Abu Dhabi Marine Business and Services Company P.J.S.C.

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended 31 December 2022

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Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Abu Dhabi Marine Business and Services Company P.J.S.C (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2022;
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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's 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with applicable ethical and independence requirements of United Arab Emirates that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

PricewaterhouseCoopers (Abu Dhabi Branch), License no. 1001301
Al Khatem Tower, Abu Dhabi Global Market, 25th Floor, PO Box 45263, Abu Dhabi - United Arab Emirates
T: +971 (0)2 694 6800, F: +971 (0)2 645 6610, www.pwc.com/me

Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C (continued)

Report on the audit of the consolidated financial statements (continued)

Our audit approach

Overview

Key Audit Matters	• Impairment assessment for property, plant and equipment • Acquisition of ZMI Holdings

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C (continued)

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Impairment assessment for property, plant and equipment *Refer to notes 3, 3.1 and 11 to the consolidated financial statements for disclosures of related accounting policies and balances* The Group's consolidated statement of financial position as at 31 December 2022 includes a carrying value of USD$3.2 billion (AED11.6 billion) relating to property, plant and equipment, of which USD$2.9 billion (AED10.7 billion) relates to vessels and marine equipment. Management performs an annual impairment assessment of these assets by determining the recoverable amount of each cash generating unit (CGU) based on the higher of the value-in-use (VIU) and fair value less costs of disposal (FVLCOD). Where the VIU approach was used, this was derived based on a discounted expected cash flow approach. These cash flows included areas where management makes significant judgements on certain key inputs, including the expected useful lives of the assets and discount rates. Where the FVLCOD approach was used, management engaged with an external expert to obtain market valuations of the assets. The judgement involved relates to the valuation methodologies used and the assumptions used in the valuation models. We focused on this area because of the materiality to the financial statements and the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.	Our approach to addressing the matter, involved the following procedures, amongst others: For assessments based on VIU: • updated our understanding of the methods used by management to perform its annual impairment assessment of the assets and assessed whether the methods applied were consistent with the prior year; • assessed the reasonableness of the discount rate used to discount the expected cash flows and evaluated those rates against our knowledge of the economic environment and the risk premium associated with the industry; • compared management's future cash flow forecasts used in the impairment assessment to those presented and approved by the Board of Directors as part of the annual business plan; • evaluated the accuracy of the forecasts made by comparing historical results, where available, and by comparing to the current year results of the entity; and • tested the mathematical accuracy of management's calculations. For assessments based on FVLCOD: • obtained the valuation reports used by management to perform its annual impairment assessment; • evaluated the adequacy of the work of the valuers considering the appropriateness of the methodology, relevance and reasonableness of their conclusions and consistency with other audit evidence; • assessed the valuers qualifications, expertise and independence; • assessed the appropriateness of the valuation approach and reasonableness of the assumptions and held discussions with the Company's management.

Report on the audit of the consolidated financial statements (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Acquisition of ZMI Holdings *Refer to notes 2.2, 3.1 and 29 to the consolidated financial statements for disclosures of related accounting policies, estimates and balances* On 1 November 2022, the Group acquired 100% of the shares of ZMI Holdings. The fair value of the assets acquired and liabilities assumed as at the acquisition date was determined to be USD$1.5 billion (AED5.7 billion) and USD$81 million (AED299 million) respectively. Management performed procedures to assess the reasonableness of the fair values as at the acquisition date. Management also computed the purchase consideration, including contingent consideration, based on the provisions of the share purchase agreement. We focused on this area because of the materiality of these balances to the financial statements and the judgements used by management in performing the fair valuation assessments.	Our approach to addressing the matter, involved the following procedures, amongst others: • obtained and read the share purchase agreement for the acquisition of ZMI Holdings; • recomputed the purchase consideration determined based on the provisions of the share purchase agreement, including assessing the appropriateness of the contingent consideration; • obtained an understanding of the methods used by management to determine the fair value of the assets acquired and liabilities assumed as at the acquisition date; • assessed the reasonableness of management's fair valuation assessments based on the requirements of the accounting standards and information available; • evaluated management's conclusions and consistency with other audit evidence; • recomputed the mathematical accuracy of the goodwill amount determined based on the above factors.

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 International Financial Reporting Standards and their preparation in compliance with the applicable provisions of Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of Subject Entities, as amended, and applicable provisions of the relevant laws and regulations 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.

Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C (continued)

Report on the audit of the consolidated financial statements (continued)

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of Subject Entities, as amended, and applicable provisions of the relevant laws and regulations 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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C (continued)

Report on the audit of the consolidated financial statements (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent auditor's report to the shareholder of Abu Dhabi Marine Business and Services Company P.J.S.C (continued)

Report on the audit of the consolidated financial statements (continued)

Report on other legal and regulatory requirements

Further, as required by the ADAA Chairman's Resolution no 88 of 2021 Regarding financial statements Audit Standards for the Subject Entities, we report, in connection with our audit of the financial statements for the year ended 31 December 2022, 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 financial statements as at 31 December 2022:

(i) Law No. (1) of 2017 concerning the Financial System of the Government of Abu Dhabi and instructions issued by the Department of Finance pertaining to the preparation and implementation of the annual budget of Subject Entities, as amended;

(ii) its Law of Establishment which would materially affect its activities or its financial position as at 31 December 2022; and

(iii) applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

PricewaterhouseCoopers

12 APR 2023

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Rami Sarhan
Registered Auditor Number 1152
Abu Dhabi, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Notes	***2022*** ***USD'000***	*2021* *USD'000*	***2022*** ****AED'000***	*2021* **AED'000*
Revenues	4	**1,952,173**	1,190,803	**7,169,354**	4,373,223
Direct costs	5	**(1,543,025)**	(964,203)	**(5,666,759)**	(3,541,034)
Gross profit		**409,148**	226,600	**1,502,595**	832,189
General and administrative expenses	6	**(105,604)**	(83,474)	**(387,830)**	(306,558)
Pension adjustment	24	**-**	(90,916)	**-**	(333,888)
(Provision for) / reversal of expected credit losses, net	17 & 24	**(5,880)**	5,565	**(21,595)**	20,439
Other expenses	7A	**(3,792)**	(1,196)	**(13,926)**	(4,396)
Other income	7B	**1,003**	3,444	**3,685**	12,647
Operating profit		**294,875**	60,023	**1,082,929**	220,433
Share of profit from joint venture	15	**2,026**	1,062	**7,441**	3,900
Finance income	9	**3,717**	1,639	**13,650**	6,020
Finance costs	10	**(38,475)**	(7,920)	**(141,300)**	(29,086)
Profit before tax for the year		**262,143**	54,804	**962,720**	201,267
Income tax		**(1,350)**	-	**(4,959)**	-
Profit for the year		**260,793**	54,804	**957,761**	201,267
Other comprehensive income / (loss)					
Items that will not be subsequently reclassified to profit or loss					
Re-measurement gain/ (loss) on employee defined benefit obligation	22	**10,418**	(1,527)	**38,261**	(5,609)
Total comprehensive income for the year		**271,211**	53,277	**996,022**	195,658
Basic and diluted earnings per share in USD and AED	21	**0.26**	0.05	**0.96**	0.20

* AED presented as a convenience translation which was previously the presentation currency - See Note 2.1.

The attached notes on pages 13 to 68 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 USD'000	2021 USD'000	2022 *AED'000	2021 *AED'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**3,151,384**	1,652,430	**11,573,455**	6,068,548
Right-of-use assets	12	**67,208**	36,582	**246,821**	134,348
Intangible assets	13	**14,716**	17,691	**54,045**	64,972
Investment properties	14	**99,757**	30,268	**366,357**	111,159
Investment in a joint venture	15	**62,641**	73,842	**230,051**	271,184
Goodwill	29	**15,697**	-	**57,646**	-
Trade and other receivables	17	**124,252**	2,556	**456,316**	9,386
Sub-lease receivables	12	**15,474**	19,933	**56,829**	73,204
Total non-current assets		**3,551,129**	1,833,302	**13,041,520**	6,732,801
Current assets					
Inventories	16	**105,570**	57,700	**387,705**	211,904
Trade and other receivables	17	**216,963**	82,833	**796,798**	304,204
Due from related parties	24	**465,954**	338,618	**1,711,215**	1,243,573
Sub-lease receivables	12	**3,911**	6,314	**14,363**	23,188
Cash and cash equivalents	18	**164,933**	368,447	**605,717**	1,353,121
Total current assets		**957,331**	853,912	**3,515,798**	3,135,990
TOTAL ASSETS		**4,508,460**	2,687,214	**16,557,318**	9,868,791
EQUITY AND LIABILITIES					
Equity					
Share capital	19	**272,294**	272,294	**1,000,000**	1,000,000
General reserve	20	**103,226**	77,147	**379,097**	283,321
Retained earnings		**1,067,285**	822,153	**3,919,603**	3,019,357
Shareholder contribution	24	**357,485**	357,485	**1,312,865**	1,312,865
Total equity		**1,800,290**	1,529,079	**6,611,565**	5,615,543
Non-current liabilities					
Shareholder loan	24	**1,900,000**	600,000	**6,977,750**	2,203,500
Lease liabilities	12	**69,269**	41,625	**254,391**	152,869
Dismantling liability	12	**1,727**	1,324	**6,341**	4,861
Due to related parties	24	**35,743**	53,176	**131,266**	195,288
Other payables	29	**69,490**	-	**255,202**	-
Employees' end of service benefits	22	**31,464**	40,695	**115,551**	149,453
Total non-current liabilities		**2,107,693**	736,820	**7,740,501**	2,705,971
Current liabilities					
Trade and other payables	23	**462,899**	229,975	**1,699,997**	844,585
Lease liabilities	12	**9,768**	9,451	**35,874**	34,710
Due to related parties	24	**127,810**	181,889	**469,381**	667,982
Total current liabilities		**600,477**	421,315	**2,205,252**	1,547,277
TOTAL LIABILITIES		**2,708,170**	1,158,135	**9,945,753**	4,253,248
TOTAL EQUITY AND LIABILITIES		**4,508,460**	2,687,214	**16,557,318**	9,868,791

H.E Dr. Sultan Ahmed Al Jaber
Chairman of the Board

Abdulkareem Almessabi
Chief Executive Officer

Nicholas Gleeson
Chief Financial Officer

* Presented as a convenience translation - See Note 2.1.

The attached notes on pages 13 to 68 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Share capital USD'000	*General reserve USD'000*	*Retained earnings USD'000*	*Shareholder contribution USD'000*	*Total USD'000*
Balance as at 1 January 2021	272,294	71,667	774,356	357,485	1,475,802
Profit for the year	-	-	54,804	-	54,804
Actuarial loss on defined benefit obligation (note 22)	-	-	(1,527)	-	(1,527)
Total comprehensive income for the year	-	-	53,277	-	53,277
Transfers to general reserve (note 20)	-	5,480	(5,480)	-	-
Balance as at 31 December 2021	**272,294**	**77,147**	**822,153**	**357,485**	**1,529,079**
Balance as at 1 January 2022	272,294	77,147	822,153	357,485	1,529,079
Profit for the year	-	-	260,793	-	260,793
Actuarial gain on defined benefit obligation (note 22)	-	-	10,418	-	10,418
Total comprehensive income for the year	-	-	271,211	-	271,211
Transfers to general reserve (note 20)	-	26,079	(26,079)	-	-
Balance as at 31 December 2022	**272,294**	**103,226**	**1,067,285**	**357,485**	**1,800,290**

	*Share capital *AED'000*	*General reserve *AED'000*	*Retained earnings *AED'000*	*Shareholder contribution *AED'000*	*Total *AED'000*
Balance as at 1 January 2021	1,000,000	263,194	2,843,826	1,312,865	5,419,885
Profit for the year	-	-	201,267	-	201,267
Actuarial loss on defined benefit obligation (note 22)	-	-	(5,609)	-	(5,609)
Total comprehensive income for the year	-	-	195,658	-	195,658
Transfers to general reserve (note 20)	-	20,127	(20,127)	-	-
Balance as at 31 December 2021	**1,000,000**	**283,321**	**3,019,357**	**1,312,865**	**5,615,543**
Balance as at 1 January 2022	1,000,000	283,321	3,019,357	1,312,865	5,615,543
Profit for the year	-	-	957,761	-	957,761
Actuarial gain on defined benefit obligation (note 22)	-	-	38,261	-	38,261
Total comprehensive income for the year	-	-	996,022	-	996,022
Transfers to general reserve (note 20)	-	95,776	(95,776)	-	-
Balance as at 31 December 2022	**1,000,000**	**379,097**	**3,919,603**	**1,312,865**	**6,611,565**

* AED presented as a convenience translation which was previously the presentation currency - See Note 2.1.

