



DP WORLD ANNOUNCES RESILIENT FY2023 RESULTS WITH STABLE ADJUSTED EBITDA at \$5.1 BILLION

Dubai, United Arab Emirates, 14 March 2024: DP World Limited today announces resilient financial results for the year ended 31 December 2023. On a reported basis, revenue grew by 6.6% to \$18,250 million and adjusted EBITDA³ rose by 1.9% to \$5,108 million with a healthy adjusted EBITDA margin of 28.0%.

USD million unless otherwise stated ¹	2023	2022	% change	Like-for-like at constant currency % change ²
Total Revenue	18,250	17,127	6.6%	3.1%
Share of profit from equity-accounted investees (net of tax)	164	166	(1.2%)	21.9%
Adjusted EBITDA ³	5,108	5,014	1.9%	(1.1%)
Adjusted EBITDA margin	28.0%	29.3%	(1.3%)	28.9% ⁴
EBIT	3,046	3,034	0.4%	(3.5%)
Profit for the year	1,514	1,839	(17.7%)	(16.9%)
Profit for the year attributable to owners of the Company before separately disclosed items	1,032	1,438	(28.2%)	-
Profit for the year attributable to owners of the Company after separately disclosed items	820	1,227	(33.2%)	-

Results Highlights

- Revenue increased by 6.6% to \$18,250 million
 - Revenue growth of 6.6% was supported by Drydocks World (+\$0.4 billion) and full year consolidation benefit of Imperial Logistics acquisition (+\$0.9 billion) with like-for-like growth driven mainly from our Ports & Terminals and Logistics business.
- Adjusted EBITDA increased by 1.9% to \$5,108 million
 - Adjusted EBITDA grew 1.9% and EBITDA margin for the year stood at 28.0%. Like-for-like adjusted EBITDA margin stood at 28.9%.
- Profit for the year decreased by 17.7% to \$1,514 million
 - Profit for the year decreased by 17.7% mainly due to higher finance costs.

¹ Results before separately disclosed items (BSDI) primarily excludes non-recurring items. DP World reported separately disclosed items of a \$215 million loss for the year.

² Like-for-like at constant currency normalized for consolidation of DPW Eurofos and LCIT (Thailand), new acquisitions & operations, divestments as well as the full year impact from Imperial Logistics acquisition.

³ Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation and including share of profit from equity-accounted investees (net of tax) before separately disclosed items.

⁴ Like-for-like adjusted EBITDA margin.

➤ **Robust cash generation**

- Cash generated from operating activities increased by 2.9% to \$4,579 million in 2023 (\$4,451 million in 2022).
- Leverage (Net debt to adjusted EBITDA) on a pre-IFRS16 basis increased to 3.5x (FY2022: 2.7x) due to higher net debt. On a post-IFRS16 basis, net leverage stands at 3.8x (FY2022: 3.0x).
- DP World's financial policy remains unchanged – to manage the balance sheet at below 4.0x Net Debt to EBITDA (pre IFRS 16) and to retain a strong investment grade rating.

➤ **Selective investment in key strategic growth markets**

- Capital expenditure of \$2,112 million (\$1,715 million in 2022) was invested across the existing portfolio.
- Capital expenditure budget for 2024 is approximately \$2.0 billion to be invested mainly in Jebel Ali (UAE), London Gateway (United Kingdom), Inland logistics (India), Dakar (Senegal), East Java (Indonesia), Callao (Peru) and Jeddah (Saudi Arabia).

➤ **DP World focused on driving revenue synergies and building long-term relationships with cargo owners**

- Enhanced logistics portfolio offers value-add capabilities in fast-growing markets and verticals.
- DP World aims to deliver supply chain solutions to cargo owners by leveraging its best-in-class infrastructure.
- Group is well-positioned to capitalize on the growing demand for customised solutions in the logistics industry.

➤ **Committed to transition to net zero in line with UAE 2050 Initiative**

- 13%⁵ decarbonisation in Scope 1 and Scope 2 carbon emissions
- Committed to investing more than \$500 million to reduce CO₂ emissions in the next 5 years.

Resilient 2023 Performance, Outlook Remains Uncertain

- Solid 2023 performance but outlook remains uncertain due to heightened geopolitical and macroeconomic headwinds.
- DP World remains positive on the medium to long-term outlook for global trade and is focused on delivering integrated supply chain solutions to cargo owners to drive sustainable returns.

DP World Group Chairman and CEO, Sultan Ahmed bin Sulayem, commented:

We are pleased to report stable results, with adjusted EBITDA increasing by 1.9% to \$5.1 billion. This achievement is particularly noteworthy considering the significant challenges posed by a deteriorating geopolitical landscape and challenging macroeconomic conditions. Our strategic focus on high-margin cargo, end-to-end integrated supply chain solutions, and diligent cost optimization have played a pivotal role in securing these results. Not only has this

⁵ Scope 1 and 2 carbon emissions for the base year are 3,635Kt. The base year has been updated to 2022 in line with SBTi guidance and given several structural changes to the business since 2019.

strategy proven effective during these testing times, but it also lays a solid foundation for our sustainable long-term growth and returns.

Our Logistics businesses have demonstrated resilience in this demanding economic landscape, attracting a growing number of cargo owners to our platform. The positive feedback for our end-to-end products underscores the value of our customised solutions, empowering cargo owners to conduct trade more efficiently. Strategic investments in high-growth sectors enable us to offer value-added solutions, and we remain committed to continually enhancing our logistics platform. This includes addressing supply chain inefficiencies and improving connectivity in critical trade lanes to better serve cargo owners.

Overall, we delivered a steady performance in 2023, and despite the uncertain start to 2024 with the ongoing Red Sea crisis, our portfolio has continued to demonstrate resilience. The outlook remains uncertain due to the challenging geopolitical and economic environment. Nevertheless, we anticipate our portfolio will sustain robust performance, and we maintain a positive outlook on the medium to long-term fundamentals of the industry and DP World's capacity to deliver sustainable returns consistently.

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14th March 2024, 12:00pm UAE (8:00am UK) - Conference Call

- The conference call for analysts and investors hosted by Yuvraj Narayan, Group Deputy CEO & CFO and Board Member.
- A playback of the call will be available after the conference call concludes. For the dial in details and playback details please contact investor.relations@dpworld.com.

The presentation accompanying the conference call will be available on DP World's website within the investor centre under Financial Results on <https://www.dpworld.com/investors/financials-presentations/reports> from approximately 9am UAE time.

Forward-Looking Statements

This document contains certain "forward-looking" statements reflecting, among other things, current views on our markets, activities, and prospects. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur and which may be beyond DP World's ability to control or predict (such as changing political, economic or market circumstances). Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of DP World speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except to the extent required by law, DP World does not undertake to update or revise forward-looking statements to reflect any changes in DP World's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based.

Group Chairman and CEO Statement

Resilient performance in challenging markets

2023 was marked by a multitude of challenges, including tepid growth, inflationary pressures, fluctuating interest rates, currency volatilities, and escalating geopolitical tensions. Despite these headwinds, DP World's achievement of stable earnings in such a demanding market environment reflects the unwavering dedication and expertise of our team. Our commitment to cost optimization has played a key role in safeguarding our profitability margins.

Robust performance in Ports & Terminals

DP World's container volumes increased by 3.1%, outperforming a flat market, showcasing our portfolio's resilience and strategic positioning. A strong performance in Asia Pacific, India and Middle East were the key drivers of growth, while Americas and Europe were softer due to the weaker economic environment. Encouragingly, Jebel Ali (UAE) continues to deliver a steady performance.

Our strategic focus on expanding capacity in high-margin cargo locations, coupled with investing in markets exhibiting strong supply-demand dynamics, continues to yield favourable results.

Logistics platform enhanced

Within our Logistics business, we have strategically focused on capitalising on revenue synergies and integrating cutting-edge capabilities. Our focus on cost optimisation has contributed to protecting our profitability margins.

DP World is at the forefront of streamlining supply chain operations, ensuring enhanced connectivity across emergent trade corridors. The escalating demand for custom-tailored supply chain solutions, driven by the evolving

requirements of cargo owners, positions DP World advantageously to capitalise on these emerging trends. This year, our initiative to expand our freight forwarding network to encompass over 100 geographic locales is a testament to our dedication to superior customer service excellence.

DP World has unveiled a suite of innovative products and services, including Cargoes Flow, DP World Trade Finance, and Cargoes Logistics, streamlining the trading process for cargo owners. Our dedication to the creation of intelligent and efficient platforms reaffirms our leadership ambition in the logistics solutions sector.

Marine Services: Enabling Essential Connectivity

Through our Unifeeder operations, we continue to excel in providing efficient and environmentally responsible transportation solutions, ensuring connectivity for global shipping lines and cargo owners. While profitability was impacted by freight rates returning to pre-COVID levels due to unwinding supply chain bottlenecks, strong performances from Drydocks World (UAE) have offset some of the weakness.

In recent years, we've strategically broadened our Marine Services business into new regions such as Asia, the Indian Subcontinent, the Middle East, and Latin America. This expansion has empowered us to provide enhanced services to cargo owners, thereby strengthening our global presence and capabilities.

Decarbonisation is a core focus as we transition to net zero by 2050

Decarbonization is central to our strategy as we aim for net-zero emissions by 2050, in harmony with our 'Our World, Our Future' sustainability strategy. We have achieved a 13% decarbonisation in Scope 1 and Scope 2 carbon emissions from the baseline, and over 60% of electricity sourced globally today comes from renewable energy. Through Unifeeder Group, we signed a long-term time-charter agreement for two new methanol-capable container feeder vessels, with an option for two more. In the UK, we took delivery of the first vessel in a series of two double-ended, hybrid-electric Ro-Pax ferries.

Group Deputy CEO & CFO Review

DP World has delivered a steady and resilient financial performance in 2023, with our adjusted EBITDA remaining stable at \$5,108 million, reflecting a solid adjusted EBITDA margin of 28.0%. This stability and resilience despite challenging macroeconomic landscape further demonstrates the robustness of our portfolio and business model.

Reported revenue grew by 6.6% to \$18,250 million as the Group benefitted from a strong performance by Drydocks and from the full year contribution of acquisitions while like-for-like revenue grew by 3.1% driven by Middle East, Europe and Africa with 14% growth. Our Ports & Terminals and Logistics businesses continued to deliver a solid results as our revenue synergy initiatives attract new customers. As anticipated, Marine Services experienced a softer performance as freight rates normalised.

DP World's credit rating was affirmed at BBB+ with a Stable outlook by Fitch and Baa2 with Stable Outlook by Moody's. The balance sheet was further strengthened post the year end with the c.2.5% final stake sale of Jebel Ali and closure of the Indian port platform monetisation raising a total of approximately \$900 million.

Segment Information

Asia Pacific and India

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	10,826	9,658	12.1%	5.8%
Total revenue	2,155	2,599	(17.1%)	(17.9%)
Share of profit from equity-accounted investees	113	96	17.7%	33.6%
Adjusted EBITDA	615	1,001	(38.6%)	(38.3%)
Adjusted EBITDA margin	28.5%	38.5%	(10.0%)	29.0%
Net profit after tax (before SDI)	280	678	(58.8%)	(58.1%)
Capex	188	163	(15.8%)	-

In the Asia Pacific region, the performance of India's ports and terminals remained steady. However, decline in revenue and Adjusted EBITDA were primarily attributable to the challenges with Unifeeder (Indian Subcontinent).

Overall, revenue declined by 17% on a reported basis which resulted in adjusted EBITDA of \$615 million.

We invested \$188 million in Asia Pacific & India, mainly focused on Cochin, Logistics business in India and Pusan (South Korea).

