

Ittihad International Investment LLC
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF ITTIHAD INTERNATIONAL INVESTMENT LLC**

Introduction

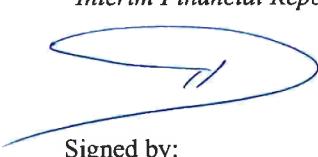
We have reviewed the accompanying interim condensed consolidated financial statements of Ittihad International Investment LLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2023, comprising of the interim condensed consolidated statement of financial position as at 30 June 2023, and the related interim condensed consolidated statements of profit or loss, and comprehensive income for the three and six month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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



Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

1 September 2023
Abu Dhabi

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED) For the three and six months periods ended 30 June 2023

Notes	Three months ended		Six months ended	
	30 June		30 June	
	(Unaudited)	2023 AED '000	2022 AED '000	2023 AED '000
Continuing operations				
Revenue	3	2,599,947	2,885,065	5,433,218
Direct costs		(2,430,882)	(2,678,732)	(5,099,304)
GROSS PROFIT		169,065	206,333	333,914
Administrative expenses		(82,506)	(109,761)	(169,421)
Provision for expected credit losses		(2,981)	(4,074)	(5,020)
OPERATING PROFIT		83,578	92,498	159,473
Other income		1,925	3,156	3,465
Net foreign exchange (loss) gain		(631)	2,309	225
Finance costs	4	(68,355)	(37,941)	(125,845)
Gain on disposal of subsidiary	2.4	2,317	-	2,317
Change in fair value of derivative financial instruments		(13,008)	(1,508)	(5,285)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		5,826	58,514	34,350
Discontinued operations				
Loss for the period from discontinued operations	10	(2,218)	(15,778)	(13,722)
PROFIT FOR THE PERIOD		3,608	42,736	20,628
Attributable to:				
<i>Equity holders of the parent company:</i>				
Continuing operations		5,909	58,514	34,354
Discontinued operations		(2,218)	(15,778)	(13,722)
		3,691	42,736	20,632
<i>Non-controlling interest:</i>				
Continuing operations		(83)	-	(4)
Discontinued operations		-	-	-
		(83)	-	(4)
3,608		42,736	20,628	72,384

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) For the three and six months periods ended 30 June 2023

	<i>Three months ended 30 June (Unaudited)</i>		<i>Six months ended 30 June (Unaudited)</i>	
	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>
	PROFIT FOR THE PERIOD	3,608	42,736	20,628
Other comprehensive (loss) income				
<i>Items that may subsequently be reclassified to profit or loss</i>				
Changes in fair value of cash flow hedges	1,797	(3,678)	512	57,287
Foreign exchange difference on translation of foreign operations	(670)	—	(6,915)	39
	1,127	(3,678)	(6,403)	57,326
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Changes in fair value of investments carried at fair value through other comprehensive income	(5,667)	(10,488)	2,544	(11,819)
Other comprehensive (loss) income for the period	(4,540)	(14,166)	(3,859)	45,507
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(932)	28,570	16,769	117,891
Attributable to:				
<i>Equity holders of the parent company:</i>				
Continuing operations	1,369	44,348	30,495	138,663
Discontinued operations	(2,218)	(15,778)	(13,722)	(20,772)
	(849)	28,570	16,773	117,891
<i>Non-controlling interest:</i>				
Continuing operations	(83)	—	(4)	—
Discontinued operations	—	—	—	—
	(83)	—	(4)	—
(932)	28,570	16,769	117,891	

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		(Unaudited) 30 June 2023	(Audited) 31 December 2022
	Notes	AED '000	AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,900,843	1,946,618
Intangible assets		48,258	36,066
Right of use assets		98,098	98,738
Goodwill		3,651	3,134
Investments carried at fair value through other comprehensive income		46,254	69,695
Amounts due from related parties	7	28,600	28,395
Accounts receivable and prepayments		28,044	39,405
Derivative financial instruments		6,663	<u>16,986</u>
		<u>2,160,411</u>	<u>2,239,037</u>
Current assets			
Inventories		1,461,536	938,424
Accounts receivable and prepayments		1,600,085	1,436,552
Amounts due from related parties	7	24,091	209,964
Derivative financial instruments		10,020	4,156
Bank balances and cash	6	755,060	<u>824,311</u>
		<u>3,850,792</u>	<u>3,413,407</u>
Disposal group held for sale	10	<u>11,916</u>	<u>16,381</u>
		<u>3,862,708</u>	<u>3,429,788</u>
TOTAL ASSETS		<u>6,023,119</u>	<u>5,668,825</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500	500
Shareholders' accounts		101,091	275,377
Statutory reserve		9,443	9,443
Retained earnings		525,210	512,166
Foreign currency translation reserve		(6,908)	7
Fair value reserve		(9,569)	(14,822)
Cash flow hedges reserve		(216)	<u>(728)</u>
Equity attributable to the owners of the Company		619,551	781,943
Non-controlling interest		<u>5,067</u>	<u>-</u>
Net equity		<u>624,618</u>	<u>781,943</u>