The attached notes on pages 13 to 68 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	*2022* *USD'000*	*2021* *USD'000*	*2022* **AED'000*	*2021* **AED'000*
OPERATING ACTIVITIES					
Profit for the year		**260,793**	54,804	**957,761**	201,267
Adjustments for:					
Depreciation on property, plant and equipment	11	**132,875**	95,351	**487,982**	350,178
Impairment of property, plant and equipment	11	**-**	1,467	**-**	5,388
Write off of property, plant and equipment	11	**428**	-	**1,571**	-
Depreciation on investment properties	14	**5,105**	2,416	**18,748**	8,874
Depreciation on right-of-use assets	12	**8,416**	5,459	**30,909**	20,050
Profit on initial recognition of sub-lease receivables	12	**(872)**	(2,470)	**(3,203)**	(9,070)
Provision for dismantling expenses	12	**117**	90	**428**	331
Gain on disposal of right of use assets	12	**(128)**	-	**(469)**	-
Loss on disposal of subleases	12	**2,380**	-	**8,742**	-
Provision for slow moving and obsolete inventories	16	**6,278**	-	**23,057**	-
Amortisation of intangible assets	13	**10,005**	3,980	**36,745**	14,618
Gain on disposal of property, plant and equipment	7	**(3)**	(973)	**(13)**	(3,577)
Provision for expected credit losses on trade receivables, net	17	**6,174**	593	**22,673**	2,178
Reversal of provision for expected credit losses on due from related parties	24	**(294)**	(6,158)	**(1,078)**	(22,617)
Provision for employees' end of service benefits	22	**4,868**	4,724	**17,877**	17,349
Provision for pension expenses payable to related parties	24	**-**	90,916	-	333,888
Share of profit from joint venture	15	**(2,026)**	(1,062)	**(7,441)**	(3,900)
Finance income	9	**(3,717)**	(1,639)	**(13,650)**	(6,020)
Finance costs	10	**38,475**	7,920	**141,300**	29,086
		468,874	255,418	**1,721,939**	938,023
Working capital adjustments:					
Inventories		**(37,827)**	(14,967)	**(138,920)**	(54,965)
Trade and other receivables		**(27,888)**	(4,987)	**(102,419)**	(18,315)
Due from related parties		**(127,043)**	178,817	**(466,564)**	**656,704**
Trade and other payables		**84,870**	25,740	**311,684**	94,529
Pension liabilities paid		**(18,952)**	-	(69,602)	-
Due to related parties		**(60,788)**	58,004	**(223,245)**	213,019
		281,246	498,025	**1,032,873**	1,828,995
Employees' end of service benefits paid	22	**(7,148)**	(4,156)	**(26,250)**	(15,262)
Receipt against sub-leases (finance leases)	12	**7,273**	8,941	**26,709**	32,835
Interest paid	10	**(7)**	-	**(26)**	-
Net cash generated from operating activities		**281,364**	502,810	**1,033,306**	1,846,568

* AED presented as a convenience translation which was previously the presentation currency - See Note 2.1.

The attached notes on pages 13 to 68 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2022

	Notes	***2022*** ***USD'000***	*2021* *USD'000*	***2022*** ****AED'000***	*2021* **AED'000*
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	11	**(299,940)**	(763,199)	**(1,101,521)**	(2,802,853)
Proceeds from disposals of property, plant and equipment and intangible assets		**2,247**	973	**8,254**	3,577
Investment in joint venture	15	**(10,200)**	(52,400)	**(37,460)**	(192,438)
Investment in a subsidiary, net of cash acquired	29	**(1,278,414)**	-	**(4,694,977)**	-
Advance paid towards contingent consideration	29	**(62,146)**	-	**(228,233)**	-
Capital expenses advances paid		**(121,696)**	(2,556)	**(446,930)**	(9,386)
Receipts from joint venture	15	**22,385**	-	**82,209**	-
Dividend received from joint venture	15	**1,042**	-	**3,825**	-
Interest received	9	**2,476**	266	**9,094**	977
Net cash used in investing activities		**(1,744,246)**	(816,916)	**(6,405,739)**	(3,000,123)
FINANCING ACTIVITIES					
Proceeds from shareholder loan	24	**1,300,000**	600,000	**4,774,250**	2,203,500
Interest paid on shareholder loan		**(24,597)**	(729)	**(90,334)**	(2,677)
Payments of lease liabilities	12	**(16,035)**	(13,821)	**(58,887)**	(50,757)
Net cash generated from financing activities		**1,259,368**	585,450	**4,625,029**	2,150,066
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(203,514)**	271,344	**(747,404)**	996,511
Cash and cash equivalents at beginning of the year		**368,447**	97,103	**1,353,121**	356,610
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	**164,933**	368,447	**605,717**	1,353,121

Significant non-cash transactions excluded from the consolidated statement of cash flows are:

	Notes	2022 USD'000	2021 USD'000	2022 *AED'000	2021 *AED'000
Additions to right-of-use assets	12	**45,014**	10,099	**165,313**	37,088
Additions to sub lease receivables	12	**7,487**	-	**27,499**	-
Additions to lease liabilities	12	**52,218**	10,099	**191,770**	37,088
Benefits of employees transferred-in from group companies	22	-	1,488	-	5,463
Benefits of employees transferred - out to group companies	22	-	(182)	-	(668)

* AED presented as a convenience translation which was previously the presentation currency - See Note 2.1.

The attached notes on pages 13 to 68 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Abu Dhabi Marine Business and Services Company P.J.S.C. (the “Company") is a public joint stock company. The Company was established in 2016 under Law No. 15 of 2016. The Company is a wholly owned subsidiary of Abu Dhabi National Oil Company ("ADNOC" or the “ultimate holding company"). The Company is exempt from the provisions of Federal Commercial Companies Law No. 2 of 2015. The Company and its subsidiaries (collectively referred to as the “Group”) are engaged in the business of providing freight and charter services for the transportation of petroleum products and crude oil on ocean going vessels owned or hired from third parties, operation and maintenance of oil terminals, material handling, manpower and equipment supply, rental of stores, warehouses, office space and provision and supply of chemicals and other on-shore oil and gas field services.

The registered office of the Company is at P.O. Box 61, Abu Dhabi, United Arab Emirates (UAE).

These consolidated financial statements include the financial performance and position of the Company and its subsidiaries (collectively referred to as the “Group”) as detailed in note 2.2.

The consolidated financial statements of the Group were approved and authorized for issue by the Board of Directors and signed on their behalf on ....12..APR.2023

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRSs as issued by the International Accounting Standard Board (IASB).

Functional and presentation currency
Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). For 31 December 2022, the Group has presented the consolidated financial statements in both United States Dollars ("USD") and in United Arab Emirates Dirhams ("AED"). The Group's presentation currency has been changed to USD. The Group has chosen to present the financial statements in USD, as this is common in the shipping industry as such this presentation is to align with the industry. The presentation of the financial statements in AED in the current year is for convenience purposes only using a rate of AED 3.6725 to USD$1. Refer to Note 30 for the opening balance sheet as at 1 January 2021. All values are rounded to the nearest thousand ('000) except when otherwise indicated.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below:

	Country of incorporation	*Percentage holding*	
		2022	*2021*
Direct subsidiaries			
Abu Dhabi Marine Operations and Services Company – Sole Proprietorship LLC	UAE	**100%**	100%
Abu Dhabi Marine Assets Company – Sole Proprietorship LLC	UAE	**100%**	100%
Abu Dhabi Marine International Holdings RSC Limited	UAE	**100%**	100%
Zinc Holdco RSC Ltd	UAE	**100%**	-
Indirect subsidiaries			
Al Gafai Marine Services Company – Sole Proprietorship LLC	UAE	**100%**	100%
Sirdal National Marine Services Company – Sole Proprietorship LLC	UAE	**100%**	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below:

	Country of incorporation	*Percentage holding*	
		2022	*2021*
Indirect subsidiaries (continued)			
National Gas Carriers Company	Liberia	**100%**	100%
Abu Dhabi National Shipping Company Inc	British Virgin Islands	**100%**	100%
Abu Dhabi Marine International Chartering Holdings RSC Limited	UAE	**100%**	100%
Abu Dhabi Marine International Operations Holdings RSC Limited	UAE	**100%**	100%
Umm Al Lulu Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Janana Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Bazem Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Samha Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Sader Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Al Reem Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Ghantout Marine Services – Sole Proprietorship LLC	UAE	**100%**	100%
Abu Dhabi III Shipping Company Inc	Liberia	**100%**	100%
Bani Yas Shipping Company Inc	Liberia	**100%**	100%
Mezaira’a Shipping Company Inc	Liberia	**100%**	100%
Arrilah I Shipping Company Inc	Liberia	**100%**	100%
Abu Al Abyad Shipping Company Inc	Liberia	**100%**	100%
Al Yasat II Shipping Company Inc	Liberia	**100%**	100%
Liwa V Shipping Company Inc	Liberia	**100%**	100%
Diyyinah Shipping Company Inc	Liberia	**100%**	100%
Yamilah III Shipping Company Inc	Liberia	**100%**	100%
Butinah Shipping Company Inc	Liberia	**100%**	100%
Ras Ghumays I Shipping Company Inc	Liberia	**100%**	100%
Yas Shipping Company Inc	Liberia	**100%**	100%
Al Karama Shipping Company Inc	Liberia	**100%**	100%
HoldCo 1 Inc	Liberia	**100%**	100%
HoldCo 2 Inc	Liberia	**100%**	100%
Al Khtam Inc	Liberia	**100%**	100%
Al Ruwais Inc	Liberia	**100%**	100%
Tarif Inc	Liberia	**100%**	100%
Al Bateen Inc	Liberia	**100%**	100%
Al Falah Inc	Liberia	**100%**	100%
Al Khaznah Inc	Liberia	**100%**	100%
Shahamah Inc	Liberia	**100%**	100%
Ghasha Inc	Liberia	**100%**	100%
Ish Inc	Liberia	**100%**	100%
Umm Al Ashtan Limited	Liberia	**100%**	100%
Al Hamra Limited	Liberia	**100%**	100%
Mraweh Limited	Liberia	**100%**	100%
Mubaraz Limited	Liberia	**100%**	100%
Al Wathba Inc	Liberia	**100%**	100%
Al Dhafra Inc	Liberia	**100%**	100%
Das Inc	Liberia	**100%**	100%
Zakum Inc	Liberia	**100%**	100%
Hili Inc	Liberia	**100%**	100%
Arzanah Inc	Liberia	**100%**	100%
Al Jimi Inc	Liberia	**100%**	100%
Murban Inc	Liberia	**100%**	100%
Jarnain Inc	Liberia	**100%**	100%
Newco 1 Inc	Liberia	**100%**	100%
Newco 2 Inc	Liberia	**100%**	100%
Newco 3 Inc	Liberia	**100%**	100%
Newco 4 Inc	Liberia	**100%**	100%
Newco 14 Inc	Liberia	**100%**	100%

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

The consolidated financial statements include the financial statements of the Company and its subsidiaries listed below:

	Country of incorporation	*Percentage holding*	
Indirect subsidiaries (continued)		***2022***	*2021*
Newco 15 Inc	Liberia	**100%**	100%
Newco 16 Inc	Liberia	**100%**	100%
Newco 17 Inc	Liberia	**100%**	100%
Newco 18 Inc	Liberia	**100%**	100%
Newco 19 Inc	Liberia	**100%**	100%
Newco 20 Inc	Liberia	**100%**	100%
Newco 21 Inc	Liberia	**100%**	100%
Newco 22 Inc	Liberia	**100%**	100%
Newco 23 Inc	Liberia	**100%**	100%
Newco 24 Inc	Liberia	**100%**	100%
Newco 25 Inc	Liberia	**100%**	100%
Newco 26 Inc	Liberia	**100%**	100%
Newco 27 Inc	Liberia	**100%**	100%
Newco 28 Inc	Liberia	**100%**	100%
Newco 29 Inc	Liberia	**100%**	100%
Newco 30 Inc	Liberia	**100%**	100%
Newco 31 Inc	Liberia	**100%**	100%
Newco 32 Inc	Liberia	**100%**	100%
Newco 33 Inc	Liberia	**100%**	100%
Newco 34 Inc	Liberia	**100%**	100%
Newco 35 Inc	Liberia	**100%**	100%
ZMI Holdings	Cayman Islands	**100%**	-
Zakher Marine International Inc	Panama	**100%**	-
Zakher Marine International Inc. – Abu Dhabi Branch	UAE	**100%**	-
QMS Holding Limited	British Virgin Islands	**100%**	-
QMS 2 Offshore Services Ltd	Saint Vincent & Grenadines	**100%**	-
QMS 2 Offshore Services Ltd. – Abu Dhabi Branch	UAE	**100%**	-
QMS Petroleum Services Inc	Panama	**100%**	-
QMS Petroleum Services Inc. – Abu Dhabi Branch	UAE	**100%**	-
MBBS Inc	Panama	**100%**	-
MBBS Inc. – Abu Dhabi Branch	UAE	**100%**	-
Al Shahama Inc	Panama	**100%**	-
Al Bahia Inc	Panama	**100%**	-
Al Maryah Inc	Panama	**100%**	-
QMS China Inc	Panama	**100%**	-
QMS Achiever Inc	Panama	**100%**	-
QMS Gladiator Inc	Panama	**100%**	-
Petrodrill Inc	Panama	**100%**	-
Subhiya Inc	Panama	**100%**	-
QMS Gloria Inc	Panama	**100%**	-
Bani Yas Inc	Panama	**100%**	-
Nadiya Inc	Panama	**100%**	-
Zakher Marine Saudi Company Limited	KSA	**100%**	-
Premier Marine Services W.L.L	Qatar	**100%**	-
Volo Travel and Tourism (Sole Proprietorship) L.L.C	UAE	**100%**	-
Lextus Inc	Panama	**100%**	-
QMS Offshore Industries L.L.C	UAE	**100%**	-
QMS Neptune Inc	Panama	**100%**	-
QMS Aquarius Inc	Panama	**100%**	-
QMS Leo Inc	Panama	**100%**	-
QMS Amora Inc	Panama	**100%**	-
QMS Sentinel Inc	Panama	**100%**	-

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

	Country of incorporation	*Percentage holding*	
		2022	*2021*
Joint venture			
AW Shipping Limited	UAE	**50%**	50%

The financial statements of the subsidiaries and these consolidated financial statements have the same calendar year and use consistent accounting policies for each year presented. All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions are eliminated. Companies linked to one another by consolidation are integrated through the aggregation of accounts, in accordance with rules identical to those for full consolidation.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements have been disclosed in Note 3.1.

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that the control is lost.

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the profit or loss.

Any contingent consideration to be transferred by the Group are recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 BASIS OF CONSOLIDATION (continued)

Subsidiaries (continued)

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-group transactions, balances, income and expenses on transactions between subsidiaries are eliminated. Profits and losses resulting from inter-group transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in the consolidated statements of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.3.1 New and amended IFRS applied with no material effect on the consolidated financial statements

<u>**New and revised IFRSs**</u>

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these consolidated financial statements.

Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)

This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Reference to the Conceptual Framework (Amendments to IFRS 3)

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.3.1 New and amended IFRS applied with no material effect on the consolidated financial statements (continued)

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

New and revised IFRSs

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

The application of the above revised IFRSs and amendments has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs effective for annual periods beginning on or after 1 January 2023

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2022.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

2.3.1 New and amended IFRS applied with no material effect on the consolidated financial statements (continued)

New and revised IFRSs effective for annual periods beginning on or after 1 January 2023 (continued)

Deferred Tax related to Assets and Liabilities from a Single Transaction

The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Definition of Accounting Estimates (Amendments to IAS 8)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IFRS 15 Revenue from Contracts with Customers

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 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.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates 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.
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

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

a) The Group’s performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

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 recognises revenue from the following major sources:

Freight/ Voyage charters:
Revenue in relation to freight/ voyage charters is recognised over time since the customer simultaneously receives and consumes the benefits of the Group's performance in providing integrated transportation services.

Vessel time charters:
Time charters contain a lease component (i.e., hire of the vessel) and service components (i.e., operation of the vessel and maintenance service etc.). Revenue from hire of vessel is recognised over the lease term and revenue from services is recognised over time. The transaction price is allocated to each performance obligation using an expected cost-plus margin approach.

Vessel bareboat charters:
Bareboat charters contain only a lease component (i.e., hire of the vessel) and does not contain service components (i.e., operation of the vessel and maintenance service etc.). Revenue from hire of vessel is recognised over the lease term.

Sale of goods:
Revenue from the sale of goods is recognised when control of the goods has transferred, being when the goods have been delivered to the customers. Revenue from sale of goods is recognised at a point of time. Sale of goods primarily include sale of drilling chemicals, bunkers, petrol and water.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

Rendering of services:
The Group provides port services, base operation services and oil field services to customers. Revenue is recognised over time since customers simultaneously receive and consume the benefits of the Group's performance in providing services under contractual terms.

Rental income:
The Group's policy for recognition of revenue from operating leases is described in the accounting policy on leasing below.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives as follows:

	Useful life
Building, wharves and land improvements	7 - 25 years
Vessels (excluding dry docking component)	20 – 40 years
Dry docking components of vessel and marine equipment	2 - 5 years
Plant	20 years
Equipment and vehicles	4 - 10 years
Furniture, fixtures and office equipment	4 - 5 years

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

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss as other income/(loss) when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

Dry docking
Major dry docking is capitalised when incurred and is depreciated over the period until the next major dry dock which is normally 60 months.

Capital work in progress

Capital work in progress is included in property, plant and equipment at cost, on the basis of the percentage completed at the reporting date. 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 and the asset is commissioned.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital work in progress (continued)

The costs of capital work in progress will be transferred to property, vessel and equipment when these assets reach their working condition for their intended use. The carrying amounts of capital work-in-progress are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost, including transaction costs.

Depreciation on investment properties is calculated on a straight-line basis over the estimated useful life of 20 - 25 years.

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

The gain or loss arising on the disposal or retirement of investment properties is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement in the year.

Investment in a joint venture

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group’s investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date.

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

The aggregate of the Group’s joint ventures and associates is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the joint venture.

The consolidated financial statements of the 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in a joint venture (continued)

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

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

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged on a straight-line basis over the assets' estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets mainly include computer systems, software and licenses with an estimated useful life of up to 4 years.

Leases

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

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

Determining the lease term of contracts with renewal and termination options – Group as 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.

Group as a lessor
The Group subleases certain assets including land and vessels under head leases with lease terms exceeding 12 months at commencement. The Group has classified the subleases as finance leases or operating leases by reference to the right-of-use asset arising from the head lease. The lease value is capitalised using discounted cash flows and a corresponding lease liability is recognised.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subject to impairment. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term which is as follows:

	Useful life
Land – Main Mussafah base	19 years
Land – ZMI Mussafah base	30 years
Land – KIZAD	25 years
Vessels	1.5-5 years

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Vessel lease contracts
For the vessel lease contracts fulfilling the capitalization criteria defined by IFRS 16, the lease term corresponds to the duration of the contracts signed except in cases where the Group is reasonably certain of exercising the renewal options contractually foreseen. Vessel lease contracts concluded by the Group do not include guaranteed value clauses for leased assets.

Real-estate lease contracts
Based on its analysis, the Group has identified lease contracts according to IFRS 16 concerning surface areas rented in its base in Mussafah and lease contracts on office and other buildings.

The lease term corresponds to the non-cancellable period which is estimated to be the term until the Group's sublease contracts are effective. The discount rate used to calculate the lease liabilities is determined, for each asset, according to the incremental borrowing rate at the commencement date. The incremental borrowing rate is the rate that the lessee would pay to borrow the required funds to purchase the asset over a similar term, with a similar security and in a similar economic environment. This rate is achieved by the addition of the interest rate prevalent in the market (EIBOR) or interest rate on government bonds and the credit spread, as the case may be. The coupon on government bonds is specific to the location, currency, period and maturity. The definition of the spread curve is based upon reference points, each point consisting of asset financing on assets.

Types of non-capitalized lease contracts
The Group uses the two exemptions foreseen by the standard allowing for non-recognition in the statement of financial position: short-term lease contracts and lease contracts for which the underlying assets have a low value.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Within the Group, short term property leases mainly relate to leases of:

- Land at operation sites with a reciprocal notice-period equal to or less than 12 months. There are no penalties associated with non-renewal in these leases;
- Office and warehouse space lease with a notice-period equal to or less than 12 months. There are no renewal rights that extend the lease beyond 12 months;
- Accommodations for expatriates with a notice period equal to or less than 12 months. There are no renewal rights that extend the lease beyond 12 months.

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value and are held for consumption in the vessels. Inventories consist of bunkers, lubes, raw materials, finished goods and spare parts. Cost of lubes, raw materials, finished goods and spare parts are determined using the weighted average method. Cost of fuel is determined based on the last purchase price. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

Financial assets

Classification and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The most relevant classification for the Group is the financial instruments carried at amortised cost.

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Classification and measurement (continued)

The Group's financial assets at amortised cost primarily includes trade and other receivables, cash and cash equivalents, sublease receivables and due from related parties.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group considers a financial asset in default when it is 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial instruments - recognition, de-recognition and offsetting

A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. All "regular way" purchases and sales of financial assets are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset). Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or where applicable a part of a financial asset or a part of group of financial assets) is de-recognised either when:

(i) the rights to receive cash flows from the asset have expired;
(ii) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
(iii) the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments - recognition, de-recognition and offsetting (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial liabilities

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of borrowings, at fair value of the consideration received less directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks, current accounts and bank deposits with original maturities of three months or less.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Provisions for decommissioning and restoration costs, which arise principally in connection with lease of land and facilities, is estimated at current prices and in accordance with local conditions and requirements and an equivalent amount is included in the respective class of asset in property, plant and equipment and right-of-use asset. The present value is calculated using amounts discounted over the lease period. The liability is recognised (together with a corresponding amount as part of the related property, plant and equipment or right-of-use assets) once an obligation crystallizes in the period when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related property, plant and equipment and right-of-use asset. However, where there is no related asset, or the change reduces the carrying amount to nil, the effect, or the amount in excess of the reduction in the related asset to nil, is recognised in the profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The income tax expense or credit for the period is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Income tax charge for the year relates to profits made from operations in KSA and Qatar.

Employees' end of service benefits

The Group operates an un-funded post-employment benefit plan (employees' end of service benefits) for its expatriate employees in the UAE, in accordance with the Company policy and UAE Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. Payment for employees' end of service benefits is made when an employee leaves, resigns or completes his service.

The cost of providing benefits under the post-employment benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to processing and marketing fees through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Interest is calculated by applying the discount rate to the defined benefit liability. The rate used to discount the end of service benefit obligation is determined by reference to market yields at the consolidated statement of financial position date on high quality corporate bonds. The current and non-current portions of the provision relating to employees' end of service benefits are separately disclosed in the consolidated statement of financial position.

The Group recognises the following changes in the employees' end of service benefits in the processing and marketing fees:

- Service costs comprising current service costs
- Interest expense

With respect to UAE national employees, contributions are made to Abu Dhabi Retirement Pensions and Benefits Fund, calculated in accordance with the Fund's regulations. With respect to GCC national employees, the contributions are made to the pension funds or agencies of their respective countries. Such contributions are charged to the processing and marketing fees during the employees' period of service. The provision relating to annual leave, leave passage and pension contribution is considered as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

Foreign currencies

Transactions in foreign currencies are recorded at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Value added tax ("VAT")

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

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Fair value measurement

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 to 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 are 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 categorized 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.

Contingencies

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification

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 twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's top Management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. The CODM assesses the financial performance and position of the operating segments and makes strategic decisions based on a measure of revenue and costs. Refer to Note 28 for further details.

3.1 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

Measurement of ECL
The Group uses a provision matrix to calculate ECLs for trade receivables and to record IFRS 9 provisions thereon.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Measurement of ECL (continued)
The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For due from related parties' balances, probability of default (PD) is determined to be immaterial based on ADNOC's rating by Fitch as at 31 December 2022. Fitch Ratings has given ADNOC Group a standalone credit rating of AA+ and a long-term issuer default rating of AA with a stable outlook, in line with the sovereign rating of Abu Dhabi. However, on a conservative basis, the Group records provisions for expected credit losses on due from related parties based on ageing buckets.

The provision for expected credit losses on trade receivables has been calculated using a simplified approach, requiring the computation of lifetime expected credit losses. Refer to Note 17 for details.

Historical analysis of aging data
Aging data from January 2016 to December 2022 has been used for this analysis. For the purpose of the historical analysis, management has defined 180 days past due as default. Furthermore, and in accordance with IFRS 9, Management has chosen to segment the customer base into third party and intercompany debtors.

The probability of default (PD) for the various age buckets has been calculated by assessing the flow rate of debit balances into subsequent age buckets, and ultimately into the default age bucket (according to the definition of default discussed above).

The loss given default (LGD) has been calculated by analyzing the recovery / collections of defaulted balances.

Forward-looking macroeconomic factors
IFRS 9 requires a forward-looking macroeconomic adjustment, applied to the historical loss rate. To incorporate this element, a multiple regression analysis has been performed, considering the following factors: Independent variables: the sovereign CDS spread, a market indication of credit risk of the region of operations. Dependent variable(s): the two factors used in the regression analysis are Gross Debt/GDP and Net borrowing - lending/GDP of the region of operations.

The calculated impact of the regression analysis is a 2% incremental increase in historical loss rates, i.e., PD x LGD x 1.02.

At the consolidated statement of financial position date, gross trade receivables were USD 125,715 thousand or AED 461,686 thousand (2021: USD 27,080 thousand or AED 99,451 thousand), and the provision for expected credit losses was USD 8,918 thousand or AED 32,749 thousand (2021: USD 2,744 thousand or AED 10,076 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the profit or loss.

At the consolidated statement of financial position date, gross amount due from related parties were USD 466,154 thousand or AED 1,711,952 thousand (2021: USD 339,112 thousand or AED 1,245,388 thousand), and the provision for expected credit loss was USD 200 thousand or AED 737 thousand (2021: USD 494 thousand or AED 1,815 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the profit or loss.

Useful lives of property, plant and equipment and intangible assets
The Group's management determines the estimated useful lives of property, plant and equipment and intangible assets based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Useful lives of property, plant and equipment and intangible assets (continued)
This estimate is determined after considering the current usage of the asset compared to full utilisation capabilities of the asset and physical wear and tear, technical or commercial obsolescence and other limits on the use of the asset Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Impairment of property, plant and equipment
The Group determines whether property, plant and equipment are impaired when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator of impairment exists, the Group determines the value in use of the cash generating units, where an indicator has been identified. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Management did not identify any impairment indicators in the current or prior year for property, plant and equipment. However, management identified certain capital work-in-progress for which future development is not expected and, accordingly, recorded impairment of USD nil or AED nil (2021: USD 1,467 thousand or AED 5,388 thousand).

Determining the lease term of contracts with renewal and termination options – Group as lessee
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). On this basis the management has determined their best estimate of the lease term for each lease. The lease period determined will be reassessed at each reporting period.

Determining the lease classification – Group as lessor
The Group has entered into several lease arrangements in respect of land and vessels as a lessor. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term either constituting a major part of the economic life of the leased asset and the present value of the minimum lease payments either amounting to substantially all of the fair value of the leased asset, that either it retains substantially all the risks and rewards incidental to ownership of leased asset and accounts for the contracts as operating leases or finance leases accordingly.

Contingent consideration
In the event that certain pre-determined revenues are achieved by ZMI Holdings within the earn-out period, additional consideration may be payable. The estimated potential undiscounted amount is USD 152 million. The fair value of the contingent consideration of USD 150 million was estimated by calculating the present value of the future expected cash flows. The estimates are based on a discount rate of 2% and assumed probability-adjusted revenue of ZMI Holdings over the earn-out period.