Middle East, Europe, and Africa

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	25,657	25,025	2.5%	0.6%
Total revenue	13,225	11,600	14.0%	8.7%
Share of profit from equity-accounted investees	38	56	(31.1%)	3.7%
Adjusted EBITDA	4,064	3,448	17.9%	14.1%
Adjusted EBITDA margin	30.7%	29.7%	1.0%	32.1%
Net profit after tax (before SDI)	2,728	2,154	26.6%	21.7%
Capex	1,595	1,104	(44.5%)	-

The performance in the Middle East, Europe and Africa remained solid. Strong results in the UAE aided by Drydocks World and Africa supported by robust macroeconomic factors, were partially offset by a softer performance in Europe, notably within Marine Services (Unifeeder) attributed to the reduced freight rates.

Total reported revenue increased by 14.0% to \$13,225 million mainly attributable to Drydocks World and full year consolidation of Imperial Logistics (2022: 10 months) while like-for-like revenue grew 8.7%. Adjusted EBITDA reached \$4,064 million, up 17.9% on a reported basis. EBITDA margins remained healthy at above 30%.

We invested \$1,595 million region, mainly in the UAE, P&O Ferries (UK), London Gateway (UK), Jeddah (Saudi Arabia) and Sub Saharan Africa (SSA).

Australia and Americas

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	11,024	11,410	(3.4%)	(3.4%)
Total revenue	2,870	2,929	(2.0%)	(0.6%)
Share of profit from equity-accounted investees	13	14	(12.2%)	(1.4%)
Adjusted EBITDA	938	1,005	(6.7%)	(9.3%)
Adjusted EBITDA margin	32.7%	34.3%	(1.6%)	(32.9%)
Net profit after tax (before SDI)	566	655	(13.5%)	(18.0%)
Capex	318	446	28.7%	-

In Australia and the Americas, the logistics businesses exhibited robust performance. Nonetheless, a de-stocking phase led to decreased demand for containers in the Americas mainly Canada.

Total reported revenue declined by 2.0% to \$2,870 million, while adjusted EBITDA decreased by 6.7% to \$938 million. EBITDA margins remained above 32%.

We invested \$318 million in capital expenditure in Australia & Americas, mainly in Callao (Peru), syncreon (USA) and in Caucedo (Dominican Republic).

Service Capabilities

Ports & Terminals

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Total Revenue	6,399	6,089	5.1%	4.6%
Adjusted EBITDA	3,325	3,086	7.8%	4.7%
Adjusted EBITDA Margin %	52.0%	50.7%	1.3%	52.0%

Ports and Terminals delivered a solid performance with a focus on high margin cargo continuing to drive growth in profitability. Notably, revenue growth was driven by an improvement in stevedoring revenue per TEU, which rose by 5.2%.

Overall, revenue increased by 5.1% on a reported basis which resulted in adjusted EBITDA of \$3,325 million.

We invested \$1,005 million in strategic locations including Jeddah (Saudi Arabia), London Gateway (UK), Jebel Ali (UAE) and Callao (Peru).

Logistics

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Total Revenue	7,921	6,862	15.4%	7.9%
Adjusted EBITDA	1,451	1,202	20.7%	17.3%
Adjusted EBITDA Margin %	18.3%	17.5%	0.8%	19.5%

Logistics revenue and adjusted EBITDA benefitted from a full year contribution from the Imperial logistics acquisition (2022: 10 months consolidation). Additionally, land sales at Dubai Maritime City (UAE) further boosted profitability.

The performance was notably robust in the America, Africa and Middle East Region, with Jebel Ali Freezone's strong performance highlighted by a customer base now exceeding 10,000.

\$638 million was invested in Logistics targeting expansions in India, Africa, UAE and Europe.

Marine Services

Results before separately disclosed items USD million	2023	2022	% change	Like-for-like at constant currency % change
Total Revenue	3,930	4,176	(5.9%)	(6.8%)
Adjusted EBITDA	840	1,165	(27.9%)	(28.9%)
Adjusted EBITDA Margin %	21.4%	27.9%	(6.5%)	21.4%

As anticipated, our Unifeeder division within Marine Services saw a decline in both revenue and adjusted EBITDA, as freight rates returned to normal over the course of the year, aligning with the easing of supply chain disruptions that followed the COVID-19 pandemic, reverting to levels seen in 2019. This decline was mitigated by a strong performance from Drydocks World (UAE) which benefited from new contracts and P&O Maritimes Logistics which delivered a robust performance during the year.

We invested \$435 million in Marine Services mainly in P&O Ferries (UK) and Drydocks World (UAE).

Cash Flow and Balance Sheet

Adjusted gross debt (excluding bank overdrafts and loans from non-controlling shareholders) increased to \$23.0 billion as of 31 December 2023 (2022: \$18.5 billion) mainly due to the Group's draw down of a new term loan of \$3.5 billion. Lease and concession fee liabilities account for \$4.5 billion, with interest-bearing debt of \$18.5 billion. Cash and cash-equivalents and short-term investments stood at \$3.5 billion, resulting in a net debt of \$19.5 billion or \$15.0 billion (on a pre IFRS 16 basis). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 3.8x post-IFRS16 and 3.5x pre-IFRS16 basis. Cash generated from operating activities remained solid, with cash from operations at \$4.6 billion.

Capital Expenditure

Consolidated capital expenditure in 2023 was \$2,112 million (FY2022: \$1,715 million), with maintenance capital expenditure of \$279 million (FY2022: \$203 million). Capital expenditure was split 48% Ports & Terminals, 27% Logistics, 21% Marine Services and the remaining balance between Digital and Corporate. On a regional split, 76% for UAE, Middle East, Africa & Europe, 15% for Australia & Americas, 9% for Asia Pacific & India and the balance is for the Corporate.

We expect the full-year 2024 capital expenditure to be approximately \$2.0 billion, which will be mainly invested in Jebel Ali (UAE), London Gateway (United Kingdom), Inland logistics (India), Dakar (Senegal), East Java (Indonesia), Callao (Peru) and Jeddah (Saudi Arabia).

Net finance costs before separately disclosed items

Net finance costs in 2023 was \$1,129 million compared to \$800 million in 2022. Increase in net finance costs mainly due to higher average debt and increase in interest rates during the year.

Taxation

The tax expense relates to the tax payable on the profit earned by overseas subsidiaries calculated in accordance with the taxation laws and regulations of the countries in which they operate. For 2023, DP World's income tax expense before separately disclosed items increased to \$404 million (2022: \$395 million).

DP World UAE subsidiaries are subject to UAE Corporate Tax from 1 January 2024. For reporting purposes, the UAE Corporate Tax law was considered enacted at the reporting date. Accordingly, the Group has recognised a deferred tax liability of \$42 million in respect of historical business acquisitions.

The Group will be required to comply with the BEPS Pillar II minimum global taxation rules from 1 January 2024 in applicable jurisdictions.

Profit attributable to non-controlling interests (minority interests)

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was \$481 million in FY2023 against FY2022 of \$401 million, mainly due to profit attributed to minority shareholding in the UAE and Africa.

Sultan Ahmed Bin Sulayem Group Chairman and Chief Executive Officer	Yuvraj Narayan Group Deputy CEO & CFO
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DP WORLD FULL YEAR 2023 THROUGHPUT

DP World Limited handled 81.5 million TEU (twenty-foot equivalent units) across its global portfolio of container terminals in full year 2023, with gross container volumes increasing by 3.1% year-on-year on a reported basis and up 4.4% on a like-for-like basis. On a 4Q2023 basis, DP World handled 20.6 million TEU, up 5.6% on a like-for-like basis.

2023 gross volume growth was driven by Asia Pacific and India delivering growth of 10.4% on a like-for-like-basis. Jebel Ali (UAE) handled 14.5 million TEU in 2023, up 3.6% year-on-year.

At a consolidated level, our terminals handled 47.5 million TEU during 2023, increasing 3.1% on a reported basis and up 0.7% year-on-year on a like-for-like basis.

Gross Volume '000 TEU	4Q 2023	4Q 2022	% Growth (like for like)	FY 2023	FY 2022	% Growth (like for like)
Asia Pacific & India	9,939	8,889	+11.8% (+11.8%)	39,313	35,653	+10.3% (+10.4%)
Europe, Middle East and Africa*	7,762	7,601	+2.1% (+2.2%)	30,845	31,612	-2.4% (+0.6%)
Americas & Australia	2,868	2,991	-4.1% (-4.1%)	11,348	11,766	-3.6% (-3.6%)
Total Group	20,568	19,480	+5.6% (+5.6%)	81,506	79,031	+3.1% (+4.4%)

*Jebel Ali Volumes included in Middle East, Africa and Europe region	3,681	3,485	+5.6% (+5.6%)	14,472	13,970	+3.6% (+3.6%)
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Consolidated Volume '000 TEU	4Q 2023	4Q 2022	% Growth (like for like)	FY 2023	FY 2022	% Growth (like for like)
Asia Pacific & India	3,068	2,296	+33.6% (+12.0%)	10,826	9,658	+12.1% (+5.8%)
Europe, Middle East and Africa*	6,431	6,338	+1.5% (+1.6%)	25,657	25,025	+2.5% (+0.6%)
Americas & Australia	2,770	2,856	-3.0% (-3.0%)	11,024	11,410	-3.4% (-3.4%)
Total Group	12,269	11,490	+6.8% (+2.9%)	47,507	46,093	+3.1% (0.7%)

About DP World

Trade is the lifeblood of the global economy, creating opportunities and improving the quality of life for people around the world. DP World exists to make the world's trade flow better, changing what's possible for the customers and communities we serve globally.

With a dedicated, diverse and professional team of more than 108,100 employees from 161 nationalities, spanning 74 countries on six continents, DP World is pushing trade further and faster towards a seamless supply chain that's fit for the future.

We're rapidly transforming and integrating our businesses – Ports and Terminals, Marine Services, Logistics and Technology – and uniting our global infrastructure with local expertise to create stronger, more efficient end-to-end supply chain solutions that can change the way the world trades.

What's more, we're reshaping the future by investing in innovation. From intelligent delivery systems to automated warehouse stacking, we're at the cutting edge of disruptive technology, pushing the sector towards better ways to trade, minimising disruptions from the factory floor to the customer's door.

**WE MAKE TRADE FLOW
TO CHANGE WHAT'S POSSIBLE FOR EVERYONE.**

DP World Limited
and its subsidiaries

Consolidated financial statements
31 December 2023

DP World Limited and its subsidiaries

Consolidated financial statements

31 December 2023

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Independent auditors' report

To the Shareholder of DP World Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements of the Dubai Financial Services Authority ("DFSA") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

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

Impairment assessment of carrying value of goodwill and intangible assets with indefinite useful lives

See Notes 3 and 15 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group has significant goodwill and intangible assets arising from the acquisition of businesses. The Group's annual impairment testing on goodwill and intangible assets with indefinite useful lives is performed using free cash flow projections based on three-year financial budgets approved by the Board and a further five-year future forecasts estimated by the Group's management. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, this is one of the key areas that our audit concentrated on.</p>	<p>Our audit procedures in this area included but were not limited to the following:</p> <ul style="list-style-type: none">• In respect of the cashflows, we challenged the assumptions applied to the key inputs (i.e., EBITDA, growth rates and terminal value). We accordingly assessed the historical accuracy of the Group's EBITDA forecasts and the growth rates in line with historical performance, future developments and market conditions. We checked the reasonableness of terminal value growth rates by comparing the forecast with publicly available information such as average inflation rate and GDP rates.• In relation to discount rates, we involved KPMG valuation specialists to assist us in evaluating their appropriateness.• In respect of the sensitivity to key assumptions, we assessed the impact to the estimated recoverable amount of the cash generating units ("CGUs") by applying reasonably adjusted discount rates and forecast future cashflows.• Evaluated the adequacy of the relevant disclosures in these consolidated financial statement.