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) As at 30 June 2023

		<i>(Unaudited)</i> <i>30 June</i> <i>2023</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i>
	<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>
Non-current liabilities			
Warranty provisions		10,405	10,942
Term loans	9	1,475,934	1,577,815
Employees' end of service benefits		74,411	70,266
Lease liabilities		98,188	100,332
Derivative financial instruments		38,930	39,042
Other non-current liabilities		-	3,431
Bank financing facilities		-	1,240
		<u>1,697,868</u>	<u>1,803,068</u>
Current liabilities			
Term loans	9	263,678	253,183
Accounts payable and accruals		1,683,777	1,526,401
Bank financing facilities		1,684,849	1,243,844
Derivative financial instruments		8,698	7,852
Lease liabilities		6,813	5,421
Amounts due to related parties	7	4,051	1,644
Bank overdrafts	6	45,265	41,045
		<u>3,697,131</u>	<u>3,079,390</u>
Liabilities directly associated with disposal group held for sale	10	<u>3,502</u>	<u>4,424</u>
		<u>3,700,633</u>	<u>3,083,814</u>
Total liabilities		<u>5,398,501</u>	<u>4,886,882</u>
TOTAL EQUITY AND LIABILITIES		<u>6,023,119</u>	<u>5,668,825</u>



Chairman

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2023

	Attributable to equity holders of the Company									
	Share capital AED '000	Shareholders' accounts AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Cash flow hedge reserve AED '000	Foreign currency translation reserve AED '000	Total AED '000	Non-controlling interests AED '000	Net equity AED '000
Balance at 1 January 2022 (audited)	500	271,795	9,443	(1,865)	438,160	(70,061)	(39)	647,933	-	647,933
Profit for the period	-	-	-	-	72,384	-	-	72,384	-	72,384
Other comprehensive (loss) income	-	-	-	(11,819)	-	57,287	39	45,507	-	45,507
Total comprehensive (loss) income for the period	-	-	-	(11,819)	72,384	57,287	39	117,891	-	117,891
Realised loss on disposal of investments carried at fair value through other comprehensive income	-	-	-	7,689	(7,689)	-	-	-	-	-
Net movement in shareholders' accounts	-	28,376	-	-	-	-	-	28,376	-	28,376
Balance at 30 June 2022 (unaudited)	<u>500</u>	<u>300,171</u>	<u>9,443</u>	<u>(5,995)</u>	<u>502,855</u>	<u>(12,774)</u>	<u>-</u>	<u>794,200</u>	<u>-</u>	<u>794,200</u>
Balance at 1 January 2023 (audited)	500	275,377	9,443	(14,822)	512,166	(728)	7	781,943	-	781,943
Profit for the period	-	-	-	-	20,632	-	-	20,632	(4)	20,628
Other comprehensive (loss) income	-	-	-	2,544	-	512	(6,915)	(3,859)	-	(3,859)
Total comprehensive (loss) income for the period	-	-	-	2,544	20,632	512	(6,915)	16,773	(4)	16,769
Realised loss on disposal of investments carried at fair value through other comprehensive income	-	-	-	2,709	(2,709)	-	-	-	-	-
Acquisition of subsidiary (note 2.3)	-	-	-	-	-	-	-	-	5,071	5,071
Dividends declared and paid (note 14)	-	-	-	-	(4,879)	-	-	(4,879)	-	(4,879)
Net movement in shareholders' accounts	-	(174,286)	-	-	-	-	-	(174,286)	-	(174,286)
Balance at 30 June 2023 (unaudited)	<u>500</u>	<u>101,091</u>	<u>9,443</u>	<u>(9,569)</u>	<u>525,210</u>	<u>(216)</u>	<u>(6,908)</u>	<u>619,551</u>	<u>5,067</u>	<u>624,618</u>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) For the six months period ended 30 June 2023