4 REVENUES

Disaggregation of revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

	Segments	***2022 USD'000***	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Shipping- freight / voyage charter income	Shipping, Integrated logistics & Marine services	**703,393**	435,585	**2,583,210**	1,599,685
Base operation services	Integrated logistics	**343,271**	122,344	**1,260,664**	449,308
Petroleum port operations	Integrated logistics & Marine services	**183,768**	167,681	**674,888**	615,810
Sales of bunkering fuel & water	Integrated logistics	**178,049**	20,942	**653,884**	76,908
Offshore vessels charter income	Integrated logistics & Marine services	**173,689**	148,217	**637,872**	544,327
Operating lease income	Shipping, Integrated logistics & Marine services	**158,883**	143,565	**583,499**	527,243
Onshore services income	Integrated logistics	**95,877**	28,894	**352,110**	106,112
Ship management income	Shipping	**69,562**	78,389	**255,468**	287,884
Drilling chemicals	Integrated logistics	**45,681**	45,186	**167,759**	165,946
		1,952,173	1,190,803	**7,169,354**	4,373,223

Timing of revenue

Goods transferred at a point of time	Integrated logistics	**223,729**	66,128	**821,643**	242,854
Operating lease income	Shipping, Integrated logistics & Marine services	**158,883**	143,565	**583,499**	527,243
Services rendered over time	Shipping, Integrated logistics & Marine services	**1,569,561**	981,110	**5,764,212**	3,603,126
		1,952,173	1,190,803	**7,169,354**	4,373,223

5 DIRECT COSTS

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Bunker and other consumption	**560,507**	142,539	**2,058,463**	523,475
Manpower costs (note 8)	**372,228**	298,622	**1,367,007**	1,096,688
Freight and voyage charter costs	**289,429**	256,276	**1,062,927**	941,174
Port charges	**64,472**	47,696	**236,772**	175,165
Repairs and maintenance	**41,776**	44,856	**153,421**	164,735
Depreciation on property, plant and equipment (note 11)	**132,602**	94,181	**486,982**	345,878
Depreciation on right-of-use assets (note 12)	**8,398**	5,459	**30,843**	20,050
Amortization of intangibles	**1,785**	-	**6,555**	-
Depreciation on investment properties (note 14)	**5,105**	2,416	**18,748**	8,874
Other operating costs	**66,723**	72,158	**245,041**	264,995
	1,543,025	964,203	**5,666,759**	3,541,034

6 GENERAL AND ADMINISTRATIVE EXPENSES

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Staff costs (note 8)	**71,815**	59,387	**263,741**	218,099
Office rent	**2,160**	4,129	**7,931**	15,162
Amortisation of intangible assets	**8,221**	3,980	**30,190**	14,618
Consultancy fees	**2,380**	1,924	**8,739**	7,066
Depreciation on property, plant and equipment (note 11)	**272**	1,171	**1,000**	4,300
Depreciation on right-of-use assets (note 12)	**18**	-	**66**	-
Others	**20,738**	12,883	**76,163**	47,313
	105,604	83,474	**387,830**	306,558

7A OTHER EXPENSES

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Loss on reversal of sub leases	**2,380**	-	**8,742**	-
Demurrage and other	**1,412**	1,196	**5,184**	4,396
	3,792	1,196	**13,926**	4,396

7B OTHER INCOME

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Profit on initial recognition of sub-lease receivables	**872**	2,470	**3,203**	9,070
Gain on disposal of right of use assets	**128**	-	**469**	-
Gain on disposal of property, plant and equipment	**3**	974	**13**	3,577
	1,003	3,444	**3,685**	12,647

8 STAFF COSTS

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Salaries & benefits (direct hire and sub-contracted)	**439,175**	353,285	**1,612,871**	1,297,438
Pension adjustment (note 24)	**-**	90,916	**-**	333,888
Employees' end of service benefits (note 22)	**4,868**	4,724	**17,877**	17,349
	444,043	448,925	**1,630,748**	1,648,675
Analyzed as:				
Direct costs	**372,228**	298,622	**1,367,007**	1,096,688
Pension adjustment (note 24)	**-**	90,916	**-**	333,888
General and administrative expenses (note 6)	**71,815**	59,387	**263,741**	218,099
	444,043	448,925	**1,630,748**	1,648,675

9 FINANCE INCOME

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Interest income on sub-leases (finance leases) (note 12)	**1,241**	1,373	**4,556**	5,043
Interest income on deposits	**2,476**	266	**9,094**	977
	3,717	1,639	**13,650**	6,020

10 FINANCE COSTS

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Interest cost on shareholder loan (note 24)	**31,308**	4,316	**114,978**	15,852
Interest expense on lease liabilities (note 12)	**4,685**	3,005	**17,207**	11,035
Interest on pension cost	**1,520**	-	**5,580**	-
Interest cost as per IAS-19 (note 22)	**955**	599	**3,509**	2,199
Others	**7**	-	**26**	-
	38,475	7,920	**141,300**	29,086

11 PROPERTY, PLANT AND EQUIPMENT

	Buildings	*Vessels and marine equipment*	*Plant*	*Equipment and vehicles*	*Furniture, fixtures and office equipment*	*Capital work in progress*	*Total*
	USD'000	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*	*USD'000*
2022							
Cost:							
At 1 January 2022	67,279	1,790,824	5,391	51,950	19,738	99,569	2,034,751
Additions on business acquisition	5,730	1,354,715	-	568	4,256	-	1,365,269
Additions	-	54,017	-	-	-	296,837	350,854
Disposals	-	(926)	-	-	(164)	-	(1,090)
Transfer to investment properties	-	-	-	-	-	(85,906)	(85,906)
Transfer to intangible assets	-	-	-	-	-	(6,802)	(6,802)
Transfer from capital work in progress	5,076	119,925	-	666	3,743	(129,410)	-
Transfer from investment properties & intangible assets	29,191	-	-	-	1,964	-	31,155
Adjustments	-	1,047	-	-	-	(3,135)	(2,088)
Write offs	-	-	-	-	-	(428)	(428)
At 31 December 2022	**107,276**	**3,319,602**	**5,391**	**53,184**	**29,537**	**170,725**	**3,685,715**

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings USD'000	*Vessels and marine equipment USD'000*	*Plant USD'000*	*Equipment and vehicles USD'000*	*Furniture, fixtures and office equipment USD'000*	*Capital work in progress USD'000*	*Total USD'000*
Accumulated depreciation:							
At 1 January 2022	53,769	287,149	5,283	27,370	8,750	-	382,321
Charge for the year	3,722	119,974	19	5,649	3,511	-	132,875
Disposals	-	(776)	-	-	(164)	-	(940)
Transfers	(1)	-	-	(1)	-	-	(2)
Transfer from investment properties	17,879	-	-	-	-	-	17,879
Transfer from intangible assets	-	-	-	-	472	-	472
Adjustments	(113)	3,128	-	(974)	(315)	-	1,726
At 31 December 2022	**75,256**	**409,475**	**5,302**	**32,044**	**12,254**	**-**	**534,331**
Net book value							
At 31 December 2022	**32,020**	**2,910,127**	**89**	**21,140**	**17,283**	**170,725**	**3,151,384**

	Buildings USD'000	*Vessels and marine equipment USD'000*	*Plant USD'000*	*Equipment and vehicles USD'000*	*fixtures and office equipment USD'000*	*Capital work in progress USD'000*	*Total USD'000*
2021							
Cost:							
At 1 January 2021	64,330	1,294,132	5,254	43,452	14,954	51,443	1,473,565
Additions	-	513,918	-	-	-	215,954	729,872
Disposals	-	(25,376)	-	(533)	-	-	(25,909)
Transfer to intangible assets	-	-	-	-	-	(6,689)	(6,689)
Transfer to investment properties	-	-	-	-	-	(3,830)	(3,830)
Transfers	3,082	127,447	-	14,960	10,353	(155,842)	-
Impairment	-	-	-	-	-	(1,467)	(1,467)
Adjustments and write offs	(133)	(119,297)	137	(5,929)	(5,569)	-	(130,791)
At 31 December 2021	67,279	1,790,824	5,391	51,950	19,738	99,569	2,034,751
Accumulated depreciation:							
At 1 January 2021	53,067	350,297	5,254	23,474	11,141	-	443,233
Charge for the year	1,382	86,480	19	5,390	2,080	-	95,351
Disposals	-	(25,376)	-	(533)	-	-	(25,909)
Adjustments and write offs	(680)	(124,252)	10	(961)	(4,471)	-	(130,354)
At 31 December 2021	53,769	287,149	5,283	27,370	8,750	-	382,321
Net book value							
At 31 December 2021	13,510	1,503,675	108	24,580	10,988	99,569	1,652,430

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings	*Vessels and marine equipment*	*Plant*	*Equipment and vehicles*	*Furniture, fixtures and office equipment*	*Capital work in progress*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
2022							
Cost:							
At 1 January 2022	247,082	6,576,799	19,797	190,784	72,488	365,671	7,472,621
Additions on business acquisition	21,044	4,975,193	-	2,085	15,629	-	5,013,951
Additions	-	198,378	-	-	-	1,090,135	1,288,513
Disposals	-	(3,400)	-	-	(602)	-	(4,002)
Transfer to investment properties	-	-	-	-	-	(315,489)	(315,489)
Transfer to intangible assets	-	-	-	-	-	(24,980)	(24,980)
Transfer from capital work in progress	18,641	440,425	-	2,444	13,747	(475,257)	-
Transfer from investment properties & intangible assets	107,203	-	-	-	7,212	-	114,415
Adjustments	-	3,848	-	-	-	(11,514)	(7,666)
Write offs	-	-	-	-	-	(1,571)	(1,571)
At 31 December 2022	**393,970**	**12,191,243**	**19,797**	**195,313**	**108,474**	**626,995**	**13,535,792**
Accumulated depreciation:							
At 1 January 2022	197,464	1,054,556	19,402	100,517	32,134	-	1,404,073
Charge for the year	13,668	440,603	68	20,748	12,895	-	487,982
Disposals	-	(2,851)	-	-	(602)	-	(3,453)
Transfers	(2)	-	-	(4)	-	-	(6)
Transfer from investment properties	65,660	-	-	-	-	-	65,660
Transfer from intangible assets	-	-	-	-	1,732	-	1,732
Adjustments	(416)	11,501	-	(3,580)	(1,156)	-	6,349
At 31 December 2022	**276,374**	**1,503,809**	**19,470**	**117,681**	**45,003**	**-**	**1,962,337**
Net book value							
At 31 December 2022	**117,596**	**10,687,434**	**327**	**77,632**	**63,471**	**626,995**	**11,573,455**

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings	*Vessels and marine equipment*	*Plant*	*Equipment and vehicles*	*fixtures and office equipment*	*Capital work in progress*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
2021							
Cost:							
At 1 January 2021	236,251	4,752,700	19,297	159,578	54,920	188,925	5,411,671
Additions	-	1,887,363	-	-	-	793,091	2,680,454
Disposals	-	(93,193)	-	(1,958)	-	-	(95,151)
Transfer to intangible assets	-	-	-	-	-	(24,564)	(24,564)
Transfer to investment properties	-	-	-	-	-	(14,064)	(14,064)
Transfers	11,319	468,049	-	54,940	38,021	(572,329)	-
Impairment	-	-	-	-	-	(5,388)	(5,388)
Adjustments and write offs	(488)	(438,120)	500	(21,776)	(20,453)	-	(480,337)
At 31 December 2021	247,082	6,576,799	19,797	190,784	72,488	365,671	7,472,621
Accumulated depreciation:							
At 1 January 2021	194,889	1,286,465	19,297	86,209	40,917	-	1,627,777
Charge for the year	5,074	317,598	68	19,796	7,642	-	350,178
Disposals	-	(93,193)	-	(1,958)	-	-	(95,151)
Adjustments and write offs	(2,499)	(456,314)	37	(3,530)	(16,425)	-	(478,731)
At 31 December 2021	197,464	1,054,556	19,402	100,517	32,134	-	1,404,073
Net book value							
At 31 December 2021	**49,618**	**5,522,243**	**395**	**90,267**	**40,354**	**365,671**	**6,068,548**

As at 31 December 2022, capital work in progress includes both vessels and projects under construction. During construction, projects are recorded under capital work in progress and then transferred to respective asset classes including investment properties and intangible assets. During the year, transfers were done from investment properties to buildings on account of change in the intended use of the property.

Depreciation has been allocated in the consolidated statement of comprehensive income as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Direct costs (note 5)	**132,602**	94,181	**486,982**	345,878
General and administrative expenses (note 6)	**273**	1,170	**1,000**	4,300
	132,875	95,351	**487,982**	350,178

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES

Set out below, are the carrying amounts of the Group's right-of-use assets, sub-lease receivables and lease liabilities and the movements during the period:

A. In respect of head-lease:

USD'000	*Land right -of-use asset*	*Vessels right -of-use asset*	*Total*
As at 1 January 2022	29,539	7,043	**36,582**
Additions	27,786	17,228	**45,014**
Disposals	-	(5,972)	**(5,972)**
Depreciation expense	(2,896)	(5,520)	**(8,416)**
As at 31 December 2022	**54,429**	**12,779**	**67,208**
As at 1 January 2021	31,384	558	31,942
Additions	-	10,099	10,099
Depreciation expense	(1,845)	(3,614)	(5,459)
As at 31 December 2021	29,539	7,043	36,582

USD'000	*Land lease liability*	*Vessels lease liability*	*Total*
As at 1 January 2022	31,222	7,146	**38,368**
Additions	27,503	17,228	**44,731**
Gain on disposals	-	(128)	**(128)**
Disposals	-	(5,971)	**(5,971)**
Interest expense (note 10)	3,833	404	**4,237**
Payments	**(5,274)**	**(5,781)**	**(11,055)**
As at 31 December 2022	**57,284**	**12,898**	**70,182**
As at 1 January 2021	32,219	570	32,789
Additions	-	10,099	10,099
Interest expense	2,179	262	2,441
Payments	(3,176)	(3,785)	(6,961)
As at 31 December 2021	31,222	7,146	38,368

AED'000	*Land right -of-use asset*	*Vessels right -of-use asset*	*Total*
As at 1 January 2022	**108,481**	**25,867**	**134,348**
Additions	**102,044**	**63,269**	**165,313**
Disposals	**-**	**(21,931)**	**(21,931)**
Depreciation expense	**(10,635)**	**(20,274)**	**(30,909)**
As at 31 December 2022	**199,890**	**46,931**	**246,821**
As at 1 January 2021	115,257	2,053	117,310
Additions	-	37,088	37,088
Depreciation expense	(6,776)	(13,274)	(20,050)
As at 31 December 2021	108,481	25,867	134,348

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES

A. In respect of head-lease (continued):

AED'000	*Land lease liability*	*Vessels lease liability*	*Total*
As at 1 January 2022	**114,662**	**26,245**	**140,907**
Additions	**101,002**	**63,269**	**164,271**
Gain on disposals	**-**	**(469)**	**(469)**
Disposals	**-**	**(21,928)**	**(21,928)**
Interest expense (note 10)	**14,075**	**1,487**	**15,562**
Payments	**(19,370)**	**(21,231)**	**(40,601)**
As at 31 December 2022	**210,369**	**47,373**	**257,742**
As at 1 January 2021	118,323	2,096	120,419
Additions	-	37,088	37,088
Interest expense	8,004	961	8,965
Payments	(11,665)	(13,900)	(25,565)
As at 31 December 2021	114,662	26,245	140,907