Key Audit Matters (continued)

Income tax provisions

See Note 3 and 8 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group operates in a number of tax jurisdictions and is exposed to changes in regulations in the respective tax regimes including the recently enacted UAE Corporate Tax ("CT") Law. The Group has to estimate the tax effect of applying local legislation in light of the practices of the respective tax authorities, which can be complex and uncertain and, therefore, involve significant judgment.</p> <p>Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities are at an amount materially different to the provision recognised.</p>	<p>Our audit procedures undertaken in this area together with the involvement of our tax specialists included but were not limited to the following:</p> <ul style="list-style-type: none"> • Recalculated the effective tax rate and assessed the impact of large and / or unusual items on the overall provision. We tested the Group's deferred tax provisions including the tax rates applied, for reasonableness. • Performed an assessment of the significant components impacting the Group's tax expense for reasonableness. • We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates, specifically relating to the adequacy of provisions. • We have also checked the tax balances at Group level incorporating the impact of major changes in tax laws, including the enactment of UAE CT law in 2023. • Evaluated the adequacy of the relevant disclosures in these consolidated financial statement.

Pensions

See Note 3 and 23 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group has a number of defined benefit pension schemes. In accordance with IAS 19 – <i>Employee Benefits</i>, the valuation of the pension deficit involves estimation uncertainty and requires technical expertise in making appropriate assumptions. These actuarial valuations are sensitive to changes in key assumptions including RPI inflation, discount rates and mortality rates. Changes in any of these assumptions can have a material impact on the calculation of the net pension position. Due to the significance of the pension scheme obligations and the judgements inherent in the actuarial assumptions underpinning their valuation, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included but were not limited to the following:</p> <ul style="list-style-type: none"> • The Group engages independent external actuaries to assist in calculating the appropriate pension scheme position. We obtained the actuaries' reports and, with the assistance of our actuarial specialists, assessed the key assumptions considered. These mainly included RPI inflation, discount rates and mortality rates used in calculating the pension scheme obligations. • For RPI inflation and discount rates, we checked to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. • We compared the mortality assumption to national and industry averages to assess its reasonableness. We also compared the assumptions with those in previous years, to assess whether the methodology used in arriving at the assumptions year on year are consistent. • We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated assets valuations based on the quoted prices. • Evaluate the adequacy of the relevant disclosures in these consolidated financial statement.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the Markets Law 2012 (as amended) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



Auditors' 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 auditors' 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 auditors' 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 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

We further report that the consolidated financial statements have been properly prepared in accordance with the applicable provisions of the Markets Law 2012 (as amended).

KPMG LLP

KPMG LLP

Richard James Ackland
DFSA reference Number: 1012468
Dubai, United Arab Emirates
Date: **14 MAR 2024**

DP World Limited and its subsidiaries

Consolidated statement of profit or loss

For the year ended 31 December

	Note	2023			2022		
		Before separately disclosed items	Separately disclosed items (Note 9)	Total	Before separately disclosed items	Separately disclosed items (Note 9)	Total
		USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Revenue	5	18,250,435	-	18,250,435	17,127,248	-	17,127,248
Cost of sales		(12,746,095)	(66,548)	(12,812,643)	(11,935,746)	(53,500)	(11,989,246)
Gross profit		5,504,340	(66,548)	5,437,792	5,191,502	(53,500)	5,138,002
General and administrative expenses		(2,808,850)	(151,614)	(2,960,464)	(2,388,324)	(337,561)	(2,725,885)
Other income		186,980	22,588	209,568	64,996	-	64,996
Gain on disposals and changes in ownership	9	-	19,509	19,509	-	193,353	193,353
Share of profit/(loss) from equity-accounted investees (net of tax)	17	163,903	-	163,903	165,975	(45,962)	120,013
Results from operating activities		3,046,373	(176,065)	2,870,308	3,034,149	(243,670)	2,790,479
Finance income	7	264,508	-	264,508	293,993	31,527	325,520
Finance costs	7	(1,393,008)	(5,423)	(1,398,431)	(1,094,107)	(14,274)	(1,108,381)
Net finance costs	7	(1,128,500)	(5,423)	(1,133,923)	(800,114)	17,253	(782,861)
Profit before tax		1,917,873	(181,488)	1,736,385	2,234,035	(226,417)	2,007,618
Income tax expense	8	(404,046)	(33,613)	(437,659)	(394,974)	15,216	(379,758)
Profit for the year	6	1,513,827	(215,101)	1,298,726	1,839,061	(211,201)	1,627,860
Profit attributable to:							
Owners of the Company		1,032,378	(212,400)	819,978	1,438,401	(211,073)	1,227,328
Non-controlling interests	25	481,449	(2,701)	478,748	400,660	(128)	400,532
		1,513,827	(215,101)	1,298,726	1,839,061	(211,201)	1,627,860

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

DP World Limited and its subsidiaries

Consolidated statement of other comprehensive income

For the year ended 31 December

		2023	2022
	Note	USD'000	USD'000
Profit for the year		1,298,726	1,627,860
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss			
Cash flow hedges – effective portion of changes in fair value		(115,092)	143,431
Cash flow hedges – reclassified to profit or loss		5,112	11,546
Related tax – cash flow hedges		(1,416)	(19,468)
Foreign exchange translation differences – foreign operations*		(32,921)	(743,010)
Foreign exchange translation differences recycled to profit or loss		(16,384)	21,341
Share of other comprehensive loss of equity-accounted investees	17	(15,436)	(136,524)
Items that will never be reclassified to profit or loss			
Remeasurements of pensions and post-employment benefits obligations and provision for employees' end of service benefits		87,538	75,421
Related tax – pensions and post-employment benefits		(8,705)	9,339
Total other comprehensive loss for the year		(97,304)	(637,924)
Total comprehensive income for the year		1,201,422	989,936
Total comprehensive income attributable to:			
Owners of the Company		789,847	653,340
Non-controlling interests	25	411,575	336,596

* This comprises foreign exchange differences arising on translation of the financial statements of foreign operations (including the related goodwill and purchase price adjustments) whose functional currencies are different from that of the Company's presentation currency. There are no differences in translation from the Company's functional currency (AED) to presentation currency (USD) as it is pegged to the presentation currency (USD 1: AED 3.6725).

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

DP World Limited and its subsidiaries


Consolidated statement of financial position


At 31 December

	Note	2023 USD'000	2022 USD'000
Assets			
Non-current assets			
Property, plant and equipment	11	13,531,896	13,439,148
Right-of-use assets	12	3,538,385	3,445,847
Investment properties	13	5,150,773	4,392,275
Intangible assets and goodwill	14	10,774,530	10,658,223
Interests in equity-accounted investees	17	1,862,950	1,788,833
Other investments		52,527	40,742
Deferred tax assets	8	144,528	163,697
Due from Parent Company	19	-	1,748,227
Receivables and other assets	20	796,059	1,171,853
Total non-current assets		35,851,648	36,848,845
Current assets			
Inventories	18	567,936	569,605
Properties held for development and sale	16	80,732	116,249
Due from Parent Company	19	-	1,882,190
Receivables and other assets	20	4,625,593	4,123,726
Short-term investments	21a	261,866	209,690
Cash and cash equivalents	21	3,342,051	3,232,090
Total current assets		8,878,178	10,133,550
Total assets		44,729,826	46,982,395
Equity			
Share capital	30	1,660,000	1,660,000
Share premium	31	2,472,655	2,472,655
Shareholders' reserve	31	2,000,000	2,000,000
Retained earnings		4,674,284	11,659,394
Translation reserve	31	(2,553,640)	(2,558,058)
Other reserves	31	(441,302)	(408,544)
Equity attributable to the owners of the Company		7,811,997	14,825,447
Hybrid equity instrument	32	1,476,686	1,476,686
Non-controlling interests	25	3,037,001	2,737,959
Total equity		12,325,684	19,040,092
Liabilities			
Non-current liabilities			
Loans and borrowings	33	17,638,155	11,168,994
Lease and service concession liabilities	34	3,902,915	3,677,938
Loans from non-controlling interests	35	1,006,455	1,467,726
Payables and other liabilities	24	634,802	564,595
Deferred tax liabilities	8	1,351,434	1,257,426
Provision for employees' end of service benefits	22	229,930	205,719
Pensions and post-employment benefits	23	253,074	251,222
Total non-current liabilities		25,016,765	18,593,620
Current liabilities			
Loans and borrowings	33	921,202	3,063,636
Lease and service concession liabilities	34	595,142	691,579
Loans from non-controlling interests	35	394,439	315,650
Payables and other liabilities	24	5,165,183	4,970,507
Income tax liabilities	8	202,933	200,912
Pensions and post-employment benefits	23	108,478	106,399
Total current liabilities		7,387,377	9,348,683
Total liabilities		32,404,142	27,942,303
Total equity and liabilities		44,729,826	46,982,395

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

These consolidated financial statements were authorised for issue on 14 March 2024.


Sultan Ahmed Bin Sulayem
Chairman and Chief Executive Officer


Yuvraj Narayan
Group Deputy Chief Executive Officer and
Chief Financial Officer

DP World Limited and its subsidiaries

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Equity attributable to the owners								Total equity USD'000
	Share capital and premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Translation reserve USD'000	Other reserves USD'000	Total USD'000	Hybrid equity instrument USD'000	Non-controlling interests (NCI) USD'000	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	
Balance at 1 January 2022	4,132,655	2,000,000	9,230,010	(1,819,594)	(593,152)	12,949,919	1,476,686	1,676,973	16,103,578
Profit for the year	-	-	1,227,328	-	-	1,227,328	-	400,532	1,627,860
Other comprehensive income/(loss)	-	-	-	(758,845)	184,857	(573,988)	-	(63,936)	(637,924)
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	-	-	(4,452,800)	-	-	(4,452,800)	-	-	(4,452,800)
Transactions with NCI, recognised directly in equity									
Dividends paid to NCI	-	-	-	-	-	-	-	(245,764)	(245,764)
Changes in ownership of subsidiaries without loss of control	-	-	5,953,050	20,381	(249)	5,973,182	-	757,889	6,731,071
Contributions by NCI	-	-	-	-	-	-	-	13,584	13,584
NCI created on acquisition of subsidiaries	-	-	-	-	-	-	-	198,681	198,681
NCI put option arrangements recognized	-	-	(134,627)	-	-	(134,627)	-	-	(134,627)
Change in fair value of NCI put options	-	-	(73,567)	-	-	(73,567)	-	-	(73,567)
Hybrid equity instruments									
Distribution to hybrid equity instrument holders	-	-	(90,000)	-	-	(90,000)	-	-	(90,000)
Balance at 31 December 2022	4,132,655	2,000,000	11,659,394	(2,558,058)	(408,544)	14,825,447	1,476,686	2,737,959	19,040,092
Balance at 1 January 2023	4,132,655	2,000,000	11,659,394	(2,558,058)	(408,544)	14,825,447	1,476,686	2,737,959	19,040,092
Profit for the year	-	-	819,978	-	-	819,978	-	478,748	1,298,726
Other comprehensive income/(loss)	-	-	-	2,614	(32,745)	(30,131)	-	(67,173)	(97,304)
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	-	-	-	-	-	-	-	-	-
Transactions with NCI, recognised directly in equity									
Dividends paid to NCI	-	-	-	-	-	-	-	(175,522)	(175,522)
Change in ownership of subsidiaries without loss of control	-	-	(23,094)	1,804	(13)	(21,303)	-	(28,403)	(49,706)
Contributions by NCI	-	-	-	-	-	-	-	669	669
Fair value gain on initial recognition of interest-free loans	-	-	6,884	-	-	6,884	-	15,154	22,038
NCI created on acquisition of subsidiaries	-	-	-	-	-	-	-	75,569	75,569
Change in fair value of NCI put options	-	-	(46,194)	-	-	(46,194)	-	-	(46,194)
Hybrid equity instruments									
Distribution to hybrid equity instrument holders	-	-	(90,000)	-	-	(90,000)	-	-	(90,000)
Balance at 31 December 2023	4,132,655	2,000,000	4,674,284	(2,553,640)	(441,302)	7,811,997	1,476,686	3,037,001	12,325,684

