	95,635	15,002	12,772	68,122	10,409	12,402
Net assets attributable to NCI	11,762	8,635	2,306	10,509	5,159	2,181
Revenue	49,649	9,439	13,359	48,313	5,273	13,525
Profit for the year	18,992	1,757	1,157	11,060	2,235	1,097
Other comprehensive income/(loss)	1,148	(26)	(56)	3,342	963	(19)
Total comprehensive income for the year	20,140	1,731	1,101	14,402	3,198	1,078
Profit allocated to NCI	2,110	636	212	422	576	184
Other comprehensive income/(loss) allocated to NCI	54	(6)	(23)	1,723	-	(38)
Dividends declared to NCI	(956)	(18)	(65)	(1,078)	(2)	(52)
Cash flows from operating activities	1,751	(82)	-	23,908	1,626	2,636
Cash flows from investing activities	-	-	-	(10,798)	(6,025)	(286)
Cash flows from financing activities	(16,788)	(1,120)	(945)	(13,540)	4,108	(2,358)
Net decrease in cash and cash equivalents	(15,037)	(1,202)	(945)	(430)	(291)	(8)

¹ADQ owns 100% share capital of these entities. Net assets attributable to non-controlling interests relate to subsidiaries of these entities where non-controlling interests exist.

²Included in the non-controlling interests in the consolidated statement of financial position are loans from non-controlling interest shareholders amounting to AED 111 million (2022: AED 165 million). These loans are interest free, with no repayment terms and are unsecured and are subject to terms of repayment as resolved by the Board of Directors of the subsidiaries. Accordingly, they have been treated as equity within NCI.

Abu Dhabi Developmental Holding Company PJSC and its subsidiaries
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the ADQ Management Committee ("MC").

The Group has reportable operating segments as follows:

Energy & Utilities

This segment includes a portfolio of assets operating across the entire energy and utilities value chain. It is responsible for power and water production, procurement and transmission, in addition to waste management infrastructure and supporting the UAE's circular economy and decarbonisation objectives.

Transport & Logistics

This segment includes a portfolio of assets responsible for building globally competitive assets across all modes of transport. It includes aviation, rail, ports and logistics technology and digitisation.

Food & Agriculture

This segment includes a portfolio of assets operating across the food value chain spanning farming, retail and production, technology and trading. It aims to leverage agriculture technology, scaling local food production and building resilience into the supply chain to enhance the UAE's food security.

Healthcare & Life Sciences

This segment includes a portfolio of assets contributing to bolstering the UAE's healthcare and life sciences industry. It includes local and international pharmaceutical manufacturing and distribution companies, in addition to a significant interest in the UAE's largest integrated healthcare provider.

Tourism, Entertainment & Real Estate

This segment combines assets in tourism, hospitality and ancillary services and urban development, supporting Abu Dhabi's mission to be a leading hub for leisure, business travel and real estate infrastructure.

Sustainable Manufacturing

This segment includes a portfolio of assets supporting the expansion of the UAE's industrial base. It covers the manufacturing of metals, materials and chemicals to support heavy industries sustainably.

Financial Services

This segment positions Abu Dhabi as an attractive global financial hub for market-leading companies. Assets within the segment operate across digital banking, securities markets and market makers.

Alternative Investments

This segment invests and manages funds directly or indirectly by participating in investment funds or other pooled investments managed by third parties or group companies, acquire and manage shares, bonds or other securities.