B. In respect of sub-lease:

USD'000	*Land sub-lease receivables*	*Vessels sub-lease receivables*	*Total*
As at 1 January 2022	13,182	13,065	**26,247**
Additions	-	7,487	**7,487**
Disposals	-	(6,809)	**(6,809)**
Loss on reversals	-	(2,380)	**(2,380)**
Profit on initial recognition of sub-leases	-	872	**872**
Interest income	884	357	**1,241**
Payments received	(1,443)	(5,830)	**(7,273)**
As at 31 December 2022	**12,623**	**6,762**	**19,385**
As at 1 January 2021	13,703	14,578	28,281
Additions	-	3,064	3,064
Profit on initial recognition of sub-leases	-	2,470	2,470
Interest Income	922	451	1,373
Payments received	(1,443)	(7,498)	(8,941)
As at 31 December 2021	13,182	13,065	26,247

AED'000	*Land sub-lease receivables*	*Vessels sub-lease receivables*	*Total*
As at 1 January 2022	**48,410**	**47,982**	**96,392**
Additions	**-**	**27,499**	**27,499**
Disposals	**-**	**(25,007)**	**(25,007)**
Loss on reversals	**-**	**(8,742)**	**(8,742)**
Profit on initial recognition of sub-leases	**-**	**3,203**	**3,203**
Interest income	**3,245**	**1,311**	**4,556**
Payments received	**(5,300)**	**(21,409)**	**(26,709)**
As at 31 December 2022	**46,355**	**24,837**	**71,192**

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES (continued)

B. In respect of sub-lease (continued):

As at 1 January 2021	50,325	53,535	103,860
Additions	-	11,254	11,254
Profit on initial recognition of sub-leases	-	9,070	9,070
Interest Income	3,385	1,658	5,043
Payments received	(5,300)	(27,535)	(32,835)
As at 31 December 2021	48,410	47,982	96,392

USD'000	***Land sub -lease liability***	***Vessel sub- lease liability***	***Total***
As at 1 January 2022	2,575	10,133	**12,708**
Additions	-	7,487	**7,487**
Disposals	-	(6,808)	**(6,808)**
Interest expense (note 10)	167	281	**448**
Payments	(277)	(4,703)	**(4,980)**
As at 31 December 2022	**2,465**	**6,390**	**8,855**
As at 1 January 2021	2,677	13,263	15,940
Additions	-	3,064	3,064
Interest expense	175	389	564
Payments	(277)	(6,583)	(6,860)
As at 31 December 2021	2,575	10,133	12,708

AED'000	***Land sub -lease liability***	***Vessel sub- lease liability***	***Total***
As at 1 January 2022	**9,455**	**37,217**	**46,672**
Additions	**-**	**27,499**	**27,499**
Disposals	**-**	**(25,007)**	**(25,007)**
Interest expense (note 10)	**615**	**1,030**	**1,645**
Payments	**(1,017)**	**(17,269)**	**(18,286)**
As at 31 December 2022	**9,053**	**23,470**	**32,523**
As at 1 January 2021	9,830	48,710	58,540
Additions	-	11,254	11,254
Interest expense	642	1,428	2,070
Payments	(1,017)	(24,175)	(25,192)
As at 31 December 2021	9,455	37,217	46,672

Sub-lease receivables are analysed in the consolidated statement of financial position as follows:

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Current portion	**3,911**	6,314	**14,363**	23,188
Non-current portion	**15,474**	19,933	**56,829**	73,204
	19,385	26,247	**71,192**	96,392

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES (continued)

B. In respect of sub-lease (continued):

Sub-lease receivables as of 31 December can be further analysed as follows:

In USD'000

31 December 2022	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC Offshore	3,311	3,452	6,763	3,452	-
Total related party balances	3,311	3,452	6,763	3,452	-
Third parties	600	12,022	12,622	2,770	9,253
Total	**3,911**	**15,474**	**19,385**	**6,222**	**9,253**

31 December 2021	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC Offshore	3,871	4,708	8,579	4,708	-
ADNOC Onshore	1,713	2,603	4,316	2,603	-
Total related party balances	5,584	7,311	12,895	7,311	-
Third parties	730	12,622	13,352	2,674	9,948
Total	6,314	19,933	26,247	9,985	9,948

In AED'000

31 December 2022	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC Offshore	12,158	12,678	24,836	12,678	-
Total related party balances	12,158	12,678	24,836	12,678	-
Third parties	2,205	44,151	46,356	10,171	33,980
Total	**14,363**	**56,829**	**71,192**	**22,849**	**33,980**

31 December 2021	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC Offshore	14,216	17,290	31,506	17,290	-
ADNOC Onshore	6,292	9,559	15,851	9,559	-
Total related party balances	20,508	26,849	47,357	26,849	-
Third parties	2,680	46,355	49,035	9,822	36,533
Total	23,188	73,204	96,392	36,671	36,533

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES (continued)

B. In respect of sub-lease (continued):

Lease liabilities as of 31 December are analysed in the consolidated statement of financial position as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Relating to head-lease (in respect of right-of-use assets)	**70,182**	38,368	**257,742**	140,907
Relating to sub-lease receivables (in respect of liabilities for sub-leased assets)	**8,855**	12,708	**32,523**	46,672
	79,037	51,076	**290,265**	187,579
Current portion	**9,768**	9,451	**35,874**	34,710
Non-current portion	**69,269**	41,625	**254,391**	152,869
	79,037	51,076	**290,265**	187,579

Lease liabilities as of 31 December can be further analysed as follows:

In USD'000

31 December 2022	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC HQ	1,265	31,353	32,618	5,901	25,452
Total related party balances	1,265	31,353	32,618	5,901	25,452
Third parties	8,503	37,916	46,419	13,472	24,444
Total	**9,768**	**69,269**	**79,037**	**19,373**	**49,896**

31 December 2021	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC HQ	1,179	32,618	33,797	6,172	26,446
Total related party balances	1,179	32,618	33,797	6,172	26,446
Third parties	8,272	9,007	17,279	9,007	-
Total	9,451	41,625	51,076	15,179	26,446

12 RIGHT-OF-USE ASSETS, SUB-LEASE RECEIVABLES & LEASE LIABILITIES (continued)

B. In respect of sub-lease (continued):

In AED'000

31 December 2022	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC HQ	4,645	115,143	119,788	21,671	93,472
Total related party balances	4,645	115,143	119,788	21,671	93,472
Third parties	31,229	139,248	170,477	49,478	89,770
Total	**35,874**	**254,391**	**290,265**	**71,149**	**183,242**

31 December 2021	*Current portion*	*Non-current portion*	*Total*	*Non-current 1-5 years*	*Non-current 5 years & above*
ADNOC HQ	4,329	119,788	124,117	22,666	97,122
Total related party balances	4,329	119,788	124,117	22,666	97,122
Third parties	30,381	33,081	63,462	33,081	-
Total	34,710	152,869	187,579	55,747	97,122

The table below indicates rental expenses resulting from lease and service contracts which are recognised in the consolidated statement of comprehensive income:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Short term rents (included in note 5 & 6)	**6,583**	6,071	**24,175**	22,296

The movement in provision for dismantling liability on leased land is as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
As at 1 January	**1,324**	1,234	**4,861**	4,530
Additions during the year	**286**	-	**1,052**	-
Accretion during the year	**117**	90	**428**	331
As at 31 December	**1,727**	1,324	**6,341**	4,861

13 INTANGIBLE ASSETS

	2022	2021	**2022**	2021
	USD'000	*USD'000*	***AED'000***	*AED'000*
Cost:				
At 1 January	**22,390**	19,616	**82,229**	72,039
Transfer from property, plant and equipment (note 11)	**6,802**	6,689	**24,980**	24,564
Transfer to property, plant and equipment (note 11)	**(1,964)**	-	**(7,212)**	-
Adjustments	**656**	6,306	**2,406**	23,163
Disposals	**-**	(10,221)	**-**	(37,537)
At 31 December	**27,884**	22,390	**102,403**	82,229
Accumulated amortization:				
At 1 January	**4,699**	5,070	**17,257**	18,619
Charge for the year	**10,005**	3,980	**36,745**	14,618
Transfer to property, plant and equipment (note 11)	**(472)**	-	**(1,732)**	-
Adjustments	**(1,064)**	5,870	**(3,912)**	21,557
Disposals	**-**	(10,221)	**-**	(37,537)
At 31 December	**13,168**	4,699	**48,358**	17,257
Net book value				
At 31 December	**14,716**	17,691	**54,045**	64,972

Intangible assets comprise the cost of acquired enterprise computer systems, software and licenses. Transfer to property, plant and equipment include closed circuits camera hardware previously classified as intangible assets now reclassified.

14 INVESTMENT PROPERTIES

	2022	2021	**2022**	2021
	USD'000	*USD'000*	***AED'000***	*AED'000*
Cost:				
At 1 January	**98,633**	94,803	**362,229**	348,165
Transfer to property, plant and equipment (note 11)	**(29,191)**	-	**(107,203)**	-
Transfer from property, plant and equipment (note 11)	**85,906**	3,830	**315,489**	14,064
At 31 December	**155,348**	98,633	**570,515**	362,229
Accumulated depreciation:				
At 1 January	**68,365**	65,949	**251,070**	242,196
Transfer to property, plant and equipment (note 11)	**(17,879)**	-	**(65,660)**	-
Charge for the year	**5,105**	2,416	**18,748**	8,874
At 31 December	**55,591**	68,365	**204,158**	251,070
Net book value	**99,757**	30,268	**366,357**	111,159

14 INVESTMENT PROPERTIES (continued)

Investment properties comprise of buildings owned by the Group which are rented to tenants under operating lease arrangements. The fair valuation of the completed properties was carried out as at 31 December 2022 by management using the discounted cash flow method of valuation, using assumptions such as annual growth rate and discount rate. The fair value was assessed at USD 110 million or AED 403 million as at 31 December 2022 (2021: USD 263 million or AED 965 million).

In estimating the fair value of the properties, the highest and best use of the property is considered as their current use. The inputs used in the valuation are not based on observable market data and thus the valuation techniques were considered to be Level 3 valuation.

Land on which the buildings are constructed is leased by ADNOC to the Group for a period of 10 years until 31 December 2028 at an annual rent of USD 3,396 thousand or AED 12,470 thousand and is expected to be renewed till the Group's sub-lease contracts are effective (note 12).

On 1 Jan 2022, the Group acquired two warehouses from Abu Dhabi Ports for USD 84 million or AED 310 million. The land on which the warehouses are built is leased by Abu Dhabi Ports to the Group for a period of 25 years with effect from 1 January 2022.

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Rental income included under operating lease income	**21,330**	24,664	**78,333**	90,578
Direct costs excluding depreciation	**2,570**	2,502	**9,438**	9,188

15 INVESTMENT IN A JOINT VENTURE

Details of the Group's investment in a joint venture at 31 December are as follows:

	Percentage holding		*Country of*	
Name of joint venture	*2022*	*2021*	*incorporation*	*Principal activity*
AW Shipping Limited	50%	50%	UAE	Shipping services

The movement in the carrying value of investment in joint venture is summarised below:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
As at 1 January	**73,842**	20,380	**271,184**	74,846
Equity investment during the year	**10,200**	52,400	**37,460**	192,438
Receipts from joint venture	**(22,385)**	-	**(82,209)**	-
Dividend received	**(1,042)**	-	**(3,825)**	-
Share of profit for the year	**2,026**	1,062	**7,441**	3,900
As at 31 December	**62,641**	73,842	**230,051**	271,184

15 INVESTMENT IN A JOINT VENTURE (continued)

The assets, liabilities and results of the joint venture are summarised below:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Statement of financial position				
Total assets	**410,923**	188,299	**1,509,115**	691,527
Total liabilities	**(285,640)**	(40,615)	**(1,049,013)**	(149,159)
Net assets	**125,283**	147,684	**460,102**	542,368

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Statement of comprehensive income				
Revenue	**18,589**	4,958	**68,269**	18,209
Expenses	**(14,537)**	(2,834)	**(53,387)**	(10,409)
Total comprehensive income	**4,052**	2,124	**14,882**	7,800

Included in expenses above depreciation of USD 4,224 thousand or AED 15,513 thousand (31 December 2021: USD 1,179 thousand or AED 4,330 thousand). Also included in expenses is finance cost of USD 4,068 thousand or AED 14,940 thousand (31 December 2021: USD nil or AED nil). There was no interest income earned by the joint venture in 2022 or 2021.

Included in total liabilities above is loan from banks amounting to USD 233,933 thousand or AED 859,119 thousand (31 December 2021: USD nil or AED nil). As at 31 December 2022, USD 209,998 thousand or AED 771,218 thousand was classified as non-current liability and USD 23,935 thousand or 87,901 thousand was classified as current liability.