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

DP World Limited and its subsidiaries

Consolidated statement of cash flows

For the year ended

		2023	2022
	Note	USD'000	USD'000
Cash flows from operating activities			
Profit for the year		1,298,726	1,627,860
<i>Adjustments for:</i>			
Depreciation and amortisation	6	2,061,214	1,979,979
Impairment losses	6	87,501	253,047
Share of profit from equity-accounted investees (net of tax)	17	(163,903)	(120,013)
Finance costs	7	1,398,431	1,108,381
Gain on sale of property, plant and equipment, investment properties and held for sale assets		(73,799)	(10,663)
Gain on disposals and changes in ownership of equity-accounted investees	9	(19,509)	(193,353)
Finance income	7	(264,508)	(325,520)
Income tax expense	8	437,659	379,758
Gross cash flows from operations		4,761,812	4,699,476
Changes in:			
Inventories		(19,050)	(103,183)
Receivables and other assets		(128,057)	(472,321)
Payables and other liabilities		34,415	350,676
Properties held for development and sale		9,326	886
Provisions, pensions and post-employment benefits		(79,181)	(25,023)
Cash generated from operating activities		4,579,265	4,450,511
Income taxes paid		(352,359)	(413,122)
Net cash from operating activities		4,226,906	4,037,389
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(1,657,655)	(1,335,811)
Acquisition of investment properties	13	(209,068)	(122,911)
Acquisition of intangible assets	14	(243,313)	(256,308)
Proceeds from disposal of property, plant and equipment		217,121	47,213
Proceeds from disposal of equity-accounted investees		2,349	321,957
Net cash outflow on acquisition of subsidiaries		(116,156)	(850,977)
Additions to short-term investments		(261,866)	(209,690)
Receipts from short-term investments		209,690	-
Interest received		221,373	94,269
Dividends received from equity-accounted investees	17	72,003	91,684
Acquisition of other investments		(11,812)	-
Additional interests in equity-accounted investees	17	(34,254)	(68,899)
Loans repaid by/(given to) equity-accounted investees		16,683	(15,630)
Decrease in restricted cash		-	908,547
Net cash used in investing activities		(1,794,905)	(1,396,556)
Cash flows from financing activities			
Repayment of loans and borrowings	33	(4,680,439)	(1,782,616)
Proceeds from loans and borrowings	33	8,901,997	295,309
Repayment of loans from non-controlling interests		(399,456)	(181,793)
Proceeds from loans from non-controlling interests		5,955	1,243,218
Distribution to hybrid equity instrument holders		(90,000)	(90,000)
Advance given to the Parent Company		-	(1,881,852)
Payment of principal portion of lease liabilities	12	(635,076)	(721,635)
Interest paid on lease liabilities	12	(225,604)	(204,130)
Interest paid on bank and NCI borrowings		(909,024)	(771,574)
Dividends paid to the owners of the Company	10	(4,000,000)	(4,628,400)
Proceeds from monetisation activities without loss of control		-	6,537,002
Net cash outflow on acquisition of additional interests in subsidiaries		(128,301)	(14,614)
Contributions by non-controlling interests		669	13,584
Dividends paid to non-controlling interests		(175,522)	(245,764)
Net cash used in financing activities		(2,334,801)	(2,433,265)
Net increase in cash and cash equivalents		97,200	207,568
Cash and cash equivalents at 1 January		3,123,280	3,009,193
Effect of exchange rate fluctuations on cash held		16,936	(93,481)
Cash and cash equivalents at 31 December	21	3,237,416	3,123,280

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

DP World Limited and its subsidiaries

Notes to the consolidated financial statements

1. Reporting entity

DP World Limited (the “Company”) was incorporated on 9 August 2006 as a company limited by shares with the Registrar of Companies of the Dubai International Financial Centre (“DIFC”) under the DIFC Companies Law. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as ‘the Group’) and the Group’s interests in equity-accounted investees.

The Group is a leading provider of smart logistics solutions, enabling the flow of trade across the globe. The Group’s range of products and services covers every link of the integrated supply chain from ports and terminals, logistics, marine services, parks and economic zones as well as technology-driven customer solutions. These services are delivered through an interconnected global network of 500 business units in 74 countries across six continents, with a significant presence both in high-growth and mature markets.

Port & Free Zone World FZE (‘PFZW’ or ‘the Parent Company’), a wholly owned subsidiary of Dubai World Corporation (‘the Intermediate Parent’), holds 100% of the Company’s issued and outstanding share capital. The Ultimate Parent is Dubai Investment Fund (‘the Ultimate Parent’). The Government of Dubai is the Ultimate controlling party for the Group.

The Company’s registered office address is JAFZA 17, Jebel Ali Freezone, P.O. Box 17000, Dubai, United Arab Emirates.

2. Basis of preparation

a) Compliance with International Financial Reporting Standards (IFRS) and the DIFC Companies Law

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’) and in compliance with the applicable provisions of the DIFC Laws including Markets Law 2012 (as amended).

Certain comparative figures have been reclassified in order to conform to the current year presentation. However, the impact of the reclassifications is not significant to these consolidated financial statements except as outlined in note 39.

b) Basis of accounting

These consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, contingent consideration and plan assets in defined pension plans, which are measured at fair value.

c) Use of estimates and judgements

Management makes estimates and judgements affecting the application of accounting policies and the numbers reported in these consolidated financial statements. The significant estimates and judgements are listed below:

- Estimates of expected future cash flows and discount rates for calculating the present value of such cash flows used to compute value-in-use of cash-generating units.
- Estimates of fair value of derivatives for which an active market is not available, is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
- Estimates of cost to complete projects for the purpose of valuation of properties held for development and sale and investment properties under construction.
- Estimates to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
- Estimates to measure expected credit losses for financial assets.
- Estimates required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rates used for computation of defined benefit liability.
- Judgement in calculating the appropriate discount rates and lease terms for leases.
- Judgement in determining whether a contract contains a lease or not.
- Judgement in determining the recognition of an identifiable intangible asset separate from goodwill in case of business combinations and its estimated fair value.
- Determination of the useful lives of property, plant and equipment & investment properties.
- Determination of the net realisable value of inventories.
- Judgement in determining the Group-wide provision for income taxes.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (*continued*)

2. Basis of preparation (*continued*)

c) Use of estimates and judgements (*continued*)

Actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

d) Presentation of information

These consolidated financial statements are presented in United States Dollars ('USD') which is the Company's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

e) New standards, amendments and interpretations adopted by the Group

The following new amendments to IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these consolidated financial statements:

- Definition of accounting estimates – Amendment to IAS 8.
- Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12.
- IFRS 17 Insurance Contracts.
- Disclosure of accounting policies – Amendment to IAS 1 and IFRS Practice Statement 2. These amendments require the disclosure of 'material', rather than 'significant', accounting policies. The Group has changed the nomenclature from "Significant accounting policies" to "Material accounting policies" in line with the amendment. However, this did not result in any changes to the accounting policies or the accounting policy information disclosed in note 3.

The adoption of above amendments does not have any significant impact on the consolidated financial statements of the Group.

f) New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods. These include:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Lack of exchangeability – Amendments to IAS 21

3. Material accounting policies

The following material accounting policies have been applied consistently in the preparation of these consolidated financial statements throughout the Group for all the years presented, unless otherwise stated.

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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.

The Group accounts for business combinations (including common control transactions) using the acquisition method when the acquired set of activities and assets meets the definition of a 'business' and 'control' is transferred to the Group.

The consideration (including contingent consideration) transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs incurred for business combinations are expensed as incurred.

For each significant business combination, the Group engages external, independent and qualified valuers who have the relevant experiences to carry out the fair valuation exercise of the net assets based on market-related assumptions and weighted average cost of capital.

ii. Business combination achieved in stages

On business combination achieved in stages, the acquirer's previously held interest in the acquiree is remeasured to fair value at the date of acquisition with any resulting gain or loss recognised in the consolidated statement of profit or loss.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies (continued)

a) Basis of consolidation (continued)

iii. Change in ownership interests in subsidiaries without loss of control

Changes in the Group's interests in a subsidiary that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed of in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

iv. Disposal of subsidiaries (loss of control)

On loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising from the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as an equity investment measured at fair value through other comprehensive income (FVOCI) depending on the level of influence retained.

v. Non-controlling interests

For each business combination, the Group elects to measure acquired non-controlling interests either at their proportionate share of the acquiree's identifiable net assets at the date of acquisition or their fair value.

Where a put option is held by a non-controlling interest in a subsidiary, whereby that party can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, but the NCI retains present access to the results of the subsidiary, the Group applies the present access method of accounting to this arrangement. The Group recognises a put option liability at its discounted fair value, being the Group's estimate of the amount required to settle that liability with a corresponding reserve in equity. Any subsequent remeasurements of put option liability due to changes in the fair value of the put liability estimation are recognised in retained earnings within the equity and not in the consolidated statement of profit or loss.

vi. Structured entities

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities of these entities are directed by means of contractual arrangements. The Group has established various structured entities for issuing various sukuk certificates and subordinated perpetual certificates. The Group does not have any direct or indirect shareholding in these entities. The Group controls and consolidates these structured entities when it is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to affect those returns through its power over these entities.

vii. Interests in associates and joint ventures

The Group has interests in associates and joint ventures (together referred to as 'Interests in equity-accounted investees'). An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Interests in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's interests include fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the interests in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises impairment losses (if any) in the consolidated statement of profit or loss.

viii. Transactions eliminated on consolidation

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

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

b) Foreign currency translation

i. 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 (functional currency). The functional currency of the Company is UAE Dirhams ('AED') which is different to the Company's presentation currency which is the United States Dollar ('USD'). There are no differences on translation from the Company's functional currency to the presentation currency as it is pegged to the presentation currency (USD 1: AED 3.6725).

ii. Foreign currency transactions and balances

For each Group entity, foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the consolidated statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further remeasurement in future periods.

iii. Foreign operations

For the preparation of these consolidated financial statements, the financial statements of each Group entity are translated into USD, the Group's presentation currency, as follows:

- All assets and liabilities are translated to USD using the year end exchange rates.
- Items of profit or loss and other comprehensive income are translated using the average rate for the year.
- Shareholders equity items are translated using their historical rates.
- Differences arising on from translation of the entity's foreign currency balances to into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on derecognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in the consolidated statement of other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

c) Financial instruments

i. Non-derivative financial assets

Classification, initial recognition and measurement

On initial recognition, a financial asset is measured at fair value and is subsequently classified as a financial asset measured at:

- Amortised cost;
- Fair value through other comprehensive income ('FVOCI') - debt instrument;
- FVOCI - equity instrument; or
- Fair value through profit or loss ('FVTPL').

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and also on the basis of the contractual cash flows characteristics of the financial instrument.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

c) Financial instruments *(continued)*

i. *Non-derivative financial assets (continued)*

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

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

The Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

ii. *Non-derivative financial liabilities*

Classification, initial recognition and measurement

At inception, financial liabilities can be classified either as a financial liability measured at amortised cost or FVTPL.