Others

This segment consists mainly of transformation and computer consultancy, programming, IT services and related professional activities in addition to the ADQ head office.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating segment information (continued)

The following tables present revenue and profit information for the Group's reportable operating segments:

For the year ended 31 December 2023

	Energy & Utilities AED' million	Transport & Logistics AED' million	Food & Agriculture AED' million	Healthcare & Life Sciences AED' million	Tourism, Entertainment & Real Estate AED' million	Sustainable Manufacturing AED' million	Financial Services AED' million	Alternative Investments AED' million	Others AED' million	Eliminations AED' million	ADQ Consolidated AED' million
External revenues	50,293	37,485	7,474	3,246	3,430	9,541	142	-	97	-	111,708
Inter-segment revenues	567	2,276	12	-	498	-	-	-	116	(3,469)	-
Total revenues	50,860	39,761	7,486	3,246	3,928	9,541	142	-	213	(3,469)	111,708
Share of results of equity-accounted investees	162	78	1,451	(91)	86	8	1	27	115	-	1,837
Depreciation and amortisation	(11,525)	(4,180)	(383)	(543)	(638)	(587)	(17)	(1)	(50)	-	(17,924)
Impairment of non-financial assets	(157)	(980)	(1,321)	(450)	(2)	(2)	-	-	(18)	-	(2,930)
Finance income	711	217	75	39	46	20	191	-	1,104	(662)	1,741
Finance cost	(7,002)	(1,961)	(413)	(127)	(73)	(96)	-	-	(754)	662	(9,764)
Income tax expense	(1,534)	(180)	(97)	(11)	(35)	-	-	18	-	-	(1,839)
Profit/(loss) for the year	15,830	870	284	(846)	1,443	530	94	(1,492)	1,912	28	18,653



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating segment information (continued)

For the year ended 31 December 2022:

	Energy & Utilities AED' million	Transport & Logistics AED' million	Food & Agriculture AED' million	Healthcare & Life Sciences AED' million	Tourism, Entertainment & Real Estate AED' million	Sustainable Manufacturing AED' million	Financial Services AED' million	Alternative Investments AED' million	Others AED' million	Eliminations AED' million	ADQ Consolidated AED' million
External revenues	46,091	26,254	4,349	10,901	1,933	9,780	125	-	128	-	99,561
Inter-segment revenues	723	233	6	109	374	2	-	-	(26)	(1,421)	-
Total revenues	46,814	26,487	4,355	11,010	2,307	9,782	125	-	102	(1,421)	99,561
Share of results of equity-accounted investees	321	309	2,103	1,006	38	(5)	(145)	12	(9)	-	3,630
Depreciation and amortisation	(11,127)	(3,768)	(261)	(1,212)	(540)	(590)	(13)	(1)	(21)	-	(17,533)
Impairment of non-financial assets	1,107	(860)	(692)	(1,056)	(100)	-	-	(323)	(29)	-	(1,953)
Finance income	241	91	59	58	9	7	55	-	706	(632)	594
Finance cost	(6,014)	(1,509)	(242)	(70)	(18)	(91)	-	(8)	(415)	632	(7,735)
Income tax expense	(1,147)	(5)	(29)	(63)	(4)	-	-	-	1	-	(1,247)
Profit/(loss) for the year	4,931	3,922	1,550	2,869	(158)	524	(652)	(3,395)	2,662	10	12,263



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating segment information (continued)

The following table presents segment assets and liabilities of the Group's reportable operating segment

As at 31 December 2023

	Energy & Utilities	Transport & Logistics	Food & Agriculture	Healthcare & Life Sciences	Tourism, Entertainment & Real Estate	Sustainable Manufacturing	Financial Services	Alternative Investments	Others	Eliminations	ADQ Consolidated
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Total assets	321,416	163,423	28,896	27,144	21,116	13,030	4,750	131,201	44,491	(34,947)	720,520
Total liabilities	220,021	95,731	11,969	9,463	9,588	2,905	2,017	180	41,607	(34,983)	358,498

As at 31 December 2022:

	Energy & Utilities	Transport & Logistics	Food & Agriculture	Healthcare & Life Sciences	Tourism, Entertainment & Real Estate	Sustainable Manufacturing	Financial Services	Alternative Investments	Others	Eliminations	ADQ Consolidated
	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million	AED' million
Total assets	300,440	139,412	25,013	25,491	19,118	12,263	4,118	83,806	29,163	(29,160)	609,664
Total liabilities	209,301	91,783	10,477	9,096	9,468	4,252	1,775	1,054	22,980	(29,144)	331,042