Notes	<i>Six months ended 30 June</i>	
	2023	2022
	AED'000	AED'000
OPERATING ACTIVITIES		
Profit for the period from continuing operations	34,350	93,156
Loss for the period from discontinued operations	(13,722)	(20,772)
	20,628	72,384
Adjustments for:		
Depreciation of property, plant and equipment	76,859	69,746
Finance costs	126,714	84,617
Amortisation of intangible assets	5,680	3,797
Allowance for expected credit losses, net	14,318	6,456
Impairment loss on assets held for sale	-	11,031
Depreciation of right of use of assets	3,705	2,661
Impairment of goodwill	-	1,273
Provision for warranty	989	2,176
Provision for slow moving inventories, net	211	27
Provision for employees' end of service benefits	7,427	7,731
(Gain) on sale of property, plant and equipment	(442)	(133)
Write-off of property, plant and equipment	69	-
Gain on disposal of subsidiary	2.4 (2,317)	-
Write-off of intangible assets	19	-
Net changes in fair value of derivative financial instruments	5,285	<u>1,243</u>
	259,145	263,009
Working capital changes:		
Inventories	(523,323)	346,430
Accounts receivable and prepayments	(166,944)	(294,263)
Accounts payable and accruals	126,936	(39,099)
Amounts due from related parties	19,669	31,262
Amounts due to related parties	<u>3,407</u>	<u>47,026</u>
Cash (used in) from operations	(281,110)	354,365
Employees' end of service benefits paid	(2,896)	(3,801)
Warranty paid	-	(6,595)
Net cash flow (used in) from operating activities	(284,006)	<u>343,969</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,500)	(21,939)
Purchase of intangible assets	(320)	(13,065)
Net movement in investments carried at fair value through other comprehensive income	25,985	35,578
Proceeds from sale of property, plant and equipment	836	191
Cash outflow from disposal of a subsidiary	2.4 (65)	-
Cash paid on acquisition of subsidiary, net of cash acquired	2.3 (7,521)	-
Net cash (used in) from investing activities	(8,585)	<u>765</u>

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) For the six months period ended 30 June 2023

	<i>Six months ended 30 June</i>	
	2023 <i>AED'000</i>	2022 <i>AED'000</i>
FINANCING ACTIVITIES		
Repayment of term loans	(101,368)	(94,771)
Proceeds from term loans	6,177	-
Bank financing facilities, net	439,765	54,205
Dividends paid	14 (4,879)	-
Movement in shareholders' accounts	(3,753)	28,376
Payment of lease rentals	(9,713)	(7,736)
Settlement of interest rate swap	-	(7,473)
Finance cost paid	<u>(100,194)</u>	<u>(71,613)</u>
Net cash from (used in) financing activities	<u>226,035</u>	<u>(99,012)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(66,556)	245,722
Foreign currency translation adjustment	(6,915)	39
Cash and cash equivalents at the beginning of the period	<u>551,782</u>	<u>481,680</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>478,311</u>	<u>727,441</u>
Significant non-cash transactions excluded from the consolidated statements of cash flows are as follows:		
Due from related party settled by the shareholder (note 7)	<u>170,533</u>	=====

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

1 ACTIVITIES

Ittihad International Investment LLC (the “Company”) is a limited liability company registered in Abu Dhabi, U.A.E. on 11 September 2008.

The main activities of Ittihad International Investment LLC (the “Company”) and its subsidiaries (the “Group”) are manufacturing of papers, paperboard, ready to use printing and writing papers, tissue paper, cleaning detergent, producing and supplying copper rod, distributing straight steel bars, cut and bend services, clinker grinding, providing operation and maintenance services for infrastructure networks, water systems, sewage, treatment plants and solid municipal waste management, sales and marketing of medical equipment and apparatus, management of hospitals, technical and specialised services for maintenance and operation of medical equipment.

The registered address of the Company is P O Box 41188, Abu Dhabi, United Arab Emirates.

The Company is owned by Mr. Jawaan Awaida Suhail Awaida Al Khaili (hereinafter referred as the “Owner” or the “Shareholder”).

These interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”) for the six months period ended 30 June 2023 and were authorised for issue on 1 September 2023.

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022. In addition, results for the three month and the six month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is also the currency of primary economic environment in which the Company operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for measurement at fair value of derivative financial instruments and investments carried at fair value through other comprehensive income.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new standards and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a singled Transaction

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

UAE corporate income tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statmenets for accountning periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial period ended 30 June 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, we do not consider there to be material temporary differences on which deferred taxes should be accounted.

The Group will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to the position at subsequent reporting dates.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses, and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

2.3 ACQUISITION OF A SUBSIDIARY

Mqayes Aldeqaa Company Maintenance Co

On 5 January 2023, Solv Facilities Management LLC, a subsidiary, completed the acquisition of 70% equity interest in Mqayes Aldeqaa Company Maintenance Co (“Mqayes”) for a consideration of AED 12,348 thousand. Mqayes is based in the Kingdom of Saudi Arabia and its principal activities include municipal waste collection services, transportation of non-hazardous industrial waste. From the date of acquisition, Mqayes contributed revenue and loss to the Group amounting to AED 5,825 thousand and AED 14 thousand respectively.