16 INVENTORIES

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Bunkers	**41,571**	23,677	**152,670**	86,952
Lubes	**4,886**	2,620	**17,943**	9,621
Raw materials & finished goods	**8,376**	4,510	**30,761**	16,565
Spare parts, fuel and consumables	**60,297**	30,175	**221,441**	110,819
Firefighting foam and dispersant stock	**405**	405	**1,488**	1,488
	115,535	61,387	**424,303**	225,445
Less: provision for slow-moving and obsolete inventories	**(9,965)**	(3,687)	**(36,598)**	(13,541)
	105,570	57,700	**387,705**	211,904

16 INVENTORIES (continued)

Movement in the provision for slow-moving and obsolete inventories is as follows:

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
At 1 January	**3,687**	3,687	**13,541**	13,541
Charge during the year	**6,278**	-	**23,057**	-
At 31 December	**9,965**	3,687	**36,598**	13,541

17 TRADE AND OTHER RECEIVABLES

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Trade receivables	**125,715**	27,080	**461,686**	99,451
Provision for expected credit losses	**(8,918)**	(2,744)	**(32,749)**	(10,076)
Trade receivables, net	**116,797**	24,336	**428,937**	89,375
Prepaid expenses and other receivables	**81,416**	37,930	**299,001**	139,299
Receivable from employees	**14,965**	10,205	**54,960**	37,479
Advances to suppliers	**3,785**	10,362	**13,900**	38,051
	216,963	82,833	**796,798**	304,204

Movement in the provision for expected credit losses is as follows:

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
At 1 January	**2,744**	2,151	**10,076**	7,898
Charge during the year	**6,174**	593	**22,673**	2,178
At 31 December	**8,918**	2,744	**32,749**	10,076

Below is the information about credit risk exposure on the Group's trade receivables:

			Past due				
	Total USD' 000	*Not past due USD' 000*	*< 30 days USD' 000*	*30 - 60 days USD' 000*	*61 - 90 days USD' 000*	*91 - 120 days USD' 000*	*> 120 days USD' 000*
Provision matrix 2022		5%	6%	2%	4%	13%	18%
Provision matrix 2021		4%	6%	10%	14%	17%	35%
Gross trade receivable							
31 December 2022	**125,715**	**26,789**	**29,711**	**25,639**	**16,228**	**6,132**	**21,216**
31 December 2021	27,080	11,406	6,486	1,727	3,666	475	3,320
Provision for expected credit losses							
31 December 2022	**8,918**	**1,334**	**1,921**	**457**	**693**	**767**	**3,746**
31 December 2021	2,744	419	419	171	504	82	1,149
Net trade receivable							
31 December 2022	**116,797**	**25,455**	**27,790**	**25,182**	**15,535**	**5,365**	**17,470**
31 December 2021	24,336	10,987	6,067	1,556	3,162	393	2,171

17 TRADE AND OTHER RECEIVABLES (continued)

Below is the information about credit risk exposure on the Group's trade receivables:

			Past due				
	Total AED' 000	*Not past due AED' 000*	*< 30 days AED' 000*	*30 - 60 days AED' 000*	*61 - 90 days AED' 000*	*91 - 120 days AED' 000*	*> 120 days AED' 000*
Provision matrix 2022		**5%**	**6%**	**2%**	**4%**	**13%**	**18%**
Provision matrix 2021		4%	6%	10%	14%	17%	35%
Gross trade receivable							
31 December 2022	**461,686**	**98,379**	**109,115**	**94,160**	**59,597**	**22,520**	**77,915**
31 December 2021	99,451	41,887	23,819	6,342	13,463	1,746	12,194
Provision for expected credit losses							
31 December 2022	**32,749**	**4,898**	**7,054**	**1,678**	**2,544**	**2,816**	**13,759**
31 December 2021	10,076	1,540	1,539	627	1,850	301	4,219
Net trade receivable							
31 December 2022	**428,937**	**93,481**	**102,061**	**92,482**	**57,053**	**19,704**	**64,156**
31 December 2021	89,375	40,347	22,280	5,715	11,613	1,445	7,975

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. It is not the practice of the Group to obtain a collateral over receivables balances.

Trade and other receivables (non-current) include advances paid to suppliers towards capex acquisitions. Balance as at 31 December were as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Advances to suppliers	**124,252**	2,556	**456,316**	9,386

18 CASH AND CASH EQUIVALENTS

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Cash in hand	**928**	1,110	**3,409**	4,076
Cash at banks	**164,005**	367,337	**602,308**	1,349,045
	164,933	368,447	**605,717**	1,353,121

The Group held cash and cash equivalent with financial institutions that are rated at least AA- to A based on rating agency ratings. Accordingly, the ECL provision amount calculated by applying the general approach is considered to be immaterial. Cash at banks include call deposit accounts that earn interest of 0.07% (2021: 0.07%).

19 SHARE CAPITAL

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Authorised, issued and fully paid				
1,000,000,000 ordinary shares of AED 1 each	**272,294**	272,294	**1,000,000**	1,000,000

20 GENERAL RESERVE

In accordance with the decision of management of the Group, 10% of the profit is transferred to a general reserve on an annual basis.

21 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share (EPS) amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Profit attributable to shareholders of the Company	**260,793**	54,804	**957,761**	201,267
Weighted average number of shares	**1,000,000,000**	1,000,000,000	**1,000,000,000**	1,000,000,000
	USD	*USD*	***AED***	*AED*
Earnings per share	**0.26**	0.05	**0.96**	0.20

There are no dilutive securities, therefore diluted EPS is the same as basic EPS.

22 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the employees' end of service benefits provision are as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
At 1 January	**40,695**	36,695	**149,453**	134,763
Current service cost (note 8)	**4,868**	4,724	**17,877**	17,349
Acquired through business combination	**2,512**	-	**9,223**	-
Benefits paid	**(7,148)**	(4,156)	**(26,250)**	(15,262)
Benefits of employees transferred-in from group companies	**-**	1,488	**-**	5,463
Benefits of employees transferred -out to group companies	**-**	(182)	**-**	(668)
Interest cost (note 10)	**955**	599	**3,509**	2,199
Remeasurement losses:	**-**	-		
Actuarial (gains) / losses arising from experience	**(3,662)**	3,104	**(13,449)**	11,399
Actuarial gains arising from changes in financial assumptions	**(6,756)**	(1,598)	**(24,812)**	(5,868)
Actuarial losses arising from changes in demographic assumptions	**-**	21	**-**	78
At 31 December	**31,464**	40,695	**115,551**	149,453

Generally, upon fulfilment of certain employment conditions, the retirement benefits are payable in lump sum upon retirement, which is determined on the basis of the employee's one month salary for each of the first three years of service plus one and a half month's salary for each subsequent year of service.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

22 EMPLOYEES' END OF SERVICE BENEFITS (continued)

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	2022	*2021*
Discount rate	5.00%	2.25%
Expected rate of salary increase	3.00%	3.00%
Average turnover	7.5%	7.5%
Mortality rate table	AM92/AF92	AM92/AF92
Retirement age	60 years	60 years

Amounts recognised in comprehensive income in respect of these benefit are as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Service cost:				
Current service cost (note 8)	**4,868**	4,724	**17,877**	17,349
Net interest expense (note 10)	**955**	599	**3,509**	2,199
Components of provision for employees' end of service benefit recognised in comprehensive income	**5,823**	5,323	**21,386**	19,548

Amounts recognised in other comprehensive income are as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Actuarial (gain) / loss arising from the experience adjustments	**(10,418)**	1,527	**(38,261)**	5,609

Significant actuarial assumptions for the determination of the provision for employees' end of service benefit are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

22 EMPLOYEES' END OF SERVICE BENEFITS (continued)

	Increase / decrease in percentage point	*Increase (decrease) in provision for employees' end of service benefit*	*Increase (decrease) in provision for employees' end of service benefit*
2022		***USD'000***	***AED'000***
Discount rate	**1%**	**(1,935)**	**(7,107)**
	-1%	**2,186**	**8,029**
Expected salary growth	**1%**	**2,280**	**8,374**
	-1%	**(2,046)**	**(7,515)**
2021		***USD'000***	***AED'000***
Discount rate	1%	(2,881)	(10,582)
	-1%	3,317	12,183
Expected salary growth	1%	3,363	12,352
	-1%	(2,970)	(10,909)

The sensitivity analysis presented above may not be representative of the actual change in the provision for employees' end of service benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the provision for employees' end of service benefit has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the provision for employees' end of service benefit recognised in the consolidated statement of financial position.

The Group does not expect to make any contribution to defined benefit plans during the next financial year.

23 TRADE AND OTHER PAYABLES

	2022 ***USD'000***	*2021* *USD'000*	***2022*** ***AED'000***	*2021* *AED'000*
Trade accounts payable	**62,060**	19,152	**227,914**	70,341
Other payables and accrued expenses	**315,777**	179,168	**1,159,690**	657,993
Capital expenses accruals	**79,717**	28,801	**292,762**	105,770
Operating lease rent received in advance	**5,345**	2,854	**19,631**	10,481
	462,899	229,975	**1,699,997**	844,585

Trade accounts payable are interest free and are normally settled within 30 days from the date of receipt of the invoice.

24 RELATED PARTY BALANCES AND TRANSACTIONS

These represent transactions with related parties i.e., the shareholder, directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Pricing policies and terms of these transactions are approved by the Group's management.

Terms and conditions of transactions with related parties

The sales to and services from related parties are made at agreed rates with the related parties. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Group has provision for expected credit losses of USD 200 thousand or AED 737 thousand (2021: USD 494 thousand or AED 1,815 thousand) on amounts due from related parties. The Group's significant balances are with entities controlled, jointly controlled or significantly influenced by the ADNOC.

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Goods sold and services provided to entities under common control				
ADNOC Offshore	**676,928**	487,990	**2,486,024**	1,792,141
ADNOC (Holding Company)	**256,008**	171,647	**940,188**	630,374
National Gas Shipping Company Limited	**122,358**	92,294	**449,361**	338,949
ADNOC Onshore	**46,856**	56,967	**172,078**	209,213
Abu Dhabi Polymers Company Limited (Borouge ADP)	**146,322**	51,869	**537,368**	190,488
ADNOC Global Trading (AGT)	**105,440**	39,765	**387,229**	146,036
ADNOC Trading (AT)	**10,144**	11,445	**37,254**	42,032
ADNOC Distribution	**12,155**	18,488	**44,638**	67,897
ADNOC Drilling	**9,986**	10,218	**36,672**	37,524
ADNOC Refining	**3,385**	4,885	**12,430**	17,941
ADNOC Gas Processing	**10,334**	3,012	**37,952**	11,062
ADNOC LNG	**14,692**	2,300	**53,955**	8,448
AW Shipping Limited	**292**	321	**1,073**	1,179
Al Dhafra	**-**	318	**-**	1,168
	1,414,900	951,519	**5,196,222**	3,494,452

Good and services received from entities under common control

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
ADNOC (Holding Company)	**46,476**	21,617	**170,682**	79,388
ADNOC Distribution	**218,029**	3,396	**800,712**	12,472
ADNOC Refining	**-**	171	**-**	629
	264,505	25,184	**971,394**	92,489

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Interest on shareholder loan				
ADNOC (Holding Company)	**31,308**	4,316	**114,978**	15,852

24 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balances with related parties included in the consolidated statement of financial position are as follows:

	2022	*2021*	*2022*	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Due from related parties:				
ADNOC Offshore	**290,423**	184,411	**1,066,579**	677,251
ADNOC (Holding Company)	**77,016**	65,870	**282,843**	241,906
ADNOC (Holding Company) cash pooling balance*	**30,462**	31,830	**111,871**	116,896
Abu Dhabi Polymers Company Limited (Borouge ADP)	**27,209**	19,353	**99,926**	71,073
ADNOC Onshore	**12,926**	13,002	**47,471**	47,749
ADNOC Global Trading (AGT)	**13,152**	5,564	**48,302**	20,433
ADNOC Gas Processing	**5,938**	1,290	**21,809**	4,742
ADNOC Distribution	**3,366**	8,214	**12,362**	30,167
ADNOC LNG	**2,276**	908	**8,357**	3,333
ADNOC Drilling	**1,187**	5,244	**4,360**	19,259
AW Shipping Limited	**1,256**	1,042	**4,614**	3,827
ADNOC Refining	**582**	1,994	**2,136**	7,322
ADNOC Sour Gas	**-**	182	**-**	668
Al Dhafra	**-**	154	**-**	564
Borouge Pte	**54**	54	**198**	198
ADNOC Trading	**307**	-	**1,124**	-
	466,154	339,112	**1,711,952**	1,245,388
Less: provision for expected credit losses	**(200)**	(494)	**(737)**	(1,815)
	465,954	338,618	**1,711,215**	1,243,573

* This balance is held with ADNOC (Holding Company) and earns interest based on rates agreed between the parties.

The movement in provision for expected credit losses on related parties' receivables is as follows:

	2022	*2021*	*2022*	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Balance at 1 January	**494**	9,133	**1,815**	33,545
Reversals during the year	**(294)**	(6,158)	**(1,078)**	(22,617)
Write off during the year	**-**	(2,481)	**-**	(9,113)
Balance at 31 December	**200**	494	**737**	1,815

The provision for expected credit losses on due from related parties is created at 100% and 33.3% against balances overdue above 730 days and 365 days respectively.

24 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Below is the ageing of receivables from related parties:

	Total USD'000	Not past due USD'000	Past due: < 30 days USD'000	30 - 60 days USD'000	61 - 90 days USD'000	91 - 120 days USD'000	121-365 days USD'000	366-730 days USD'000	>730 days USD'000
Gross receivables from related parties									
31 December 2022	**466,154**	**407,645**	**29,274**	**4,958**	**20,135**	**1,033**	**2,507**	**602**	**-**
31 December 2021	339,112	239,920	60,775	15,948	6,465	3,111	11,784	917	192
Provision for expected credit losses									
31 December 2022	**200**	**-**	**-**	**-**	**-**	**-**	**-**	**200**	**-**
31 December 2021	494	-	-	-	-	-	-	302	192
Net receivable from related parties									
31 December 2022	**465,954**	**407,645**	**29,274**	**4,958**	**20,135**	**1,033**	**2,507**	**402**	**-**
31 December 2021	338,618	239,920	60,775	15,948	6,465	3,111	11,784	615	-

	Total AED'000	Not past due AED'000	Past due: < 30 days AED'000	30 - 60 days AED'000	61 - 90 days AED'000	91 - 120 days AED'000	121-365 days AED'000	366-730 days AED'000	>730 days AED'000
Gross receivables from related parties									
31 December 2022	**1,711,952**	**1,497,080**	**107,510**	**18,209**	**73,944**	**3,792**	**9,206**	**2,211**	**-**
31 December 2021	1,245,388	881,107	223,196	58,568	23,742	11,425	43,278	3,368	704
Provision for expected credit losses									
31 December 2022	**737**	**-**	**-**	**-**	**-**	**-**	**-**	**737**	**-**
31 December 2021	1,815	-	-	-	-	-	-	1,111	704
Net receivable from related parties									
31 December 2022	**1,711,215**	**1,497,080**	**107,510**	**18,209**	**73,944**	**3,792**	**9,206**	**1,474**	**-**
31 December 2021	1,243,573	881,107	223,196	58,568	23,742	11,425	43,278	2,257	-

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Due to related parties:				
ADNOC (Holding Company)	**120,531**	134,785	**442,646**	494,993
ADNOC Distribution	**33,347**	92,968	**122,468**	341,426
ADNOC LNG	**-**	5,006	**-**	18,384
ADNOC Offshore	**1,707**	1,090	**6,269**	4,002
National Gas Shipping Company	**7,175**	646	**26,350**	2,372
ADNOC Refining	**793**	563	**2,914**	2,068
ADNOC Onshore	**-**	7	**-**	25
	163,553	235,065	**600,647**	863,270

These balances are classified and presented in the statement of financial position as below:

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Current portion	**127,810**	181,889	**469,381**	667,982
Non-current portion	**35,743**	53,176	**131,266**	195,288
	163,553	235,065	**600,647**	863,270

24 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Shareholder contribution from ADNOC (Holding Company) (forming part of shareholder's equity):
The Group's contribution from shareholder of USD 357,485 thousand or AED 1,312,865 thousand is interest free and repayable at the absolute discretion of the board of directors of the Group. Accordingly, the amount is classified under equity as shareholder contribution.