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Operating segment information (continued)

Geographical information

The following table presents revenue and certain asset information relating to the Group based on geographical location of the subsidiaries:

	2023	2023	2022	2022
	Revenue	Non-current assets	Revenue	Non-current assets
	AED' million	AED' million	AED' million	AED' million
United Arab Emirates	75,888	402,108	64,519	411,716
United Kingdom	5,852	367	7,469	2,611
Morocco	4,233	22	4,756	24
Canada	3,146	3,957	3,510	3,222
India	2,221	37	1,846	42
Others	20,368	19,304	17,461	3,554
	111,708	425,795	99,561	421,169

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and goodwill, investment properties, right-of-use assets and investments in equity-accounted investees.

Major customers

In 2023 and 2022, none of the Group's customers individually exceeded 10% of the Group's revenue.

40. Related parties

The Group has related party relationships with its Shareholder, associates, joint venture and key management personnel of the Company.

40.1. Parent and ultimate controlling party

Related parties represent the Shareholder, associates, joint ventures, directors and key management personnel of the Group, and entities jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the management of the individual Group subsidiaries.

The Group enters into transactions with Government-owned entities in the normal course of business. Such entities include various state-owned companies, public joint stock companies, etc. In accordance with the exemption in the revised IAS 24, transactions entered in the normal course of business with these related Government entities are not disclosed.

The parent (both immediate and ultimate) of the Company is the Government of Abu Dhabi.

40.2. Transactions with key management personnel

Key management personnel compensation comprised of the following:

	2023	2022
	AED' million	AED' million
Directors remuneration	32	35
Short-term employee benefits	38	35
Other benefits	81	60
	151	130

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Related parties (continued)

40.3. Related party transactions

In the ordinary course of business, the Group provides services to and receives services from related parties on terms agreed by management. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

For the year ended 31 December 2023

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
Revenues	31	173	5,841	14,494	20,539
Purchases of goods and services	(103)	(832)	(12,003)	-	(12,938)
Purchases of property, plant and equipment and intangible assets	(69)	-	(1,041)	(701)	(1,811)
Government grants income (Note 29)	-	-	-	4,648	4,648
Finance income	-	-	520	-	520
Finance cost	(222)	(244)	(575)	(1,752)	(2,793)
Dividends received from equity-accounted investees (Note 22)	1,227	168	-	-	1,395
Share of results from equity-accounted investees (Note 22)	1,680	(330)	-	-	1,350
Additional investments in equity-accounted investees (Note 22)	(5,970)	(313)	-	-	(6,283)
Proceeds from government grants (Note 29)	-	-	-	1,789	1,789
Dividends declared to the Shareholder	-	-	-	(4,000)	(4,000)
Gain on recognition of an investment (Note 23)	-	-	10,784	-	10,784
^{1, 2} Contributions from the Shareholder	-	-	-	63,816	63,816

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Related parties (continued)

40.3. Related party transactions (continued)

As at 31 December 2022 (Restated)

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
Revenues	6	269	2,493	16,925	19,693
Purchases of goods and services	(334)	(464)	(11,096)	(125)	(12,019)
Purchases of property, plant and equipment and intangible assets	-	-	(1,519)	(1,246)	(2,765)
Government grants income (Note 29)	-	-	-	9,531	9,531
Finance income	-	-	92	33	125
Finance cost	-	(256)	(390)	(1,138)	(1,784)
Dividends received from equity-accounted investees (Note 22)	1,591	205	-	-	1,796
Share of results from equity-accounted investees (Note 22)	3,222	686	-	-	3,908
Additional investments in equity-accounted investees (Note 22)	(13,113)	(4,895)	-	-	(18,008)
Proceeds from government grants (Note 29)	-	-	-	7,753	7,753
Dividends declared to the Shareholder	-	-	-	(4,102)	(4,102)
² Contributions from the Shareholder	-	-	-	67,652	67,652

¹On 15 April 2021, a loan provided by the Government of Abu Dhabi, in its capacity as a shareholder, to Emirates Nuclear Energy Corporation PJSC, amounting to AED 14,121 million, was transferred to the Company and was recognised as contributed capital.