The Group's non-derivative financial liabilities consist of loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, and payables and other liabilities. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities measured at amortised cost using the effective interest method.

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

iii. *Derivative financial instruments and hedge accounting*

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Initial recognition

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are either recognised in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investment in a foreign operation.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

c) Financial instruments *(continued)*

iii. Derivative financial instruments and hedge accounting *(continued)*

On initial designation of the derivatives as the hedging instrument, the Group formally documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and the hedged item, including whether the changes in cash flows of the hedged item and the hedging instrument are expected to offset each other together with the methods that will be used to assess the effectiveness of the hedging relationship.

Subsequent measurement

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

Derecognition

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(j)(i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

d) Property, plant and equipment *(continued)*

i. Recognition and measurement *(continued)*

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is an expenditure which includes the creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is the expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

iii. Depreciation

Land and capital work in progress are not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on a straight-line basis over their estimated useful lives or lease term whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	1 – 25
Vessels and transport fleet	5 – 30
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight-line basis based on the lives of various components of dredging.

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

iv. Borrowing costs

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

e) Investment properties

Investment properties are measured initially at cost, including related transaction costs and, where applicable, borrowing costs. After initial recognition, investment properties are carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment properties under construction are not depreciated until such time as the relevant assets are completed and commissioned.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

e) Investment properties *(continued)*

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	Useful life (years)
Buildings	20 – 50
Infrastructure	5 – 50

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Land use rights

Land use rights represent the prepaid lease payments of leasehold interests in land under lease arrangements. As required under IFRS 16, *Leases*, these are classified as investment properties as these are held for the purpose of generating rental income. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

f) Intangible assets and goodwill

i. Goodwill

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(j)(i)). Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

ii. Port concession rights

The Group classifies port concession rights as intangible assets whenever they are separately identifiable in a business combination (refer a. below) or they are categorised as those arising from Service Concession Arrangements (refer b. below). In all other cases, the Group categorises the concession rights as a lease, if it meets the definition of lease (refer note 3 i)).

a. Port concession rights on business combination

Port concession rights which are separately identified in a business combination under service concession arrangements are classified as intangible assets and are initially recognised at fair value on the date of acquisition.

Following initial recognition, port concession rights are carried at acquisition date fair value less accumulated amortisation and any accumulated impairment losses (refer to note 3(j)(i)). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and are tested for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation periods and amortisation methods for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when there is an indication of impairment, either individually or at the cash-generating unit level. The useful lives of port concession rights with an indefinite life are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies (continued)

f) Intangible assets and goodwill (continued)

ii. Port concession rights (continued)

b) Service Concession Arrangements

The Group recognises intangible assets arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged and controls any significant residual interest in the infrastructure as service concession assets. Intangible assets are recognised only to the extent that Group receives a right (a licence) to charge a fee for the use of port services. Nine of the Group's seaport terminals in emerging markets are accounted as service concession arrangements.

Any amounts paid by the Group to the grantor as a consideration for obtaining the service concession rights are accounted as part of service concession assets and they are amortised over the life of the concession period on a straight line basis.

Gains or losses arising from derecognition of service concession assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for service concession assets range within a period of 15 – 50 years.

iii) Customer relationships

Customer relationships acquired from a business combination are recognised on the acquisition date at their fair value. Customer relationships are amortised on a straight-line basis over their useful economic life and are tested for impairment, whenever there is an indication for impairment. The amortisation periods and amortisation methods are reviewed at least once every financial year.

The estimated useful lives for customer relationships range within a period of 15 – 20 years.

iv) Other intangible assets

All other intangible assets are recognised at cost less accumulated amortisation and impairment losses, if any.

g) Properties held for development and sale

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

h) Inventories

Inventories mainly consist of fast moving consumer goods (FMCG), pharmaceutical products, spare parts, consumables, merchandise inventories and fuel. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using cost formula based on the nature and use of inventory and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. The Group uses weighted average method for fuel, spares and consumables items and first in first out method for fast moving consumer goods (FMCG) and pharmaceutical products. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

i) Leases

i. Group as a lessee

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

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss.

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

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately on statement of financial position. Variable lease payments that depend on revenue and output are recognised in the statement of profit or loss in the period in which the condition that triggers those payments occurs.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

i) Leases *(continued)*

ii. *Group as a lessor*

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

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

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

j) Impairment

i. *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are tested for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (cash generating unit or 'CGU') or CGUs.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also tested for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ii. *Impairment of non-derivative financial assets*

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

j) Impairment *(continued)*

ii. *Impairment of non-derivative financial assets (continued)*

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

k) Employee benefits

i. *Pensions and post-employment benefits*

Defined contribution plans

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted from the present value to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

Judgement is required in determining whether uncertainty in pension schemes results in recognition of liability or contingent liability (refer to note 1 (c)).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies (continued)

k) Employee benefits (continued)

ii. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

l) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

m) Hybrid equity instrument

The subordinated perpetual certificates ('hybrid bond') issued by the Group incorporate options for redemption at the initiative of the Company. These options may be exercised after a minimum period that depends on the specific terms of the issue, and subsequently at each coupon date or in the event of highly specific circumstances. The annual coupon rate is fixed and reviewable based on contractual clauses that vary according to the specific terms of the issuance. There is no contractual obligation for the Company to make any profit payment, due to the existence of contractual clauses entitling it to defer payment indefinitely. However, those clauses stipulate that any deferred payments must be made in the event of a dividend distribution to the shareholders. All these features give the Company an unconditional right to avoid paying out cash or another financial asset for the principal or profit. Consequently, in compliance with IAS 32, these subordinated perpetual bonds are recorded as hybrid equity instrument, net of transaction costs and any coupon payment made is treated as dividends (refer to note 32).

n) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue consists of port-related services (containerised stevedoring, break bulk and general cargo), service concession revenue, lease rentals, drydocking, marine services, logistics services (contract logistics, market access, freight forwarding, freight management and transportation services) and revenue from sale of plots of land.

The following specific recognition criteria must also be met before revenue is recognised:

i. Revenue from ports and terminals

The Group's revenue consists of port-related services (containerised stevedoring, break bulk and general cargo) which are generally carried out in a short span of time. These port-related services are contracted with the customers as a single transaction. These port-related services have high degree of integration and accordingly, constitute a single distinct performance obligation for the Group. Revenue from these services is recognised at the point in time when the services are rendered to the customer and are usually payable within 30 to 45 days.

The Group also provides container storage services at the request of the customer based on the usage period in the storage yard which constitutes a separate distinct performance obligation. Revenue from container storage services is recognised over the period of storage days and are usually payable within 30 to 45 days.

The Group determines the transaction price in accordance with the tariff rates published by the port authorities in certain jurisdictions or agreed rates with the customers.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

n) Revenue *(continued)*

i. Revenue from ports and terminals *(continued)*

The Group also engages in service concession arrangements which are contracts entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date. The Group recognises revenue and costs relating to construction services over a period of time by reference to the stage of completion of the contract using the input method.

ii. Revenue from logistics services

Logistics services include contract logistics, market access, freight management, freight forwarding, warehousing and transportation services.

Revenue from contract logistics includes revenue from the warehousing management, synchronization management, reverse logistics services, fulfilment of third-party product, performance of sub-assembly and sequencing services, integrated contract logistics, distribution management and managed services. Revenue from contract logistics is recognized over a period of time, as and when performance obligations are fulfilled. This is measured using stage of completion method based on the services performed to date as a percentage of total services to be performed and is usually payable within 60 to 75 days.

The Group incurs direct set-up costs for long-term customer arrangements ('contract launch costs'), which are deferred and amortised over the life of the service contract. Such capitalized costs are tested for impairment at the end of each reporting period. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained, shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Revenue from market access includes revenue from sale of fast-moving consumer goods and pharmaceutical products. The Group provides market access services mainly by obtaining exclusive or non-exclusive distributorship for third-party products. Revenue from market access is recognized at a point in time when the control over the product is transferred to the customer is usually payable within 30 to 90 days.

Freight management entails the movement of goods on behalf of customers between specified sources and destinations using different transportation modes (road, river, rail, air and ocean) and different transportation types. Revenue from freight management is recognized over a period of time, as and when performance obligations are fulfilled. This is measured using the stage of completion method based on the services performed to date as a percentage of total services to be performed and is usually payable within 30 to 45 days.

Revenue from freight forwarding is recognised over time as the performance obligation is satisfied, including a share of the revenue from incomplete voyages at the balance sheet date and is usually payable within 30 to 45 days.

Revenue from warehousing is recognised based on number of days in storage over time.

Revenue from transportation services is recognised over a period of time as the performance obligation is satisfied, percentage completion method is used to determine the progress of the asset being transferred to the customer and is usually payable within 30 to 45 days.

iii. Revenue from marine services

Revenue from marine services consists of the amounts derived from the operation of ferry services, voyage freight income, marine charter revenue and income from mobilisation or demobilisation of marine vessels.

Revenue from ferrying passengers and ferry freight traffic is recognised on disembarkment of the relevant sailing.

Voyage freight income is recognised as the freight services are rendered and is determined using the load to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date and these are payable within 45 to 90 days.

Revenue from marine charter is recognised on a straight-line basis over the period of the lease. Income generated from the mobilisation or demobilisation of the vessel, under the vessel charter agreement, is recognised over the period of the related charter party contract and these are payable within 45 to 90 days.

Transaction price and payment terms are based on the contracts with the customers.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

n) Revenue *(continued)*

iv. Revenue from drydocking services

Revenue from drydocking services includes revenue from ship repair services, conversions, ship building, ship lifting, docking and undocking services.

Revenue from ship repair services, conversions and ship building is recognised over a period of time by reference to the stage of completion of the contract using the surveys of work performed and cost-to-cost method. Provisions for foreseeable losses are made in full, as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Advances received are included in contract liabilities.

Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the customer consumes and takes the benefit of the services.

v. Revenue from lease rentals and services from economic zones

Revenue from lease rentals is recognised on a straight-line basis over the lease term. Where the consideration for the lease is received in advance for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position.

Revenue from administrative services, licensing and registration is recognised at the point in time when the services are rendered to the customer.

vi. Revenue from sale of plots of land

Revenue from sale of plots of land is recognised when control is transferred to the buyer and it is probable that the Group will collect the consideration. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

o) Finance income and finance costs

Finance income comprises interest income on cash and cash equivalents, realised and unrealised foreign exchange gains on monetary assets and liabilities and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, realised and unrealised foreign exchange losses on monetary assets and liabilities unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

p) Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax reflects the manner of recovery of underlying assets and is measured at the prevailing tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed periodically and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

3. Material accounting policies *(continued)*

q) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group Deputy CEO & CFO ('Chief Operating Decision Maker') to assess performance.

r) Separately disclosed items

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature, are not considered to be part of the principal activities of the Group and therefore, merit separate presentation. This is to allow users to understand better the elements of financial performance in the period so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

4. Segment information

The Group has identified the following aggregated geographic regions as its basis of segmentation.

- Asia Pacific and India
- Australia and Americas
- Middle East, Europe and Africa

Each region has a Chief Executive Officer and Managing Director responsible for the performance of the region, who reports to Group Deputy CEO & CFO (Chief Operating Decision Maker (CODM)). The CODM regularly reviews the results of the regions to make all strategic, business, and operating decisions about resources to be allocated to them.