Shareholder loan from ADNOC (Holding Company) (forming part of non-current liabilities):
In 2021, the Group entered into loan facility agreement with ADNOC (Holding Company) with an initial approved amount of USD 850,000 thousand. This facility is to be used for acquisition of assets only. The loan carries interest of six (6) months LIBOR plus a margin of 1.2% per annum, payable biannually on 30 June and 31 December of each year. Loan terms mention that it is fully repayable by 31 December 2022 and the loan repayment date may be extended by another one year at the sole discretion of the Holding Company.

In April 2022, Holding Company and Group entered into an Amendment and Restatement Agreement by which the repayment date under the existing Shareholder loan was deferred to 31 December 2023 and the facility size was increased by USD 400,000 thousand, thereby reaching the amount of USD 1,250,000 thousand.

On 23 October 2022, the Holding Company and the Group entered into a Second Amendment and Restatement Agreement by which the repayment date under the existing Shareholder loan shall be deferred to 31 December 2024 and the facility size was increased by USD 1,050,000 thousand, reaching the amount of USD 2,300,000 thousand. On 25 October 2022, the Group further drew down USD 1,300,000 thousand (AED: 4,774,250 thousand) for a business acquisition.

As at 31 December 2022, the Group has drawn USD 1,900,000 thousand (AED: 6,977,750 thousand) from the facility (December 2021: USD 600,000 thousand i.e., AED 2,203,500 thousand).

The Group's significant bank balances with Abu Dhabi Government and other entities controlled, jointly controlled or significantly influenced by the Abu Dhabi Government are as follows:

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Bank balances	**115,965**	367,337	**425,881**	1,349,045

During the previous year, the Group's ultimate Holding Company recharged AED 333,888 thousand towards UAE national employees' pension charges. These charges relate to the differential amount paid by the Holding Company to Abu Dhabi Retirement Pensions and Benefits Fund for services of employees taken over by the Group on its formation and till the period ending 31 December 2019. AED 131,266 thousand of this liability is payable from 2024 to 2025 and accordingly as at 31 December 2022 (AED 195,288 thousand as at 31 December 2021) is disclosed as a non-current liability.

Related parties sub-lease receivables and lease liabilities are disclosed in note 12.

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Key management compensation				
Short-term benefits	**1,348**	1,072	**4,949**	3,937

25 BANK GUARANTEES, CONTINGENCIES AND COMMITMENTS

(a) Bank guarantees:
At 31 December 2022, the Group had bank guarantees issued by the bank and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to USD 2,999 thousand or AED 11,012 thousand (2021: USD 118 thousand or AED 434 thousand).

25 BANK GUARANTEES, CONTINGENCIES AND COMMITMENTS (continued)

(b) Capital commitments:
At 31 December 2022, the Group's capital commitments amount to USD 1,371,929 thousand or AED 5,038,409 thousand (2021: USD 521,869 thousand or AED 1,916,564 thousand).

(c) Purchases commitments:
At 31 December 2022, the Group's purchases commitments amount to USD 86,275 thousand or AED 316,845 thousand (2021: USD 11,889 thousand or AED 43,663 thousand).

(d) Contingencies:
The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group’s financial statements if concluded unfavorably.

26 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management programme of the Group seeks to minimise potential adverse effects of these risks on their financial performance.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group’s risk management framework. The Board of Directors are responsible for developing and monitoring the Group’s risk management policies.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group’s Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group’s principal financial liabilities consist of trade and other payables, amounts due to related parties, shareholder loan and lease liabilities. The main purpose of the financial liabilities is to raise finance for the Group’s operations. The Group has various financial assets such as trade and other receivables, bank balances and amounts due from related parties, which arise directly from its operations.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group’s trade and other receivables, related party and bank balances. The Group has adopted a policy of dealing only with creditworthy counterparties. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counter-parties.

The average credit period on sale of goods or services is 30-60 days. No interest is charged on trade and other receivables. The bank balances are maintained with commercial banks. The credit risk on liquid funds is limited because the counterparties are reputable banks closely monitored by the regulatory bodies.

26 FINANCIAL RISK MANAGEMENT AND OBJECTIVESM (continued)

Credit risk management (continued)

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations, generally approximates their carrying value. Advances to suppliers, other receivables and balances with banks are not secured by any collateral.

The Group's bank balances are currently held in banks rated minimum A by Fitch.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Other financial assets do not have a material expected credit loss, and the loss allowance considered during the year was limited to 12 months expected losses. As such, no loss allowance was made for such financial assets as at 31 December 2022 and 2021.

Market risk management

Foreign currency risk

The Group has no significant currency risk exposure from its operations as the Group's majority of transactions are in UAE Dirham or US Dollars. The UAE Dirham is pegged to the US Dollar hence balances in US Dollars are not considered to represent a significant risk.

Price risk

The Group has no significant direct exposure to commodity price risk. Reduction in oil prices may lead to reduction in the level of future logistics services procured by customers who have significant exposure to oil and gas prices.

Cash flow and fair value interest rate risk

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit.

	2022	*2021*	***2022***	*2021*
	USD'000	*USD'000*	***AED'000***	*AED'000*
Effect of increase of 100 basis points on Group's profit	**(9,620)**	(3,150)	(35,330)	(11,560)
Effect of decrease of 100 basis points on Group's profit	**9,620**	3,150	**35,330**	11,560

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 on demand to meet expected operational expenses for a short-term period, 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 limits its liquidity risk by ensuring adequate cash available from its operations and from support of the shareholders. The table below summarises the maturity profile of the Group's financial liabilities. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

26 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Liquidity risk management (continued)

	On demand USD '000	*Less than 3 months USD '000*	*3 to 12 months USD '000*	*1 to 5 years USD '000*	*> 5 years USD '000*	*Total USD '000*
31 December 2022						
Trade payables	-	62,060	-	-	-	62,060
Due to related parties	-	108,858	18,952	37,903	-	165,713
Lease liabilities	-	4,618	16,260	36,052	76,937	133,867
Shareholder loan	-	-	123,500	2,023,500	-	2,147,000
Other payables (non-current)	-	-	-	71,254	-	71,254
Other payables, accrued and capital expenses	-	395,494	-	-	-	395,494
Total	**-**	**571,030**	**158,712**	**2,168,709**	**76,937**	**2,975,388**
31 December 2021						
Trade payables	-	19,152	-	-	-	19,152
Due to related parties	-	162,936	18,952	56,855	-	238,743
Lease liabilities	-	5,604	6,488	22,809	37,349	72,250
Shareholder loan	-	-	15,000	615,000	-	630,000
Other payables, accrued and capital expenses	-	207,969	-	-	-	207,969
Total	-	395,661	40,440	694,664	37,349	1,168,114

	On demand AED '000	*Less than 3 months AED '000*	*3 to 12 months AED '000*	*1 to 5 years AED '000*	*> 5 years AED '000*	*Total AED '000*
31 December 2022						
Trade payables	-	227,914	-	-	-	227,914
Due to related parties	-	399,781	69,600	139,200	-	608,581
Lease liabilities	-	16,961	59,715	132,401	282,552	491,629
Shareholder loan	-	-	453,554	7,431,305	-	7,884,859
Other payables (non-current)	-	-	-	261,681	-	261,681
Other payables, accrued and capital expenses	-	1,452,452	-	-	-	1,452,452
Total	**-**	**2,097,108**	**582,869**	**7,964,587**	**282,552**	**10,927,116**
31 December 2021						
Trade payables	-	70,341	-	-	-	70,341
Due to related parties	-	598,382	69,600	208,801	-	876,783
Lease liabilities	-	20,580	23,826	83,765	137,166	265,337
Shareholder loan	-	-	55,088	2,258,588	-	2,313,676
Other payables, accrued and capital expenses	-	763,763	-	-	-	763,763
Total	-	1,453,066	148,514	2,551,154	137,166	4,289,900

26 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it to ensure that it will be able to continue as a going concern. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. Equity comprises share capital, general reserve, retained earnings and shareholder contribution, and is measured at USD 1,800,290 thousand or AED 6,611,565 thousand as at 31 December 2022 (2021: USD 1,529,079 thousand or AED 5,615,543 thousand).

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total equity plus net debt. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity as shown in the statement of financial position plus net debt.

The gearing ratio, determined as net debt to net debt plus equity, at the year-end was as follows:

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Debt	**1,900,000**	600,000	**6,977,750**	2,203,500
Cash and cash equivalents	**(164,933)**	(368,447)	**(605,717)**	(1,353,121)
Net debt	**1,735,067**	231,553	**6,372,033**	850,379

	2022 USD'000	*2021 USD'000*	***2022 AED'000***	*2021 AED'000*
Net debt	**1,735,067**	231,553	**6,372,033**	850,379
Equity	**1,800,290**	1,529,079	**6,611,565**	5,615,543
Net debt plus equity	**3,535,357**	1,760,632	**12,983,598**	6,465,922
Gearing ratio	**49.1%**	13.2%	**49.1%**	13.2%

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. As at 31 December 2022 and 2021, the Group considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

28 OPERATING SEGMENTS

Information regarding the Group's operating segments is set out below in accordance with IFRS 8, 'Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, as the chief operating decision maker (CODM), in order to allocate resources to the segment and to assess its performance.

The Group's strategic steering committee, consisting of the Chief Executive Officer, the Chief Financial Officer and the Senior Vice President of Strategy, examines the group's performance both from a product/service perspective. The operating segments are identified based on the nature of different services provided and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

In the current year, management has changed the manner in which the business is segmented and the level of reporting provided to the CODM. The CODM primarily uses EBITDA to monitor the performance of the business. Accordingly, the 2021 comparative segments have been restated to illustrate the revised structure in a consistent manner. For management purposes, the Group is organised into six operating segments and five reportable segments. These are referred to as "business units" as follows:

Shipping:

Shipping comprises the following reportable segments: (i) tankers; (ii) gas carriers and ship management services; and (iii) dry bulk shipping.

Integrated Logistics:

Integrated logistics comprise two operating segments, offshore and onshore logistics services, which are aggregated into one reportable segment which also includes charter hire of offshore support vessels and barges.

Marine Services:

Marine services reportable segment comprises petroleum port operations and oil spill services.

Others:

One off items and COVID-19 related expenses are classified under Others by management to facilitate better understanding of the business and to ensure proper decision making. Finance income, finance costs, provision for expected credit losses, other income and other expenses which are largely non-operational costs are recorded under this segment to facilitate better decisions.

28 OPERATING SEGMENTS (continued)

The following schedules illustrates the Group's activities according to the operating segments for the year ended 31 December 2022 in USD'000s:

2022	**Tankers**	**Gas carriers**	**Dry-bulk shipping**	**Integrated logistics**	**Marine services**	**Others**	**Total**
Revenues	334,570	169,117	358,128	923,015	167,343	-	**1,952,173**
Direct costs	(265,373)	(100,898)	(263,859)	(768,155)	(138,778)	-	**(1,537,063)**
COVID - 19 costs *	-	-	-	-	-	(5,962)	**(5,962)**
Gross profit / (loss)	**69,197**	**68,219**	**94,269**	**154,860**	**28,565**	**(5,962)**	**409,148**
General and administrative expenses	(11,972)	(7,517)	(10,045)	(57,838)	(18,232)	-	**(105,604)**
Provision for expected credit losses, net *	-	-	-	-	-	(5,880)	**(5,880)**
Other expenses	-	-	-	(2,380)	-	(1,412)	**(3,792)**
Other income	-	-	-	1,000	-	3	**1,003**
Operating profit / (loss)	**57,225**	**60,702**	**84,224**	**95,642**	**10,333**	**(13,251)**	**294,875**
Share of profit from joint venture *	-	2,026	-	-	-	-	**2,026**
Finance income	-	-	-	1,241	-	2,476	**3,717**
Finance costs	(7)	-	-	(4,686)	-	(33,782)	**(38,475)**
Profit / (loss) before tax for the year *	**57,218**	**62,728**	**84,224**	**92,196**	**10,333**	**(44,556)**	**262,143**
Income tax *	-	-	-	(1,350)	-	-	**(1,350)**
Profit / (loss) for the year *	**57,218**	**62,728**	**84,224**	**90,846**	**10,333**	**(44,556)**	**260,793**
Depreciation and amortisation in direct costs	35,269	23,563	10,000	63,804	15,255	-	**147,891**
Depreciation and amortisation in general and administrative expenses	986	619	827	4,578	1,501	-	**8,511**
Income tax	-	-	-	1,350	-	-	**1,350**
Finance income	-	-	-	(1,241)	-	(2,476)	**(3,717)**
Finance costs	7	-	-	4,686	-	33,782	**38,475**
EBITDA	**93,480**	**86,910**	**95,051**	**164,024**	**27,089**	**(13,250)**	**453,303**

28 OPERATING SEGMENTS (continued)

The following schedules illustrates the Group's activities according to the operating segments for the year ended 31 December 2022 in AED'000s:

2022	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Others	Total
Revenues	1,228,709	621,083	1,315,225	3,389,771	614,566	-	**7,169,354**
Direct costs	(974,581)	(370,548)	(969,021)	(2,821,054)	(509,661)	-	**(5,644,865)**
COVID - 19 costs *	-	-	-	-	-	(21,894)	**(21,894)**
Gross profit / (loss)	**254,128**	**250,535**	**346,204**	**568,717**	**104,905**	**(21,894)**	**1,502,595**
General and administrative expenses	(43,968)	(27,607)	(36,892)	(212,405)	(66,958)	-	**(387,830)**
Provision for expected credit losses, net *	-	-	-	-	-	(21,595)	**(21,595)**
Other expenses	-	-	-	(8,742)	-	(5,184)	**(13,926)**
Other income	-	-	-	3,672	-	13	**3,685**
Operating profit / (loss)	**210,160**	**222,928**	**309,312**	**351,242**	**37,947**	**(48,660)**	**1,082,929**
Share of profit from joint venture *	-	7,441	-	-	-	-	**7,441**
Finance income	-	-	-	4,556	-	9,094	**13,650**
Finance costs	(26)	-	-	(17,208)	-	(124,066)	**(141,300)**
Profit / (loss) before tax for the year*	**210,134**	**230,369**	**309,312**	**338,590**	**37,947**	**(163,632)**	**962,720**
Income tax *	-	-	-	(4,959)	-	-	**(4,959)**
Profit / (loss) for the year *	**210,134**	**230,369**	**309,312**	**333,631**	**37,947**	**(163,632)**	**957,761**
Depreciation and amortisation in direct costs	129,524	86,535	36,726	234,318	56,025		**543,128**
Depreciation and amortization in general and administrative expenses	3,621	2,273	3,038	16,810	5,514		**31,256**
Income tax	-	-	-	4,959	-	-	**4,959**
Finance income	-	-	-	(4,556)	-	(9,094)	**(13,650)**
Finance costs	26	-	-	17,208	-	124,066	**141,300**
EBITDA	**343,305**	**319,177**	**349,076**	**602,370**	**99,486**	**(48,660)**	**1,664,754**

28 OPERATING SEGMENTS (continued)

The following schedules illustrates the Group's activities according to the operating segments for the year ended 31 December 2021 in USD'000s:

2021	**Tankers**	**Gas carriers**	**Dry-bulk shipping**	**Integrated logistics**	**Marine services**	**Others**	**Total**
Revenues	158,100	136,770	294,861	428,616	172,456	-	**1,190,803**
Direct costs	(191,034)	(86,992)	(216,846)	(324,891)	(133,343)	-	**(953,106)**
COVID - 19 costs *	-	-	-	-	-	(11,097)	**(11,097)**
Gross profit / (loss)	**(32,934)**	**49,778**	**78,015**	**103,725**	**39,113**	**(11,097)**	**226,600**
General and administrative expenses	(9,815)	(8,301)	(10,202)	(37,927)	(17,229)	-	**(83,474)**
Pension adjustment	-	-	-	-	-	(90,916)	**(90,916)**
Reversal of provision for expected credit losses *	-	-	-	-	-	5,565	**5,565**
Other expenses	-	-	-	-	-	(1,196)	**(1,196)**
Other income	-	-	-	2,470	-	974	**3,444**
Operating (loss) / profit *	**(42,749)**	**41,477**	**67,813**	**68,268**	**21,884**	**(96,670)**	**60,023**
Share of profit from joint venture *	-	1,062	-	-	-	-	**1,062**
Finance income	-	-	-	1,373	-	266	**1,639**
Finance costs	-	-	(7)	(2,998)	-	(4,915)	**(7,920)**
(Loss) / profit for the year *	**(42,749)**	**42,539**	**67,806**	**66,643**	**21,884**	**(101,319)**	**54,804**
Depreciation and amortisation in direct costs	27,293	19,213	9,843	32,732	12,976	-	**102,057**
Depreciation and amortisation in general and administrative expenses	606	512	630	2,341	1,063	-	**5,152**
Finance income	-	-	-	(1,373)	-	(266)	**(1,639)**
Finance costs	-	-	7	2,998	-	4,915	**7,920**
EBITDA	**(14,850)**	**62,264**	**78,286**	**103,341**	**35,923**	**(96,670)**	**168,294**

28 OPERATING SEGMENTS (continued)

The following schedules illustrates the Group's activities according to the operating segments for the year ended 31 December 2021 in AED'000s:

2021	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Others	Total
Revenues	580,622	502,289	1,082,876	1,574,090	633,346	-	**4,373,223**
Direct costs	(701,572)	(319,479)	(796,367)	(1,193,157)	(489,704)	-	**(3,500,279)**
COVID - 19 costs *	-	-	-	-	-	(40,755)	**(40,755)**
Gross profit / (loss)	**(120,950)**	**182,810**	**286,509**	**380,933**	**143,642**	**(40,755)**	**832,189**
General and administrative expenses	(36,044)	(30,485)	(37,467)	(139,287)	(63,275)	-	**(306,558)**
Pension adjustment	-	-	-	-	-	(333,888)	**(333,888)**
Reversal of provision for expected credit losses *	-	-	-	-	-	20,439	**20,439**
Other expenses	-	-	-	-	-	(4,396)	**(4,396)**
Other income	-	-	-	9,070	-	3,577	**12,647**
Operating (loss) / profit *	**(156,994)**	**152,325**	**249,042**	**250,716**	**80,367**	**(355,023)**	**220,433**
Share of profit from joint venture *	-	3,900	-	-	-	-	**3,900**
Finance income	-	-	-	5,043	-	977	**6,020**
Finance costs	-	-	(25)	(11,010)	-	(18,051)	**(29,086)**
(Loss) / profit for the year *	**(156,994)**	**156,225**	**249,017**	**244,749**	**80,367**	**(372,097)**	**201,267**
Depreciation and amortisation in direct costs	100,232	70,559	36,148	120,207	47,656	-	**374,802**
Depreciation and amortisation in general and administrative expenses	2,224	1,881	2,312	8,596	3,905	-	**18,918**
Finance income	-	-	-	(5,043)	-	(977)	**(6,020)**
Finance costs	-	-	25	11,010	-	18,051	**29,086**
EBITDA	**(54,538)**	**228,665**	**287,502**	**379,519**	**131,928**	**(355,023)**	**618,053**

The Group's largest customers are related entities within the ADNOC Group (Refer to Note 24). The Group's vessels are deployed throughout the world and are not concentrated in certain geographical areas. The Group's management does not consider the geographical distribution of the group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed. All operating segment results are reviewed regularly by the Group's management to make decisions about resources to be allocated to the segment and assess their performance.

The following tables represents segment assets for the Group's operating segments as reviewed by the management in USD'000s:

2022	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
Property, plant & equipment *	1,052,148	125,168	167,505	1,667,172	139,391	**3,151,384**
Investment properties *	-	-	-	99,757	-	**99,757**

2021	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
Property, plant & equipment *	980,467	116,641	156,093	368,425	30,804	**1,652,430**
Investment properties *	-	-	-	30,268	-	**30,268**

28 OPERATING SEGMENTS (continued)

The following tables represents segment assets for the Group's operating segments as reviewed by the management in AED'000s:

2022	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
Property, plant & equipment *	3,864,015	459,681	615,162	6,122,683	511,914	**11,573,455**
Investment properties *	-	-	-	366,357	-	**366,357**

2021	Tankers	Gas carriers	Dry-bulk shipping	Integrated logistics	Marine services	Total
Property, plant & equipment *	3,600,765	428,363	573,252	1,353,041	113,127	**6,068,548**
Investment properties *	-	-	-	111,159	-	**111,159**

* These relate to additional voluntary disclosures not presented to CODM, but which are allocated on a reasonable and consistent basis to provide additional information.

29 BUSINESS COMBINATION

On 12 July 2022, shareholders of the Group approved to acquire 100% of the Share Capital of ZMI Holdings (here after referred to as ZMI) through a wholly owned subsidiary Zinc HoldCo RSC LTD, a restricted scope company duly incorporated under the laws of the Abu Dhabi Global Market with company number 7990 and whose registered office is at Floor 28, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 764652, Abu Dhabi, United Arab Emirates (the "Purchaser"). ZMI is an Abu Dhabi-based owner and operator of offshore support vessels, with the world's largest fleet of self-propelled jack-up barges.

On 1 November 2022, Zinc HoldCo RSC Limited acquired 100% of the shares of ZMI. The acquisition of ZMI will enable further strengthening of the Groups' leading position as the region's largest shipping and integrated logistics company. The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the amounts of ZMI for the period from the acquisition date. Fair values of the identifiable assets and liabilities of ZMI as at the date of acquisition are set out below:

	Fair Value on acquisition USD'000	*Fair Value on acquisition AED'000*
Assets		
Property, plant and equipment	1,365,269	5,013,952
Inventories	16,321	59,938
Trade and other receivables	112,416	412,848
Cash and cash equivalents	50,496	185,445
Total assets	**1,544,502**	**5,672,183**
Liabilities		
Employees' end of service benefits	(2,512)	(9,223)
Trade and other payables	(78,857)	(289,602)
Total liabilities	**(81,369)**	**(298,825)**
Total identifiable net assets at fair value	**1,463,133**	**5,373,358**
Goodwill arising on acquisition	**15,697**	**57,646**
Purchase consideration	**1,478,830**	**5,431,004**

29 BUSINESS COMBINATION (continued)

The fair value of acquired trade receivables is USD 112 million or AED 413 million. The gross contractual amount for trade receivables due is USD 135 million or AED 497 million, with a loss allowance of USD 23 million or AED 85 million recognised on acquisition.

As part of the SPA with the previous owners of ZMI, part of the consideration was determined to be contingent, based on the expected revenue of the acquired entity. As at 31 December 2022 and the date of acquisition, the fair value for the contingent consideration amounted to USD 149,920 thousand or AED 550,582 thousand given the revenue targets of ZMI. The purchase consideration can be analysed as follows:

	USD'000	*AED'000*
Initial consideration paid in cash	1,328,910	4,880,422
Fair value of contingent consideration	149,920	550,582
Purchase consideration	**1,478,830**	**5,431,004**

As at 31 December 2022, the Group has paid USD 62,146 thousand AED 228,233 thousand as advance towards contingent consideration. Further amounts included in the statement of financial position as at 31 December 2022 towards contingent consideration include the following:

	USD'000	*AED'000*
Included under trade and other payables (under current liabilities)	18,284	67,147
Other payables (under non-current liabilities)	69,490	255,202

ZMI Holdings contributed revenues of USD 82.4 million or AED 303 million and net profit after tax of USD 34.4 million or AED 126.2 million to the Group for the period from 1 November to 31 December 2022.

The goodwill is attributable to synergies expected to be achieved from the business combination and an increase in market share. For impairment testing, the goodwill is allocated to the Cash Generating Unit ("CGU") where the goodwill is monitored for internal management purposes. The recoverable amount of the CGU was based on its value in use determined by management. The carrying amount of this unit was determined to be lower than its recoverable amount.

Value in use was determined based on the five-year business plan approved by the management. The projected future cash flows from the continuing use of the unit are based on past experience and current rates of contractual arrangements for the initial five-year period. Beyond this period, the projected future cash flows were determined by reference to historical experience and based on market rates available for similar vessels. Both the cash inflows and outflows projected utilized a growth rate equivalent to the estimated inflation rate of 2%. These resulting cash flows were then discounted based on the Group's approved discount rate.

Key assumptions used for the CGU impairment testing are as below:

	2022
Discount rate (%)	9%

Anticipated annual revenue growth is based on latest available forecasts.

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

Sensitivity analysis

The Group has conducted an analysis of the impairment test to changes in key assumptions used to determine the recoverable amount of the CGU 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 the CGU including goodwill to materially exceed its recoverable amount.

30 OPENING BALANCE SHEET

The opening balance sheet is represented below in USD. AED is presented as a convenience translation. This is in compliance with IAS 8, 'Accounting policies, changes in accounting estimates and errors' due to the change in the presentation currency to USD in the current year.

	1 JANUARY	
	2021	*2021*
ASSETS		
Non-current assets		
Property, plant and equipment	**1,030,332**	3,783,894
Right-of-use assets	**31,943**	117,310
Intangible assets	**14,546**	53,420
Investment properties	**28,855**	105,969
Investment in a joint venture	**20,380**	74,846
Sub-lease receivables	**21,433**	78,716
Total non-current assets	**1,147,489**	4,214,155
Current assets		
Inventories	**42,734**	156,939
Trade and other receivables	**78,439**	288,067
Due from related parties	**509,970**	1,872,865
Sub-lease receivables	**6,846**	25,144
Cash and cash equivalents	**97,103**	356,610
Total current assets	**735,092**	2,699,625
TOTAL ASSETS	**1,882,581**	6,913,780
EQUITY AND LIABILITIES		
Equity		
Share capital	**272,294**	1,000,000
General reserve	**71,667**	263,194
Retained earnings	**774,357**	2,843,826
Shareholder contribution	**357,485**	1,312,865
Total equity	**1,475,803**	5,419,885
Non-current liabilities		
Lease liabilities	**41,314**	151,723
Dismantling liability	**1,233**	4,530
Employees' end of service benefits	**36,695**	134,763
Total non-current liabilities	**79,242**	291,016
Current liabilities		
Trade and other payables	**237,564**	872,455
Lease liabilities	**7,416**	27,236
Due to related parties	**82,556**	303,188
Total current liabilities	**327,536**	1,202,879
TOTAL LIABILITIES	**406,778**	1,493,895
TOTAL EQUITY AND LIABILITIES	**1,882,581**	6,913,780

31 SUBSEQUENT EVENTS

On 24 February 2023 the Board of Directors passed a resolution for the conversion of the shareholder loan amount of USD$1,900 million (or AED 6,978 million) to equity, together with the capitalisation of the shareholder contribution of USD$357 million (or AED 1,313 million) into legal share capital. The shareholder approval for the issuance of these shares and extinguishment of the shareholder loan has not yet been obtained as at the date of approval of these financial statements, pending obtaining the necessary legal approvals.