²Out of the total contributions received from the Shareholder, AED 63,793 million (2022: AED 64,883 million) relates to funding made by the Shareholder.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Related parties (continued)

40.4. Related party balances

As at 31 December 2023

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
¹ Receivables due from related parties (Note 16)	84	415	9,473	11,613	21,585
Loans and advances	1,100	1,776	-	-	2,876
Bank balances	-	-	22,986	-	22,986
Term deposits	-	-	411	-	411
Restricted bank balances	-	-	1,754	-	1,754
Investments in equity-accounted investees (Note 22)	43,540	8,224	-	-	51,764
Payables due to related parties (Note 28)	(3)	(2,617)	(4,368)	(6,868)	(13,856)
Loans and borrowings	-	-	(20,671)	(60,982)	(81,653)
Lease liabilities	-	7	(95)	-	(88)
Deferred government grants (Note 29)	-	-	-	(33,653)	(33,653)

As at 31 December 2022 (Restated)

	Associates	Joint ventures	Entities under common control and other related parties	Ultimate parent	Total
	AED' million	AED' million	AED' million	AED' million	AED' million
Receivables due from related parties (Note 16)	657	418	8,653	9,703	19,431
Loans and advances	797	349	-	-	1,146
Bank balances	-	-	12,956	-	12,956
Term deposits	-	295	183	-	478
Restricted bank balances	-	-	1,783	-	1,783
Investments in equity-accounted investees (Note 22)	37,888	11,140	-	-	49,028
Other receivables	-	-	55	-	55
Payables due to related parties (Note 28)	(6)	(3,270)	(6,585)	(4,900)	(14,761)
Loans and borrowings	-	-	(14,977)	(60,982)	(75,959)
Lease liabilities	-	-	(47)	-	(47)
Deferred government grants (Note 29)	-	-	-	(36,914)	(36,914)

¹Included in 'Receivables due from related parties' are contract assets amounting to AED 4,834 million (2022: AED 2,176 million) and prepayments amounting to AED 28 million (2022: AED 49 million).

²Included in 'Payables due to related parties' are project accruals and claims amounting to AED 2,407 million (2022: AED 2,418 million) and accrued expenses, customers deposits, advances and other payables amounting to nil (2022: AED 219 million).

All outstanding balances with these related parties are priced on an arm's length basis. No expense has been recognised in the current period or prior period for bad or doubtful debts in respect of amounts owed by related parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Commitments and contingencies

41.1. Capital commitments

	2023	2022
	AED' million	AED' million
¹ Contractual commitments	3,529	3,806
² Capital commitments in relation to property, plant and equipment	28,663	29,238
³ Investment commitments	71,330	71,912
⁴ Nuclear fuel purchase commitments	6,582	3,891
⁵ Operating lease commitments	4,605	-
Others	465	523
	115,174	109,370

¹Contractual commitments pertain to the contractual amounts relating to capital projects managed by certain subsidiaries within the Group, for which the related agreements with contractors were entered into the name of the subsidiaries.

²As at 31 December 2023 and 2022, the Group had outstanding projects with various developers relating to sewerage assets, port and airport business related assets that are still under construction. These assets will be transferred to the Group after the construction is completed by the developers. The Group does not have any contingent liabilities related to these assets.

On 27 December 2009, the Group awarded a contract (Prime Contract) to Korea Electric Power Corporation ("KEPCO") to design, construct and jointly operate four civil nuclear power units for the UAE peaceful nuclear power program.