Assets acquired and liabilities assumed

The provisional fair values of the identified assets and liabilities of the acquired entity as at the date of acquisition were as follows

	<i>AED'000</i>
Assets	
Property, plant and equipment	4,047
Intangible assets	17,571
Trade and other receivables	2,120
Cash and bank balances	<u>1,103</u>
Total assets	<u>24,841</u>
Liabilities	
Employees' end of service benefit	380
Lease liabilities	2,532
Trade and other payables	2,749
Due to related parties	<u>2,278</u>
Total liabilities	<u>7,939</u>
Total identifiable net assets at fair value	16,902
Proportionate share of identifiable net assets acquired	11,831
Goodwill arising on acquisition	<u>517</u>
Total purchase consideration	<u>12,348</u>
Non-controlling interest on acquisition	<u>5,071</u>

The net assets recognised are based on a provisional assessment of the fair value of identifiable assets and liabilities as at the acquisition date. Additional analysis is required to determine the acquisition date fair values of the assets and liabilities acquired. Thus, the assets and liabilities may be subsequently adjusted, with a corresponding adjustment to goodwill/intangible assets prior to the completion of 12 months from the acquisition date.

Intangible assets of AED 17,571 thousand have been recognized as a result of the acquisition comprising of the license amounting to AED 12,657 thousand, trade name amounting to AED 4,435 thousand, and customer contracts amounting to AED 479 thousand. The useful lives of the intangible assets are determined as follows:

License	22 years
Trade name	10 years
Customer contracts	2 years

Goodwill of AED 517 thousand arising from the acquisition mainly represents the value of expected synergies arising from the acquisition, which are not separately recognised.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

2.3 ACQUISITION OF A SUBSIDIARY continued

Analysis of cashflows on acquisition is as follows:

	AED'000
Cash paid for the acquisition*	8,624
Cash acquired on business combination	<u>(1,103)</u>
Net cash flows on acquisition (included in cash flows from investing activities)	<u>7,521</u>

* Purchase consideration of AED 3,724 thousand is payable in December 2023 as per the purchase agreement.

2.4 DISPOSAL OF A SUBSIDIARY

Ishtar Décor Factory L.L.C

On 1 April 2023, the Group disposed of its entire ownership interest in Ishtar Décor Factory L.L.C for a consideration of AED 300 thousand to a related party under common control.

	AED'000
Assets	
Trade and other receivables	2,802
Amount due from related parties	3
Cash and bank balances	<u>65</u>
Total assets	<u>2,870</u>
Liabilities	
Employees' end of service benefit	766
Trade and other payables	843
Amount due to related parties	<u>3,278</u>
Total liabilities	<u>4,887</u>
Net liabilities attributable to the owner	<u>(2,017)</u>
Consideration receivable	<u>300</u>
Gain on disposal	<u>2,317</u>

The net cash flow generated from the sale of the above subsidiary is as follow:

Cash received from sale	-
Cash transferred out on disposal	<u>(65)</u>
Net cash outflow	<u>(65)</u>

2.5 CHANGE IN LEGAL OWNERSHIP

During the period, the legal ownerships of Emirates Link Technology LLC ("ELT") and Ittihad Integrated Petroleum & Chemicals LLC ("IIP") were transferred to a Company owned by a related party. The beneficial ownerships of these two subsidiaries were retained by the Group through contractual arrangements. Accordingly, these two subsidiaries continued to be consolidated by the Group.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

2.5 CHANGE IN LEGAL OWNERSHIP continued

summarized financial information about the subsidiaries are as follows:

	<i>ELT</i> <i>AED'000</i>	<i>IIP</i> <i>AED'000</i>
Total assets	20,519	3,777
Total liabilities	12,062	210
Revenue	16,038	-
Profit for the period	934	6

3 REVENUE

Set out below is a disaggregation of the Group's revenue from contracts with customers:

3.1 Type of revenue

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>
Sale of industrial products (copper, cement, tissue, Detergents, steel, paper)	2,387,216	2,690,394	5,017,356	5,134,144
Waste collection and cleaning	60,350	53,696	115,441	107,122
Sale of medical equipment and pharmaceutical products	47,095	48,094	97,353	79,830
Operation and maintenance of sewerage network and related services	53,569	47,430	101,953	91,932
Medical services	31,103	32,134	66,027	68,276
Fitout, furniture and interior design	11,053	6,944	16,667	11,780
Landscaping services	2,560	848	4,579	1,034
Others	7,001	5,525	13,842	8,792
	<u>2,599,947</u>	<u>2,885,065</u>	<u>5,433,218</u>	<u>5,502,910</u>

3.2 Timing of revenue recognition

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>
Revenue recognized at a point in time	2,506,138	2,787,089	5,199,467	5,268,110
Revenue recognized over time	93,809	97,976	233,751	234,800
	<u>2,599,947</u>	<u>2,885,065</u>	<u>5,433,218</u>	<u>5,502,910</u>

3.3 Geographical markets

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2023</i> <i>AED '000</i>	<i>(Unaudited)</i> <i>2022</i> <i>AED '000</i>
Within UAE	750,707	755,687	1,542,863	1,532,406
Outside UAE	1,849,240	2,129,378	3,890,355	3,970,504
	<u>2,599,947</u>	<u>2,885,065</u>	<u>5,433,218</u>	<u>5,502,910</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