The Group has embarked on a strategic transformation journey to achieve the vision of evolving into an integrated end-to-end logistics solution provider. As part of this strategy, the Group acquired certain major logistics businesses and made changes in its internal organisation to better align with its vision to leverage Group's assets to deliver end-to-end solutions for beneficial cargo owners.

The Group has accordingly also formed four pillars, being Ports and Terminals, Logistics, Marine Services and Digital Solutions, based on the service capabilities to collaborate and leverage synergies across the geographical regions. Each of these pillars has an individual appointed as Chief Operating Officer responsible for these pillars. The pillars have been entrusted with the role to identify new value creation and ensure best value chain capabilities. Accordingly, the formation of Pillar doesn't constitute any change in the existing operating segments of the Group.

The Group measures geographic segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA"). Although this is a non-IFRS measure, this will provide additional information to the users of the consolidated financial statements.

The CODM also monitors certain key performance ratios from the perspective of capital management which are disclosed in note 36.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill and right of assets added under IFRS 16 - Leases.

Head Office costs, finance costs, finance income and tax expense are not allocated to individual segments and are reported under "Head Office".

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

4. Segment information (continued)

The following table presents certain results, assets and liabilities information regarding the Group's reportable segments as of 31 December.

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	2,155,396	2,598,881	2,870,393	2,928,841	13,224,646	11,599,526	-	-	18,250,435	17,127,248
Adjusted EBITDA	614,766	1,000,588	937,519	1,005,247	4,063,980	3,447,754	(508,678)	(439,461)	5,107,587	5,014,128
Finance income*	-	-	-	-	-	-	264,508	293,993	264,508	293,993
Finance costs*	-	-	-	-	-	-	(1,393,008)	(1,094,107)	(1,393,008)	(1,094,107)
Tax expense*	-	-	-	-	-	-	(404,046)	(394,974)	(404,046)	(394,974)
Depreciation and amortisation	(335,247)	(322,322)	(371,325)	(350,541)	(1,336,256)	(1,293,956)	(18,386)	(13,160)	(2,061,214)	(1,979,979)
Adjusted net profit/(loss) before separately disclosed items	279,519	678,266	566,194	654,706	2,727,724	2,153,798	(2,059,610)	(1,647,709)	1,513,827	1,839,061
Separately disclosed items	11,617	16,648	(9,570)	(245,614)	(163,413)	(16,352)	(53,735)	34,117	(215,101)	(211,201)
Profit/(loss) for the year	291,136	694,914	556,624	409,092	2,564,311	2,137,446	(2,113,345)	(1,613,592)	1,298,726	1,627,860

*Net finance cost and tax expense (before separately disclosed items) from various geographical locations and head office have been grouped under head office.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

4. Segment information (continued)

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	5,640,460	5,355,745	8,582,912	9,390,372	31,357,586	31,934,368	16,524,951	24,439,758	(17,376,083)	(24,137,848)	44,729,826	46,982,395
Segment liabilities	1,345,317	1,205,536	3,283,434	3,426,450	13,111,754	15,157,766	19,953,722	20,300,429	(6,844,452)	(13,606,216)	30,849,775	26,483,965
Tax liabilities**	-	-	-	-	-	-	1,554,367	1,458,338	-	-	1,554,367	1,458,338
Total liabilities	1,345,317	1,205,536	3,283,434	3,426,450	13,111,754	15,157,766	21,508,089	21,758,767	(6,844,452)	(13,606,216)	32,404,142	27,942,303
Capital expenditure	188,394	162,747	318,156	445,858	1,594,874	1,104,010	10,794	2,415	-	-	2,112,218	1,715,030
Share of profit of equity-accounted investees before separately disclosed items	112,841	95,860	12,688	14,447	38,374	55,668	-	-	-	-	163,903	165,975

**Tax liabilities from various geographical locations have been grouped under Head office.

Additional information based on service capabilities* is presented below:

	Ports and terminals		Logistics services		Marine services		Head office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	6,399,264	6,089,144	7,921,063	6,861,625	3,930,108	4,176,479	-	-	18,250,435	17,127,248
Adjusted EBITDA	3,325,265	3,085,859	1,451,435	1,202,495	839,564	1,165,235	(508,677)	(439,461)	5,107,587	5,014,128

* Revenue and Adjusted EBITDA arising from the Digital Solutions pillar has not been disclosed separately as the amounts are not considered to be significant for the current and previous year. These are included within logistics services pillar.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

4. Segment information (continued)

Reconciliation between disaggregated revenue from contracts with customers (refer to note 5) for the Group's reportable segments is presented below:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Ports and terminals	639,328	575,749	2,052,732	2,142,912	3,707,204	3,370,483	-	-	6,399,264	6,089,144
Logistics services	893,869	952,365	753,126	759,369	5,720,095	4,626,973	-	-	7,367,090	6,338,707
Marine services	622,200	1,070,750	62,308	26,560	2,999,275	2,828,422	-	-	3,683,783	3,925,732
Total contract revenue	2,155,397	2,598,864	2,868,166	2,928,841	12,426,574	10,825,878	-	-	17,450,137	16,353,583

Timing of recognition of revenue from contracts with customers (refer to note 5) for the Group's reportable segments is presented below:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At a point of time	587,566	519,942	1,901,855	1,745,956	5,268,885	4,070,112	-	-	7,758,306	6,336,010
Over a period of time	1,567,831	2,078,922	966,311	1,182,885	7,157,689	6,755,766	-	-	9,691,831	10,017,573
Total revenue	2,155,397	2,598,864	2,868,166	2,928,841	12,426,574	10,825,878	-	-	17,450,137	16,353,583

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

4. Segment information (continued)

Geographic information

	2023	2022
	USD'000	USD'000
<i>Revenue:</i>		
UAE	4,020,633	3,216,074
Other countries	14,229,802	13,911,174
Total	18,250,435	17,127,248
<i>Non-current assets *</i>		
UAE	10,609,843	10,825,221
Other countries	25,090,347	25,772,590
Total	35,700,190	36,597,811

* Non-current assets exclude financial instruments, deferred tax assets and employee benefits assets.

5. Revenue

	2023	2022
	USD'000	USD'000
<i>Revenue from contracts with customers</i>		
Ports and terminals	6,399,264	6,089,144
Logistics services	7,367,090	6,338,707
Marine services	3,683,783	3,925,732
Total	17,450,137	16,353,583
<i>Revenue from leasing activities</i>		
Logistics services	553,973	522,918
Marine services	246,325	250,747
Total	800,298	773,665
Total revenue	18,250,435	17,127,248

For information on disaggregated revenue and reconciliation of revenue from contracts with customers for the Group's reportable segments, refer to note 4.

22.2% (2022: 19.8%) of the Group's total revenue is derived from the top ten customers.

6. Profit for the year

	2023	2022
	USD'000	USD'000
<i>Profit for the year is stated after charging the following costs:</i>		
Staff costs	3,900,878	3,384,031
Depreciation and amortisation	2,061,214	1,979,979
Impairment losses (refer to note 9)	87,501	253,047

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

7. Finance income and costs

	2023	2022
	USD'000	USD'000
Finance income		
Interest income (refer note (i) below)	247,295	227,217
Foreign exchange gains	17,213	66,776
Finance income before separately disclosed items	264,508	293,993
Separately disclosed items (refer to note 9)	-	31,527
Finance income after separately disclosed items	264,508	325,520
Finance costs		
Interest expense on loans and borrowings (refer note (ii) below)	(994,210)	(789,380)
Interest expense on lease and service concession liabilities (refer note 12)	(225,604)	(204,130)
Foreign exchange losses	(154,724)	(89,947)
Other net financing expense in respect of pension plans	(18,470)	(10,650)
Finance costs before separately disclosed items	(1,393,008)	(1,094,107)
Separately disclosed items (refer to note 9)	(5,423)	(14,274)
Finance costs after separately disclosed items	(1,398,431)	(1,108,381)
Net finance costs before separately disclosed items	(1,128,500)	(800,114)
Separately disclosed items	(5,423)	17,253
Net finance costs after separately disclosed items	(1,133,923)	(782,861)

(i) This includes interest income of USD 22,308 thousand (2022: USD 104,497 thousand) on a loan given to the Parent Company.

(ii) This includes interest expense of USD 115,742 thousand (2022: USD 64,179 thousand) on loans from non-controlling shareholders.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

8. Income tax

The major components of income tax expense for the year ended 31 December:

	2023	2022
	USD'000	USD'000
Current tax expense		
Current year	372,659	348,416
Change in estimates related to prior years	1,739	10,239
	374,398	358,655
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(37,272)	50,962
Change in estimates related to prior years	(4,099)	(7,952)
Effect of tax rate changes on deferred tax	53,190	330
Movement in unrecognised deferred tax in relation to tax losses	3,139	8,244
Movement in unrecognised deferred tax in relation to other temporary differences	48,303	(30,481)
	63,261	21,103
Income tax expense	437,659	379,758
Share of income tax of equity-accounted investees	51,284	52,977
Total tax expense	488,943	432,735
Tax recognised in statement of other comprehensive income and retained earnings		
Current tax in other comprehensive income	(2,167)	4,583
Deferred tax in other comprehensive income	12,288	(14,712)
Total	10,121	(10,129)
Income tax balances included in the consolidated statement of financial position:		
Income tax receivables (included within receivables and other assets)	74,983	70,875
Income tax liabilities	202,933	200,912

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

8. Income tax (continued)

The relationship between the total tax expense and the accounting profit can be explained as follows:

		2023	2022
		USD'000	USD'000
Net profit before tax		1,736,385	2,007,618
Tax at the Company's domestic rate of 0% (2022: 0%)		-	-
Effect of tax rates in foreign jurisdictions		197,122	370,835
Tax effect of non-taxable income and non-deductible expenses		31,561	(23,301)
Movement in unrecognised deferred tax in relation to tax losses		3,139	8,244
Movement in unrecognised deferred tax in relation to other temporary differences		48,303	(30,481)
Tax charge of equity-accounted investees		51,284	52,977
Effect of tax rate changes on deferred tax		53,190	330
Withholding taxes and other domestic taxes		60,121	57,244
Others		46,583	(5,400)
Tax expense before prior year adjustments		491,303	430,448
Change in estimates related to prior years:			
- Current tax		1,739	10,239
- Deferred tax		(4,099)	(7,952)
Total tax expense	(A)	488,943	432,735
Adjustment for separately disclosed items (refer to note 9)		(33,613)	15,216
Total tax expense from operations before separately disclosed items	(B)	455,330	447,951
Net profit before tax		1,736,385	2,007,618
Adjustment for share of income tax of equity-accounted investees		51,284	52,977
Adjusted profit before tax	(C)	1,787,669	2,060,595
Adjustment for separately disclosed items		181,488	226,417
Adjusted profit before tax and before separately disclosed items	(D)	1,969,157	2,287,012
Effective tax rate	(A/C)	27.35%	21.00%
Effective tax rate before separately disclosed items	(B/D)	23.12%	19.59%

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

8. Income tax *(continued)*

UAE Corporate income tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“CT Law”) to implement a new Federal Corporate Tax (“CT”) regime in the UAE. The CT law is effective for DPW UAE entities for the accounting period beginning on 1 January 2024.

Generally, UAE businesses will be subject to a 9% CT rate, however a 0% CT rate will be applied to taxable income not exceeding AED 375,000 as well as to certain types of entities, as prescribed by way of a Cabinet Decision. The 0% CT rate will also apply to the qualifying income of Free Zone entities.

The CT Law is considered enacted for reporting purposes and the Group has recognised a deferred tax liability of USD 42,230 thousand at the reporting date. This deferred tax liability has been recognised in respect of historical business acquisitions with a transaction date before enactment of the CT Law. For further details, refer to the deferred tax movement schedule.