Subsequent to this, on 20 October 2016, the Group novated this contract to Barakah One Company. At 31 December 2023, Barakah One Company has open commitments of AED 958 million (31 December 2022: AED 1,760 million).

The Group has open commitments in relation to Nawah Energy Company's (NEC) various long-term agreements for engineering, maintenance, service and operations amounting to AED 308 million (2022: AED 490 million).

As at 31 December 2023, the Group has outstanding pre-delivery payments with suppliers relating to future aircraft orders.

³These represent the uncalled amount from the total amount of investment committed and agreed by the Group as at 31 December 2023 in respect of equity investments classified as financial assets at FVTPL.

The Group has announced that it has signed an agreement to acquire 51% of ownership in Global Feeder Shipping (GFS), a global container shipping company. Purchase consideration for this acquisition will be USD 501 million subject to fulfilment of conditions precedent in the agreement. GFS has built one of the largest fleets of container ships globally, featuring 26 owned and operated vessels with a total capacity of 72,500 TEUs, covering the Middle East, Indian Subcontinent and Southeast Asia regions. Subsequent to the reporting date, the acquisition was completed and accounted for as a business combination as per the requirements of IFRS 3 as the Group will assume control over the investee.

⁴In 2012, the Group executed a series of contractual agreements to secure a significant portion of the expected nuclear fuel requirements to cover the first 15 years of nuclear operations. At 31 December 2023, the Group has a financial commitment of AED 6,582 million in respect of these contracts (2022: AED 3,891 million).

⁵Operating lease commitments of AED 1,223 million (2022: Nil) are due within one year and AED 3,382 million (2022: Nil) are due later than one year but not later than five years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Commitments and contingencies (continued)

41.2. Commitments and contingencies related to equity-accounted investees

	2023	2022
	AED' million	AED' million
Contingencies		
Contingencies attributable to associates	1,142	1,277
Contingencies attributable to joint ventures	77	295
	1,219	1,572

41.3. Contingencies

The Group has the following contingent liabilities at the reporting date:

	2023	2022
	AED' million	AED' million
¹ Third party claims	681	245
² Bank guarantees and letters of credit	12,922	12,389
³ Other contingencies	-	6
	13,603	12,640

¹Third party claims

As at 31 December 2023, the Group is a respondent in an arbitration claim filed by a contractor engaged to complete the Midfield Terminal Building. The claim relates to extension of time and associated costs claimed by the contractor amounting to AED 5,200 million. The Group's counterclaim flowing from delay in completing the works and defects in completed works amounts to AED 6,200 million (of which the Group has already been paid bond proceeds of AED 2,670 million), which the Group may need to repay in the event of an adverse decision in the arbitration). Accordingly, the Group is vigorously defending the claim and is of the view that the ultimate outcome of this claim will not result in any material impact on the operations of or material liability for the Group.

²Bank guarantees and letters of credit

At 31 December 2023, the Group had contingent liabilities in respect of bank guarantees arising in the ordinary course of operation amounting to AED 12,922 million (2022: AED 12,389 million).

³Other contingencies

At the end of the reporting period, the Group has various claims lodged by contractors and consultants relating to its ongoing and completed projects, arising from extension of time and work performed but not paid. The Group is in negotiations with these contractors and consultants regarding the resolution of these claims at the date of the issuance of these consolidated financial statements. Management believes that it is not possible at this stage to determine a reliable estimate of the range of potential claims. Accordingly, these claims are disclosed as a contingent liability.