4 FINANCE COSTS

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> <i>2023</i>	<i>(Unaudited)</i> <i>2022</i>	<i>(Unaudited)</i> <i>2023</i>	<i>(Unaudited)</i> <i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Interest on bank loans	64,412	27,482	110,798	65,080
Bank charges and commissions	1,486	8,580	10,340	15,526
Interest on lease liabilities	1,658	1,589	3,364	3,074
Interest on bank overdrafts	799	290	1,343	664
	<u>68,355</u>	<u>37,941</u>	<u>125,845</u>	<u>84,344</u>

5 PROPERTY, PLANT AND EQUIPMENT

	<i>(Unaudited)</i> <i>30 June</i>	<i>(Audited)</i> <i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>
Net carrying amount		
At the beginning of the period / year	1,946,618	2,054,800
Additions during the period / year	27,500	64,653
Assets acquired through business combination (note 2.3)	4,047	-
Disposal during the period / year	(377)	(12,598)
Write-off during the period / year	(86)	(1,455)
Transferred to intangible assets	-	(1,103)
Depreciation charged during the period / year	(76,859)	(157,679)
	<u>1,900,843</u>	<u>1,946,618</u>

6 BANK BALANCES AND CASH

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise the following interim condensed consolidated statement of financial position amounts:

	<i>(Unaudited)</i> <i>30 June</i>	<i>(Audited)</i> <i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>
Bank balances and cash	755,060	824,311
Less: term deposit*	(48,251)	(48,251)
Add: cash under assets held for sale (note 10)	417	417
Less: restricted cash**	(183,650)	(183,650)
Less: bank overdrafts	(45,265)	(41,045)
Cash and cash equivalents	<u>478,311</u>	<u>551,782</u>

Bank overdrafts carry interest at commercial rates and are secured by personal guarantees of the Owner.

* Term deposit is placed with a commercial bank, denominated in the UAE Dirham and earns interest at 4.9% per annum. The term deposit has an original maturity period of 6 months.

** At 30 June 2023, a bank deposit of AED 183,650 thousand was held as security against a term loan and accordingly, classified as restricted cash

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

7 RELATED PARTY TRANSACTIONS AND BALANCES

These represent transactions with related parties, i.e. shareholders, family members, directors and senior management of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Significant transaction with related parties carried out in the ordinary course of business, included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<i>Entities under common control</i>				
Revenue	<u>6,394</u>	<u>1,281</u>	<u>10,739</u>	<u>3,644</u>

The Group pays expenses on behalf of related parties. Such expenses are recharged to the respective related parties.

Related party balances included in the interim condensed consolidated statement of financial position are as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>
<i>Entities under common control</i>		
Amounts due from related parties:		
Emirates Link Contracting*	<u>8,054</u>	170,534
West Coast Waste Collection Co. LLC**	<u>31,659</u>	31,395
Emirates Link Maltauro***	<u>7,869</u>	31,215
Others	<u>5,109</u>	5,215
	<u>52,691</u>	<u>238,359</u>

* Amounts due from Emirates Link Contracting mainly represent funds provided by the Group and expenses paid on behalf of the related party. In June 2023, the Shareholder (Owner) settled an amount of AED 170,534 thousand due from Emirates Link Contracting against the shareholder's account.

** This represents receivable from a related party to be received in annual installments of AED 3,000 thousand with an interest rate of 12-month EIBOR plus 3% per annum.

*** This represents balance receivable in respect of sales to the related party in the ordinary course of business.

Amount due from related parties are expected, on the basis of past experience, to be fully recoverable.

Balances due from related parties are disclosed in the interim condensed consolidated statement of financial position as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>
	<i>AED '000</i>	<i>AED '000</i>
Non-current portion	<u>28,600</u>	28,395
Current portion	<u>24,091</u>	209,964
	<u>52,691</u>	<u>238,359</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

7 RELATED PARTY TRANSACTIONS AND BALANCES continued

	(Unaudited) 30 June 2023 AED '000	(Audited) 31 December 2022 AED '000
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Amounts due to related parties:

Others	<u>4,051</u>	<u>1,644</u>
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Other balances with related parties

Other balances with a related party, under common Directorship that is disclosed in the interim condensed consolidated statement of financial position as follows:

	(Unaudited) 30 June 2023 AED '000	(Audited) 31 December 2022 AED '000
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Current assets:

Bank balance	7,841	8,330
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Non-current liabilities:

Bank loans	113,386	121,920
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Current liabilities:

Bank financing facilities	238,738	241,050
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During the period, the Group disposed of its entire ownership interest in Ishtar Décor Factory L.L.C for a consideration of AED 300 thousand to two entities owned by the shareholder (owner) (note 2.4).