Based on the assessments performed to date, the overall increase in the effective tax rate of DPW UAE entities would be up to 6% if the CT Law had applied to the period ended 31 December 2023. There are still areas of uncertainty regarding the practical application of the CT Law to DPW UAE entities, which may have the effect of reducing the potential tax liability.

The Group has not identified any material risks or uncertainties in the structure from a CT perspective and will continuously monitor further developments that could impact the tax profile of the Group.

Pillar 2

In December 2021, the Organisation for Economic Cooperation and Development (“OECD”) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or ‘GloBE’) that will apply to multinational groups with a consolidated turnover exceeding EUR 750 million. The GloBE rules provide the framework for an internationally coordinated system of taxation that imposes, on a jurisdictional basis, a top-up tax on profits whenever the effective tax rate is below the minimum rate of 15%.

Since the Group’s consolidated turnover exceeds EUR 750 million, DP World Limited and its subsidiaries would be subject to the GloBE rules. As at 31 December 2023, the UAE has not enacted the GloBE rules into domestic legislation. On that basis, as well as on-going implementation uncertainties in other jurisdictions, the Group is not able to provide a reasonable estimation at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Based on the assessments performed to date and the jurisdictions that have enacted the Income Inclusion Rule at the reporting date, the Group has identified a potential exposure relating to Ireland, Switzerland and the UAE (insofar as the entities are held through foreign intermediary structures).

The Group has applied the mandatory temporary exception to recognising and disclosing information on deferred tax assets and liabilities related to Pillar Two income taxes.

Group tax rates

The Group is not subject to income tax on its UAE operations in the current period. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

<i>Geographical segments</i>	<i>Applicable corporate tax rate</i>
Asia Pacific and India	2.5% to 39.0%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 32.0%

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

8. Income tax (continued)

Movement in temporary differences during the year:

	1 January 2023	Recognised in the consolidated statement of profit or loss	Acquisitions in the period	Translation and other movements	31 December 2023
	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Deferred tax liabilities</i>					
Property, plant and equipment	415,451	(10,920)	3,242	(5,189)	402,584
Interests in equity-accounted investees	39,730	2,396	-	2,129	44,255
Fair value of acquired intangibles	669,217	28,682	29,353	8,925	736,177
Financial instruments	2,728	(2,668)	(8)	(52)	-
Others	227,872	124,252	(22,717)	(13,281)	316,126
Total before set-off	1,354,998	141,742	9,870	(7,468)	1,499,142
Set-off of deferred tax assets against liabilities	(97,572)				(147,708)
Net deferred tax liabilities	1,257,426				1,351,434
<i>Deferred tax assets</i>					
Pensions and post-employment benefits	37,137	12,995	(43)	(14,784)	35,305
Provisions	30,240	(6,022)	2,981	(577)	26,622
Financial instruments	-	70,157	199	1,378	71,734
Tax value of losses carried forward recognised	193,892	1,351	(8,602)	(28,066)	158,575
Total before set-off	261,269	78,481	(5,465)	(42,049)	292,236
Set-off of deferred tax assets against liabilities	(97,572)				(147,708)
Net deferred tax assets	163,697				144,528

Deferred tax liabilities have been offset where the criteria for offsetting under IFRS has been met.

Unrecognised tax losses

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where there is uncertainty as to their utilisation, either because they have not been agreed with tax authorities, or there are uncertainties regarding their future profits or the impact of tax holidays. The Group continuously reviews these unrecognised tax losses and will consider recognising them as deferred tax asset in future depending on the assessed likelihood of utilisation.

	2023			2022		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses – with an expiry date	76,547	18,123	2024-2029	84,941	16,519	2023-2028
	58,675	16,056	2030-2038	59,875	8,571	2029-2041
Trading losses - never expire	1,433,320	366,870		1,310,634	352,551	
Capital losses - never expire	286,426	71,430		261,868	67,032	

Unrecognised tax credits and other temporary differences

In addition to the above, the Group also carries forward USD 5,894 (2022: USD 7,046) thousand of unrecognised tax credits (tax effect) and USD 187,989 (2022: USD 138,766) thousand of deductible temporary differences (tax effect).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

9. Separately disclosed items

	2023	2022
	USD'000	USD'000
Cost of sales		
Impairment of property, plant and equipment	(66,548)	(53,500)
General and administrative expenses		
Restructuring costs	(20,586)	(67,084)
Acquisition costs	(4,846)	(25,570)
Impairment of assets	(20,953)	(199,547)
Pension costs (refer note 23 d)	(89,625)	(39,464)
Remeasurements of contingent consideration	(15,604)	(5,896)
	(151,614)	(337,561)
Other income	22,588	-
Share of loss from equity-accounted investees	-	(45,962)
Gain on disposals and changes in ownership interests	19,509	193,353
Finance income		
Ineffective interest rate swap gain	-	4,859
Gain on early settlement of a financial liability at discount	-	26,668
	-	31,527
Finance costs		
Loss on termination of financial instruments and unamortised transaction costs	-	(7,812)
Loss on fair valuation of financial instruments	-	(6,462)
Ineffective interest rate swap loss	(5,423)	-
	(5,423)	(14,274)
Income tax	(33,613)	15,216
Total	(215,101)	(211,201)

Cost of sales: Impairment of property, plant and equipment relates to impairment of vessels in a subsidiary within the 'Middle East, Europe and Africa' region (2022: USD 53,500 thousand in a subsidiary in the 'Middle East, Europe and Africa' region).

General and administrative expenses:

- **Restructuring costs** mainly relate to severance pay associated with redundancies in subsidiaries in the 'Middle East, Europe and Africa' region and 'Australia and Americas' region (2022: mainly relate to severance pay associated with redundancies in a subsidiary in the 'Middle East, Europe and Africa' region).
- **Acquisition costs** amounting to USD 4,846 thousand represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group (2022: USD 25,570 thousand).
- **Impairment of assets** mainly relates to the impairment of property, plant and equipment of USD 14,902 thousand in the 'Middle East, Europe and Africa' region and USD 6,051 thousand in the 'Asia Pacific and India' region (2022: USD 186,689 thousand in 'Australia and Americas' region and USD 12,858 thousand in the 'Middle East, Europe and Africa region').
- **Pension costs** mainly relate to the re-measurement of the guaranteed minimum pension (GMP) liability in the 'Middle East, Europe and Africa' region (2022: additional benefits provided to scheme members covered under ill health early retirement in the 'Middle East, Europe and Africa' region).
- **Remeasurements of contingent consideration** relates to changes in the value of contingent consideration relating to various business acquisitions in the 'Middle East, Europe and Africa' region.

Other income comprises of gain on the sale of vessels in a subsidiary in the 'Middle East, Europe and Africa' region (2022: Nil).

Share of loss from equity-accounted investees 2023: Nil (2022: relates to the Group's share of expenses in technology ventures in the 'Australia and Americas' region).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

9. Separately disclosed items (continued)

Gain on disposals and changes in ownership interests relates to the gain on disposal and fair valuation of existing interests in equity-accounted investees in the 'Asia Pacific and India' region (2022: gain on disposal and fair valuation of existing interest in equity-accounted investees in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region).

Finance income:

- **Ineffective interest rate swap gain** 2023: Nil (2022: gain relates to the ineffective element of cashflow hedge in subsidiaries in the 'Asia Pacific and India' region and 'Middle East, Europe and Africa' region).
- **Gain on early settlement of a financial liability at discount** 2023: Nil (2022: relates to gain on early settlement in a subsidiary in the 'Asia Pacific and India' region).

Finance costs:

- **Loss on termination of financial instruments** 2023: Nil (2022: USD 7,812 thousand in the 'Middle East, Europe and Africa' region).
- **Loss on fair valuation of financial instruments** 2023: Nil (2022: USD 6,462 thousand in the 'Asia Pacific and India' region).
- **Ineffective interest rate swap loss** USD 5,423 thousand loss relates to the ineffective element of cashflow hedge in subsidiaries in the 'Asia Pacific and India' region (2022: Nil).

Income tax relates to the recognition of deferred tax expense in respect of historical acquisitions made before the enactment of the UAE corporate tax law and tax impact on separately disclosed items recognised in 2023 (2022: mainly relates to deferred tax liability reversal arising from tax restructuring undertaken in a subsidiary in the 'Australia and Americas' region).

10. Dividends to the Parent Company

	2023	2022
	USD'000	USD'000
Dividend declared		
Final ordinary dividend for 2022: USD 0.60 per share (2021: USD 0.33 per share)	500,000	275,800
Final special dividend for 2022: USD 4.40 per share (2021: Nil)	3,652,684	-
Interim special dividend for 2023: USD 4.22 per share (2022: USD 5.03 per share)	3,500,000	4,177,000
Total	7,652,684	4,452,800
Proposed for approval at the annual general meeting		
<i>(not recognised as a liability as at 31 December):</i>		
Final ordinary dividend for 2023: USD 0.60 per share (2022: USD 0.60 per share)	500,000	500,000

Also refer to note 19.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

11. Property, plant and equipment

	Land and buildings	Plant and equipment	Vessels and transport fleet	Capital work-in-progress	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2022	6,934,379	7,754,727	2,335,716	1,070,963	18,095,785
Acquired through business combinations	262,009	164,149	251,060	2,332	679,550
Additions	80,291	191,549	189,334	874,637	1,335,811
Transfers	719,303	(339,626)	110,066	(489,743)	-
Transfer to intangible assets (refer to note 14)	(20,609)	(28,541)	(1,593)	(5,284)	(56,027)
Transfer from/(to) investment properties (refer to note 13)	38,021	-	-	(134,194)	(96,173)
Disposals	(10,128)	(129,340)	(20,100)	(2,209)	(161,777)
Foreign exchange translation adjustments	(225,542)	(334,821)	(101,787)	(56,082)	(718,232)
As at 31 December 2022	7,777,724	7,278,097	2,762,696	1,260,420	19,078,937
As at 1 January 2023	7,777,724	7,278,097	2,762,696	1,260,420	19,078,937
Acquired through business combinations	46,209	43,813	(3,648)	1,292	87,666
Additions	80,194	235,425	370,571	971,465	1,657,655
Transfers	97,726	517,753	56,068	(671,547)	-
Transfer to intangible assets (refer to note 14)	-	-	-	(7,814)	(7,814)
Transfer to investment properties (refer to note 13)*	(368,260)	(1,947)	-	(246,467)	(616,674)
Transfer to held for sale	-	-	(140,804)	-	(140,804)
Disposals	(23,254)	(194,465)	(286,272)	(25,469)	(529,460)
Foreign exchange translation adjustments	(4,694)	80,775	(8,942)	22,003	89,142
As at 31 December 2023	7,605,645	7,959,451	2,749,669	1,303,883	19,618,648
Accumulated depreciation and impairment					
As at 1 January 2022	1,645,456	3,108,537	281,860	7,000	5,042,853
Charges	214,323	452,122	210,910	-	877,355
Impairment loss	727	2,297	53,500	-	56,524
Transfers	14,608	(69,011)	61,403	(7,000)	-
Transfer to intangible assets (refer to note 14)	(340)	(15,998)	-	-	(16,338)
Transfer from investment properties (refer to note 13)	21,273	-	-	-	21,273
Disposals	(5,216)	(114,913)	(8,292)	-	(128,421)
Foreign exchange translation adjustments	8,225	(195,342)	(26,340)	-	(213,457)
As at 31 December 2022	1,899,056	3,167,692	573,041	-	5,639,789
As at 1 January 2023	1,899,056	3,167,692	573,041	-	5,639,789
Charges	214,454	479,416	224,600	-	918,470
Impairment loss	1,091	2,061	58,291	-	61,443
Transfers	(23,741)	(217)	23,958	-	-
Transfer to investment properties (refer to note 13)*	(20,023)	(5,134)	-	-	(25,157)
Transfer to Held for Sale	-	-	(120,055)	-	(120,055)
Disposals	(10,941)	(174,446)	(200,226)	-	(385,613)
Foreign exchange translation adjustments	(13,190)	15,236	(4,171)	-	(2,125)
As at 31 December 2023	2,046,706	3,484,608	555,438	-	6,086,752
Net carrying value					
At 31 December 2022	5,878,668	4,110,405	2,189,655	1,260,420	13,439,148
At 31 December 2023	5,558,939	4,474,843	2,194,231	1,303,883	13,531,896

At 31 December 2023, the total carrying amount of property, plant and equipment assets pledged as collateral for bank loans and borrowings was USD 2,400,632 thousand (2022: USD 2,121,042 thousand) (refer to note 33).