The Group is also involved in a legal proceeding with respect to a case by a contractor for lifting of an injunction on the encashment of bonds, worth AED 226.8 million, by the Group. The contractor filed a petition for a court order for an injunction on encashment of bonds by the Group before the Court of Urgent Matters which was issued by the Court. Consequently, the Group filed an objection for the lifting of the injunction. The Court of Urgent Matters issued judgment on the Group's objection rejecting the lifting of the injunction. The Group subsequently appealed against the judgment before the Court of Cassation. However, both appeal courts upheld the judgment of the Court of Urgent Matters and made the lifting of the injunction contingent upon the outcome of the arbitration proceedings between the Group and the contractor with regard to their dispute about the unfinished MRO Al Ain facility.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Commitments and contingencies (continued)

41.3. Contingencies (continued)

The claim filed in arbitration by the contractor against the Group amounts to AED 454 million in outstanding payments and damages (plus unspecified damages) while the Group's counterclaim amounts to AED 931 million in damages (plus unspecified damages). Based on the proceedings to date, the Group is confident that the ultimate outcome of this case will enable the Group to encash the bonds to their maximum amount of AED 226.8 million. However, in June 2021, the arbitral body hosting the proceedings, ADCCAC, removed the single arbitrator from the case on account of the arbitrator failing to disclose a remote relation between his law firm and Group's subsidiary's previous shareholder. As a consequence, any procedural steps taken by the previous arbitrator are null and void. A new arbitrator has been appointed and the proceedings have started again from beginning. It is unlikely that the Group will be able to obtain final holding, including an order from civil courts to lift the injunction, before 2024.

42. Discontinued operations

Lunate platform

On 11 September 2023, ADQ entered into a long-term separate managed account agreement (the SMA) with Lunate Capital Limited (Lunate) which became effective on 1 January 2024. Lunate is a new partner-led and independent global alternative investment manager owned by Lunate Holding RSC Ltd. (Lunate Holding) and senior management of Lunate and is regulated by the Abu Dhabi Global Market's ("ADGM") financial services regulatory authority.

Under the SMA, Lunate will manage certain holding vehicles owned by ADQ and its wholly owned subsidiary, Growth Special Investments LLC, which own existing alternative investments that comprise investments across fund investments, co-investments, direct equity, direct debt investments, managed account investments and other similar types of investments, all of which were previously held by ADQ as financial assets measured at FVTPL or were accounted for using the equity method.

ADQ Group will act as Limited Partner under the Investment Management Agreement. Group's interest will be represented by units in each investment fund managed by Lunate. Accordingly, the Group has concluded it will no longer control the subsidiaries holding these investments. Therefore, the Group has designated these investments as disposal group held for disposal and as discontinued operation. These investments were classified under 'Alternative Investments' segment.

Under Lunate SMA, ADQ has made an irrevocable commitment to invest in Lunate-managed funds (the Lunate Base Commitment) from 1 January 2024 to 31 December 2038, subject to certain conditions including as to timing of deployment. The Lunate Base Commitment includes amounts of (i) USD 20.54 billion (Note 41) to satisfy the unfunded portion relating to Legacy Investments and (ii) USD 26.56 billion for new capital commitments by 31 December 2038. ADQ has also agreed that 70% of all distributions to be received by ADQ from Lunate-managed funds in the period from 1 January 2024 up until 31 December 2038 may be reinvested by Lunate on ADQ's behalf in Lunate managed funds.

Atrush Oil & Gas assets

On 22 January 2024, a subsidiary of the Group entered into definitive agreements with General Exploration Partners Inc. for the sale of its interest in Atrush oil field in the Kurdistan region of Iraq. The sale is expected to be completed in 2024 and is subject to obtaining applicable regulatory approvals. As at 31 December 2023, the assets in Iraq contained with the Oil & Gas operating segment were classified as a disposal group and presented as assets held-for-disposal in the consolidated statement of financial position and as a discontinued operations in the consolidated statement of profit or loss and other comprehensive income. These investments were classified under 'Energy & Utilities' segment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Discontinued operations (continued)

The results of the disposal group included in the consolidated statement of profit or loss are set out below:

	2023		2022	
	Lunate AED' million	Atrush AED' million	Lunate AED' million	Atrush AED' million
Revenues	-	174	-	880
Other operating loss	(863)	-	(3,051)	-
Share of results of equity-accounted investees	(487)	-	278	-
Impairment (charge)/reversal of non-financial assets		(345)	-	503
Other operating costs	(91)	(155)	(259)	(136)
Operating profit/(loss)	(1,441)	(326)	(3,032)	1,247
Non-operating costs/(income)	79	(1)	(36)	-
Profit/(loss) from discontinued operations	(1,362)	(327)	(3,068)	1,247
Other comprehensive income/(loss):				
Fair value gain on financial assets measured at FVTOCI	6,120	-	293	-
Share of other comprehensive income/(loss) of equity-accounted investees - net of tax	(84)	-	383	-
Total comprehensive income/(loss) for the year	4,674	(327)	(2,392)	1,247
Total comprehensive income/(loss) attributable to:				
Owner of the Company	4,674	(327)	(2,392)	1,247
Non-controlling interests	-	-	-	-
	4,674	(327)	(2,392)	1,247

The net cashflows of the disposal groups are as follows:

Cashflows	2023		2022	
	Lunate AED' million	Atrush AED' million	Lunate AED' million	Atrush AED' million
Net cash generated from/(used in) operating activities	(24,317)	66	(35,232)	104
Net cash used in investing activities	(20,928)	(69)	(16,657)	(122)
Net cash generated from/(used in) financing activities	43,509	(1)	52,895	(1)
Effect on net cash flow	(1,736)	(4)	1,006	(19)

Modon Holding

In August 2023, ADQ submitted an offer to the Board of Directors of Q Holding PJSC (subsequently renamed as "Modon Holding"), to combine ADQ's entire shareholding in Modon, Abu Dhabi National Exhibitions Company PJSC ("ADNEC"), Miza Investments LLC ("Miza") and certain interests in land plots into Modon Holding in exchange for an instrument convertible into Modon Holding shares. The transaction was completed during February 2024.

Modon, ADNEC, Miza and the land plots fulfil criteria of non-current assets held for sale according to IFRS 5 Non-current Assets Held for Sale. Consequently, these entities and land plots have been reclassified to "assets held-for-disposal" and "liabilities directly associated with the assets held-for-disposal". These investments were classified under 'Tourism, Entertainment & Real Estate' segment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Discontinued operations (continued)

The major classes of assets and liabilities of the assets held-for-disposal are as follows:

	2023
	AED' million
Assets	
Property, plant and equipment, investment properties and right of use assets	11,057
Intangible assets and goodwill	712
Accounts and other receivables	4,937
Other financial assets	126,411
Other assets	1,927
Cash and bank balances	3,613
Assets held-for-disposal	148,657
Liabilities	
Loans and borrowings, leases and other liabilities	4,114
Accounts and other payables	4,664
Liabilities directly associated with the assets held-for-disposal	8,778

	2023
	AED' million
Reserves	6,858
At 31 December	6,858

The movement in assets held-for-disposal is as follows:

	2023
	AED' million
At 1 January	654
Reclassified	148,555
Disposal	(552)
At 31 December	148,657

The movement in liabilities directly associated with the assets held-for-disposal is as follows:

	2023
	AED' million
At 1 January	1,002
Reclassified	7,776
At 31 December	8,778

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Discontinued operations (continued)

During 2022, the Group's subsidiaries decided to:

- Proceed with the sale of the upstream assets within energy portfolio and subsequently entered into definitive agreements with Waldorf Energy Netherlands B.V. to sell 100% of its ownership in the upstream oil and gas business in the Netherlands. The sale was expected in early 2023, and subject to approvals from applicable regulatory and other third parties. As at 31 December 2022 the upstream assets in the Netherlands contained within the Oil & Gas operating segment were classified as a disposal group held for sale. Subsequently, it was confirmed that the completion did not occur in accordance with its terms and the agreement was terminated on 28 March 2023. The Group remains committed to its business in the Netherlands and will continue to contribute actively to the security of gas through its upstream and gas storage activities. Consequently, TAQA Energy B.V.'s upstream oil and gas business is no longer treated as held-for-sale under IFRS 5, and its assets and liabilities have been appropriately reclassified as at 31 December 2023.
- Dispose a piece of investment property - land and a car park. The transaction is expected to be completed in 2023.
- Dispose aircrafts within its Aviation services portfolio.