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	(Unaudited) 2023 AED '000	(Unaudited) 2022 AED '000	(Unaudited) 2023 AED '000	(Unaudited) 2022 AED '000
	5,694	4,317	12,714	11,933
Short-term benefits	<u>4,543</u>	<u>3,664</u>	<u>5,911</u>	<u>5,007</u>
Employees' end of service benefits	<u>10,237</u>	<u>7,981</u>	<u>18,625</u>	<u>16,940</u>

8 SHARE CAPITAL

	(Unaudited) 30 June 2023 AED '000	(Audited) 31 December 2022 AED '000
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Authorised issued and fully paid

500 shares of AED 1,000 each (31 December 2022: 500 shares of AED 1,000 each)	<u>500</u>	<u>500</u>
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Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

9 TERM LOANS

	(Unaudited) 30 June 2023 AED '000	(Audited) 31 December 2022 AED '000
Term loans	1,772,758	1,867,950
Unamortised transaction costs	<u>(33,146)</u>	<u>(36,952)</u>
	<u>1,739,612</u>	<u>1,830,998</u>

Disclosed in the interim condensed consolidated statement of financial position as follows:

	(Unaudited) 30 June 2023 AED '000	(Audited) 31 December 2022 AED '000
Current	263,678	253,183
Non-current	<u>1,475,934</u>	<u>1,577,815</u>
	<u>1,739,612</u>	<u>1,830,998</u>

During the year ended 31 December 2022, the Group requested waivers from the respective banks with respect to the breach of covenants of certain term loans. Such waivers were granted by the respective banks before 31 December 2022.

During the period, the Group requested waiver from the respective banks in relation to the breach of covenants of certain term loans. Such waivers were granted by the respective banks before 30 June 2023.

10 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2022, the shareholders resolved to discontinue the operations of its subsidiaries, Ishtar Décor LLC and Ishtar Décor Factory LLC. In 2020, the shareholders resolved to discontinue the operations of a subsidiary, Al Ain National Precast Technology LLC, and its assets and liabilities were classified as 'Disposal group held-for-sale' in accordance with IFRS 5 *Non-current Assets Held For Sale And Discontinued Operations*.

On 1 April 2023, Ishtar Décor Factory L.L.C was sold to a related party under common control (note 2.4)

The results and cashflows of the subsidiaries are presented as discounted operations in the interim condensed consolidated statement of profit or loss in accordance with IFRS 5.

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	(Unaudited) 2023 AED '000	(Unaudited) 2022 AED '000	(Unaudited) 2023 AED '000	(Unaudited) 2022 AED '000
	107	24	951	24
Revenue	<u>(128)</u>	<u>(1,564)</u>	<u>(1,958)</u>	<u>(3,032)</u>
Direct cost				
Gross loss	(21)	(1,540)	(1,007)	(3,008)
General and administrative expense	(1,413)	(14,165)	(2,720)	(17,263)
Provision for expected credit losses	-	-	(9,298)	-
Finance costs	(795)	(119)	(869)	(273)
Other income / expense	<u>11</u>	<u>46</u>	<u>172</u>	<u>(228)</u>
Loss for the period from discontinued operations	<u>(2,218)</u>	<u>(15,778)</u>	<u>(13,722)</u>	<u>(20,772)</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

10 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS continued

The net cash flows incurred by the disposal group held for sale, were as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>(Unaudited) 2023</i>	<i>(Unaudited) 2022</i>	<i>(Unaudited) 2023</i>	<i>(Unaudited) 2022</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Operating	795	(68)	869	(2,460)
Investing	-	-	-	2,353
Financing	<u>(795)</u>	<u>-</u>	<u>(869)</u>	<u>-</u>
Gross loss	<u>=</u>	<u>(68)</u>	<u>=</u>	<u>(107)</u>

The assets and liabilities of a subsidiary, Al Ain National Precast Technology LLC, classified as disposal group held for sale in accordance with IFRS 5 comprise of the following:

	<i>(Unaudited) 30 June 2023</i>	<i>(Audited) 31 December 2022</i>
	<i>AED'000</i>	<i>AED'000</i>
Assets		
Property, plant and equipment	-	12
Inventories	-	20
Accounts receivable and prepayments	11,499	15,736
Amounts due from related parties	-	196
Bank balances and cash	<u>417</u>	<u>417</u>
Disposal group held for sale	<u>11,916</u>	<u>16,381</u>
Liabilities		
Accounts payable and accruals	(3,416)	(4,338)
Amounts due to related parties	<u>(86)</u>	<u>(86)</u>
Liabilities directly associated with disposal group held for sale	<u>(3,502)</u>	<u>(4,424)</u>
Net assets directly associated with disposal group	<u>8,414</u>	<u>11,957</u>

11 SEGMENT ANALYSIS

Segments were identified based on the Group's internal reporting and how the Chief Operating Decision Makers ("CODM") assesses the performance of the business. The Group has four reportable segments listed below:

Consumer goods

These include manufacturing of papers, paperboard, ready to use printing and writing papers, tissue paper manufacturing , manufacturing & supply of cleaning detergent.