The major classes of assets and liabilities comprising the disposal group were as follows:

	2022 AED' million
Assets	
Property, plant and equipment	463
Accounts and other receivables	130
Other assets	61
Assets held-for-disposal	654
Liabilities	
Accounts and other payables	1,002
Liabilities directly associated with the assets held-for-disposal	1,002

	2022 AED' million
Reserves	
At 31 December	823

The movement in assets held-for-disposal was as follows:

	2022 AED' million
At 1 January	934
Reclassified	318
Disposal	(537)
Impairment	(61)
At 31 December	654

The movement in liabilities directly associated with the assets held-for-disposal was as follows:

	2022 AED' million
At 1 January	-
Reclassified	1,002
At 31 December	1,002

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Dividends

During 2023, the Board of Directors of the Company approved the declaration of dividends to the Shareholder, amounting to AED 4,000 million (2022: 4,102 million), which was settled in cash (2022: 3,000 million was settled in cash and AED 1,102 million was settled against due from Shareholder).

44. Subsequent events

Sheikh Shakhbout Medical City LLC ("SSMC")

In February 2024, ADQ transferred its 75% stake in SSMC to Pure Health.

Icon Hotel Investment Ltd ("Icon Hotel")

In February 2024, ADQ and ADNEC completed the acquisition of 40.5% stake in Icon Hotel, a group of luxury hotels in Egypt. The investment will be accounted for as an investment in joint venture.

Q Holding PJSC ("Q Holding")

In February 2024, ADQ completed the acquisition of 38.7% stake in Q Holding by transferring ADQ's shareholding in ADNEC, Modon, Miza and certain interests in land plots. The investment will be accounted for as an investment in associate.

Ras El-Hekma development rights

In February 2024, ADQ announced its plans to invest USD 24 billion in Egypt by acquiring the development rights for Ras El-Hekma to develop the region into one of the largest new city developments.

ALTERRA platform

On 2 February 2024, ADQ entered into a separate managed account agreement ("the ALTERRA SMA") with Alterra Management Limited ("ALTERRA"). ALTERRA is a new partner-led and independent global climate-focussed alternative investment manager owned by Lunate Holding and senior management of Lunate, and is regulated by the ADGM's financial services regulatory authority.

Under the ALTERRA SMA, ADQ made initial capital commitments of USD 6.5 billion (excluding fees and expenses) to climate-focussed funds managed by ALTERRA.

Subject to limited exceptions, ADQ has granted ALTERRA exclusivity over ADQ's climate-related investment programme until 31 December 2038. Subject to the Lunate SMA, ADQ is not restricted from continuing to make strategic investments and investments that are not climate-related investments.

Unifrutti Investments Limited ("Unifrutti")

During January 2024, the Group's subsidiary Unifrutti signed an agreement to acquire 100% shareholding of Sociedad Exportadora Verfrut S.A. ("Verfrut"), a prominent fresh produce grower and exporter with operations in Chile and Peru. Completion of the acquisition is subject to satisfaction of closing conditions, including regulatory approvals.

During March 2024, the Group's subsidiary Unifrutti signed an agreement to acquire 100% shareholding of AvoAmerica Peru and Bomarea, growers of avocados and blueberries respectively in Peru. Completion of the acquisition is subject to satisfaction of closing conditions.

45. Comparatives

Certain comparative information has been restated to conform with the current period's presentation. These primarily relate to acquisition of Modon Properties PJSC as business under common control accounted using pooling of interest method (Note 36) and discontinued operations relating to the transfer of ADQ alternative investment assets to Lunate and TAQA Atrush Oilfields (Note 42).