Infrastructure and building material

These include providing premium copper rods, straight steel bars and high-quality cement in addition to trading of timber, plywood and couplers.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

11 SEGMENT ANALYSIS continued

Business services

These include providing operations and maintenance services for infrastructure networks, water systems, sewage, treatment plants and solid municipal waste management, procurement, operation and maintenance of government hospitals.

Healthcare and others

These include sales and marketing of medical equipment and apparatus, brokerage services and fit-out works.

Interest bearing loans and borrowings and Islamic loans except for the subsidiaries with project financing arrangements and bank overdrafts are managed on a group basis and are not allocated to operating segments.

Inter-segment transactions are on an arm's-length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

The Chief Operating Decision Makers (CODM) monitor the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

11 SEGMENT ANALYSIS continued

For the six-month period ended:

	Consumer goods AED'000	Infrastructure and building material AED'000	Business services AED'000	Health care and others AED'000	Adjustments eliminations and unallocated AED'000	Total from continuing operations AED'000	Discontinued operations AED'000	Total AED'000
30 June 2023								
Revenue from external customers	996,044	4,021,312	295,472	119,390	1,000	5,433,218	951	5,434,169
Inter-segment revenue	-	-	-	33,637	(33,637)	-	-	-
Direct costs	(868,154)	(3,913,818)	(222,755)	(129,890)	35,313	(5,099,304)	(1,958)	(5,101,262)
Gross profit	127,890	107,494	72,717	23,137	2,676	333,914	(1,007)	332,907
Administrative expenses	(50,778)	(38,402)	(37,002)	(22,615)	(20,624)	(169,421)	(2,720)	(172,141)
(Provision) reversal of provision for expected credit losses	(1,118)	(4,960)	638	420	-	(5,020)	(9,298)	(14,318)
Other income	651	455	2,327	32	-	3,465	172	3,637
Net foreign exchange gain	(247)	(109)	(24)	50	555	225	-	225
Finance costs	(44,030)	(26,847)	(5,488)	(5,199)	(44,281)	(125,845)	(869)	(126,714)
Gain on disposal of a subsidiary	-	-	-	-	2,317	2,317	-	2,317
Change in fair value of derivative financial instruments	-	-	-	-	(5,285)	(5,285)	-	(5,285)
Profit (loss) for the period	<u>32,368</u>	<u>37,631</u>	<u>33,168</u>	<u>(4,175)</u>	<u>(64,642)</u>	<u>34,350</u>	<u>(13,722)</u>	<u>20,628</u>
30 June 2023								
Total assets	2,559,453	2,151,808	446,292	487,356	366,294	6,011,203	11,916	6,023,119
Total liabilities	1,595,059	1,616,312	295,485	392,209	1,495,934	5,394,999	3,502	5,398,501

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

11 SEGMENT ANALYSIS continued

For the three-month period ended:

	Consumer goods AED'000	Infrastructure and building material AED'000	Business services AED'000	Health care and others AED'000	Adjustments eliminations and unallocated AED'000	Total from continuing operations AED'000	Discontinued operations AED'000	Total AED'000
30 June 2023								
Revenue from external customers	451,970	1,935,245	150,211	61,947	574	2,599,947	107	2,600,054
Inter-segment revenue	-	-	-	17,225	(17,225)	-	-	-
Direct costs	(386,451)	(1,879,965)	(112,708)	(66,827)	15,069	(2,430,882)	(128)	(2,431,010)
Gross profit	65,519	55,280	37,503	12,345	(1,582)	169,065	(21)	169,044
Administrative expenses	(25,161)	(18,256)	(18,588)	(12,062)	(8,439)	(82,506)	(1,413)	(83,919)
(Provision) reversal of provision for expected credit losses	(278)	(3,420)	717	-	-	(2,981)	-	(2,981)
Other income	189	135	1,655	(20)	(34)	1,925	11	1,936
Net foreign exchange gain	(247)	(109)	(24)	50	(301)	(631)	-	(631)
Finance costs	(25,092)	(16,529)	(2,682)	(2,853)	(21,199)	(68,355)	(795)	(69,150)
Gain on disposal of a subsidiary	-	-	-	-	2,317	2,317	-	2,317
Change in fair value of derivative financial instruments	-	-	-	-	(13,008)	(13,008)	-	(13,008)
Profit (loss) for the period	14,930	17,101	18,581	(2,540)	(42,246)	5,826	(2,218)	3,608

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

11 SEGMENT ANALYSIS continued

For the six-month period ended:

	Consumer goods AED'000	Infrastructure and building material AED'000	Business services AED'000	Health care and others AED'000	Adjustments eliminations and unallocated AED'000	Total from continuing operations AED'000	Discontinued operations AED'000	Total AED'000
30 June 2022								
Revenue from external customers	1,030,820	4,103,324	272,202	95,606	958	5,502,910	24	5,502,934
Inter-segment revenue	-	-	-	35,482	(35,482)	-	-	-
Direct costs	(812,835)	(4,023,438)	(213,381)	(114,012)	38,287	(5,125,379)	(3,032)	(5,128,411)
Gross profit	217,985	79,886	58,821	17,076	3,763	377,531	(3,008)	374,523
Administrative expenses	(73,635)	(46,708)	(38,047)	(20,877)	(21,829)	(201,096)	(17,263)	(218,359)
Provision for expected credit losses	(4,115)	(2,710)	(167)	(43)	-	(7,035)	-	(7,035)
Other income / expense	1,635	1,841	3,624	377	(43)	7,434	(230)	7,204
Net foreign exchange gain	(1,408)	(50)	45	244	3,078	1,909	2	1,911
Finance costs	(32,035)	(7,388)	(4,840)	(2,949)	(37,132)	(84,344)	(273)	(84,617)
Change in fair value of derivative financial instruments	-	-	-	-	(1,243)	(1,243)	-	(1,243)
Net income (loss)	<u>108,427</u>	<u>24,871</u>	<u>19,436</u>	<u>(6,172)</u>	<u>(53,406)</u>	<u>93,156</u>	<u>(20,772)</u>	<u>72,384</u>
31 December 2022								
Total assets	<u>2,552,608</u>	<u>1,637,692</u>	<u>415,930</u>	<u>516,933</u>	<u>529,281</u>	<u>5,652,444</u>	<u>16,381</u>	<u>5,668,825</u>
Total liabilities	<u>1,621,674</u>	<u>1,108,519</u>	<u>300,546</u>	<u>386,091</u>	<u>1,465,628</u>	<u>4,882,458</u>	<u>4,424</u>	<u>4,886,882</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

11 SEGMENT ANALYSIS continued

For the three-month period ended:

	Consumer goods AED'000	Infrastructure and building material AED'000	Business services AED'000	Health care and others AED'000	Adjustments eliminations and unallocated AED'000	Total from continuing operations AED'000	Discontinued operations AED'000	Total AED'000
30 June 2022								
Revenue from external customers	526,340	2,164,055	136,901	57,272	497	2,885,065	24	2,885,089
Inter-segment revenue	-	-	-	16,959	(16,959)	-	-	-
Direct costs	(399,688)	(2,122,557)	(110,769)	(64,069)	18,351	(2,678,732)	(1,564)	(2,680,296)
Gross profit	126,652	41,498	26,132	10,162	1,889	206,333	(1,540)	204,793
Administrative expenses	(42,191)	(24,153)	(18,907)	(11,085)	(13,425)	(109,761)	(14,165)	(123,926)
Provision for expected credit losses	(2,186)	(1,845)	-	(43)	-	(4,074)	-	(4,074)
Other income / expense	191	860	2,153	(17)	(31)	3,156	46	3,202
Net foreign exchange gain	(1,408)	(50)	45	244	3,478	2,309	-	2,309
Finance costs	(16,503)	(4,473)	(2,568)	(1,638)	(12,759)	(37,941)	(119)	(38,060)
Change in fair value of derivative financial instruments	-	-	-	-	(1,508)	(1,508)	-	(1,508)
Net income (loss)	<u>64,555</u>	<u>11,837</u>	<u>6,855</u>	<u>(2,377)</u>	<u>(22,356)</u>	<u>58,514</u>	<u>(15,778)</u>	<u>42,736</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2023 (UNAUDITED)

12 CONTINGENCIES AND COMMITMENTS

	(Unaudited) 30 June 2023 AED'000	(Audited) 31 December 2022 AED'000
Contingencies and commitments	<u>716,075</u>	<u>573,970</u>

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial instruments are not materially different from their carrying values at the interim condensed consolidated statement of financial position date.

For financial instruments that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (bases on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total fair value AED '000
30 June 2023				
Assets measured at fair value:				
Investments carried at FVTOCI	46,254	-	-	46,254
Derivative financial instruments	<u>—</u>	<u>16,683</u>	<u>—</u>	<u>16,683</u>
	46,254	16,683	—	62,937
Liabilities measured at fair value:				
Derivative financial instruments	<u>—</u>	<u>47,628</u>	<u>—</u>	<u>47,628</u>
31 December 2022				
Assets measured at fair value:				
Investments carried at FVTOCI	69,695	-	-	69,695
Derivative financial instruments	<u>—</u>	<u>21,142</u>	<u>—</u>	<u>21,142</u>
	<u>69,695</u>	<u>21,142</u>	<u>—</u>	<u>90,837</u>
Liabilities measured at fair value:				
Derivative financial instruments	<u>—</u>	<u>46,894</u>	<u>—</u>	<u>46,894</u>

During the period ended, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

14 DIVIDENDS

During the period, the Company declared and paid dividends amounting to AED 4,879 thousand to the owner.