During 2023, depreciation of USD 783,672 thousand (2022: USD 739,586 thousand) was included in cost of sales and USD 134,798 thousand (2022: USD 137,769 thousand) was included in general and administrative expenses.

* During 2023, the balances were transferred to investment properties because the related assets are no longer used by the Group for their own purposes and are leased to third parties.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

12. Right-of-use assets

The Group enters into long-term lease arrangements that provide the Group with the right to use port terminal infrastructure, plant, equipment, vessels and other related assets for carrying out its business operations. The table below represents the carrying amounts of the right-of-use assets recognised and the related movements during the year:

	Port concession rights	Plant equipment and vehicles	Vessels	Land and buildings	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2022	1,711,283	624,751	1,019,264	215,147	3,570,445
Acquired through business combinations	63,219	31,190	48,429	203,167	346,005
Additions	95,186	71,110	531,530	294,917	992,743
Lease modifications/reassessments	3,680	(11,178)	-	(11,812)	(19,310)
Transfers	460	(645)	57	128	-
Derecognition	(445)	(15,130)	-	(86)	(15,661)
Foreign exchange translation adjustments	(108,602)	(22,738)	(47,130)	(32,267)	(210,737)
As at 31 December 2022	1,764,781	677,360	1,552,150	669,194	4,663,485
As at 1 January 2023	1,764,781	677,360	1,552,150	669,194	4,663,485
Acquired through business combinations	177,037	6,024	-	1,453	184,514
Additions	31,070	52,912	153,226	157,524	394,732
Lease modifications/reassessments	168,648	(7,383)	(84,204)	(6,613)	70,448
Transfers	441,813	(428,488)	(138,015)	124,690	-
Derecognition	(4,453)	(23,327)	(237,065)	(21,928)	(286,773)
Foreign exchange translation adjustments	42,420	22,241	34,556	14,405	113,622
As at 31 December 2023	2,621,316	299,339	1,280,648	938,725	5,140,028
Depreciation					
As at 1 January 2022	174,631	52,974	341,674	34,484	603,763
Charges	68,103	91,013	420,292	119,548	698,956
Lease modifications/reassessments	-	(4,524)	-	2,150	(2,374)
Derecognition	(445)	(13,408)	-	(86)	(13,939)
Foreign exchange translation adjustments	(12,910)	(17,965)	(21,322)	(16,571)	(68,768)
As at 31 December 2022	229,379	108,090	740,644	139,525	1,217,638
As at 1 January 2023	229,379	108,090	740,644	139,525	1,217,638
Charges	90,052	73,239	385,032	150,935	699,258
Lease modifications/reassessments	(1,281)	(13,210)	(73,036)	(7,656)	(95,183)
Transfers	9,717	(2,578)	(37,093)	29,954	-
Derecognition	(1,155)	(20,953)	(236,642)	(21,721)	(280,471)
Impairment loss	-	-	-	406	406
Foreign exchange translation adjustments	3,907	11,914	29,086	15,088	59,995
As at 31 December 2023	330,619	156,502	807,991	306,531	1,601,643
Net carrying value					
At 31 December 2022	1,535,402	569,270	811,506	529,669	3,445,847
At 31 December 2023	2,290,697	142,837	472,657	632,194	3,538,385

Refer to note 34 for underlying lease liabilities with respect to the above right-of-use assets.

Following are the amounts which are recognised in the consolidated statement of profit or loss and the consolidated statement of cash flows:

	2023	2022
	USD'000	USD'000
Amounts recognised in the consolidated statement of profit or loss		
Amortisation included in cost of sales	648,278	653,502
Amortisation included in general & administrative expenses	50,980	45,454
Interest on lease liabilities	225,604	204,130
Expenses relating to short-term leases, leases of low value assets and variable leases	369,511	315,258
Amounts recognised in the consolidated statement of cash flows		
Payment of principal portion of lease liabilities (included under financing activities)	635,076	721,635
Interest paid on lease liabilities (included under financing activities)	225,604	204,130

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Notes to the consolidated financial statements (continued)

13. Investment properties

	Land	Land use rights	Buildings and infrastructure	Under development	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2022	193,034	2,759,625	1,721,053	109,417	4,783,129
Additions	-	2,030	202	120,679	122,911
Transfers (to)/from property, plant and equipment (refer to note 11)	(11,551)	-	(26,470)	134,194	96,173
Transfers	-	-	149,346	(149,346)	-
Disposals	(1,026)	-	(542)	(408)	(1,976)
Foreign exchange translation adjustments	(1,299)	(8,336)	(1,973)	(186)	(11,794)
As at 31 December 2022	179,158	2,753,319	1,841,616	214,350	4,988,443
As at 1 January 2023	179,158	2,753,319	1,841,616	214,350	4,988,443
Additions	1,066	-	213	207,789	209,068
Acquired through business combinations	37,928	-	5,739	-	43,667
Transfers from property, plant and equipment (refer to note 11)	176,775	-	211,792	228,107	616,674
Transfers	1,335	-	190,028	(191,363)	-
Disposals	-	-	(466)	-	(466)
Foreign exchange translation adjustments	5,150	(459)	8,895	4,870	18,456
As at 31 December 2023	401,412	2,752,860	2,257,817	463,753	5,875,842
Depreciation and impairment					
As at 1 January 2022	-	200,228	320,702	-	520,930
Depreciation	-	30,905	60,900	-	91,805
Impairment loss	-	-	6,607	-	6,607
Transfers to property, plant and equipment (refer note 11)	-	-	(21,273)	-	(21,273)
Disposals	-	-	(542)	-	(542)
Foreign exchange translation adjustments	-	(275)	(1,084)	-	(1,359)
As at 31 December 2022	-	230,858	365,310	-	596,168
As at 1 January 2023	-	230,858	365,310	-	596,168
Depreciation	-	30,122	67,010	-	97,132
Impairment loss	6,051	-	-	-	6,051
Transfers from property, plant and equipment (refer note 11)	-	-	25,157	-	25,157
Disposals	-	-	(147)	-	(147)
Foreign exchange translation adjustments	(48)	(23)	779	-	708
As at 31 December 2023	6,003	260,957	458,109	-	725,069
Net carrying value					
As at 31 December 2022	179,158	2,522,461	1,476,306	214,350	4,392,275
As at 31 December 2023	395,409	2,491,903	1,799,708	463,753	5,150,773

Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 675,475 thousand (2022: USD 545,787 thousand) while associated costs related to these investment properties amounted to USD 221,865 thousand (2022: USD 57,264 thousand).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

13. Investment properties *(continued)*

Land

At 31 December 2023, the fair value of land was estimated to be USD 560,980 thousand (2022: USD 200,762 thousand) compared to their carrying value of USD 395,409 thousand (2021: USD 179,158 thousand).

Buildings and infrastructure

At 31 December 2023, the fair value of buildings and infrastructure was estimated to be USD 3,640,493 thousand (2022: USD 2,890,769 thousand) compared to their carrying value of USD 1,799,708 thousand (2022: USD 1,476,306 thousand).

During 2023, depreciation of USD 96,872 thousand (2022: USD 60,642 thousand) was included in cost of sales and USD 260 thousand (2022: USD 258 thousand) was included in general and administrative expenses.

Investment properties under development

Investment properties under development mainly include infrastructure development, staff accommodation and office buildings in Jebel Ali Free Zone, London Gateway Park (leasehold) and Dubai Maritime City. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

Key assumptions used in the determination of the fair value of investment properties

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the significant investment properties has been performed using income capitalisation, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market.

The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent in the range of USD 10 to USD 1,585 per square metre per annum (2022: USD 10 to USD 1,500 per square metre per annum).
- Rent growth per annum in the range of 0% to 2% (2022: 0% to 2%).
- Historical and estimated long-term occupancy rate in the range of 65% to 95% (2022: 71% to 91%).
- Yield rates in the range of 7.0% to 13.75% per annum (2022: 6.5% to 13.75% per annum).

The fair value of investment properties is categorised under level 3 of the fair value hierarchy and the Group considers the current use of these properties as their highest and best use.

Sensitivity to changes in assumptions

The estimated fair value would increase/(decreases) due to increase/(decrease) in market rent, occupancy rate and rent growth rates. The fair value would also (decrease)/increase if there is an increase/(decrease) in yield rates.

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Notes to the consolidated financial statements (continued)

14. Intangible assets and goodwill

	Goodwill	Port concession rights and other intangible assets	Service concession assets (IFRIC12)*	Customer relationships	Total
	USD'000	USD'000	USD'000	USD'000	USD'000
Cost					
As at 1 January 2022	3,588,021	5,766,842	1,895,950	812,563	12,063,376
Acquired through business combinations	790,734	111,803	-	402,364	1,304,901
Additions	-	24,638	234,276	-	258,914
Transfer from property, plant and equipment (refer to note 11)	-	6,939	49,088	-	56,027
Disposals	-	(839)	(19,505)	-	(20,344)
Foreign exchange translation adjustments	(241,755)	(282,756)	(68,106)	(42,231)	(634,848)
As at 31 December 2022	4,137,000	5,626,627	2,091,703	1,172,696	13,028,026
As at 1 January 2023	4,137,000	5,626,627	2,091,703	1,172,696	13,028,026
Acquired through business combinations	99,363	51,294	-	14,077	164,734
Additions	-	23,174	222,321	-	245,495
Transfer from property, plant and equipment (refer to note 11)	-	7,814	-	-	7,814
Disposals	-	(5,952)	(23,441)	-	(29,393)
Foreign exchange translation adjustments	4,798	67,321	6,982	(45,798)	33,303
As at 31 December 2023	4,241,161	5,770,278	2,297,565	1,140,975	13,449,979
Amortisation and impairment					
As at 1 January 2022	-	1,417,411	683,640	74,577	2,175,628
Amortisation	-	134,660	90,965	86,238	311,863
Impairment loss	-	638	-	-	638
Transfer from property, plant and equipment (refer to note 11)	-	5,951	10,387	-	16,338
Disposals	-	(839)	(19,467)	-	(20,306)
Foreign exchange translation adjustments	-	(67,884)	(36,959)	(9,515)	(114,358)
As at 31 December 2022	-	1,489,937	728,566	151,300	2,369,803
As at 1 January 2023	-	1,489,937	728,566	151,300	2,369,803
Amortisation	-	132,144	95,520	92,633	320,297
Impairment loss	-	6,635	-	-	6,635
Disposals	-	(5,846)	(23,441)	-	(29,287)
Foreign exchange translation adjustments	-	(441)	2,577	5,865	8,001
As at 31 December 2023	-	1,622,429	803,222	249,798	2,675,449
Net carrying value					
As at 31 December 2022	4,137,000	4,136,690	1,363,137	1,021,396	10,658,223
As at 31 December 2023	4,241,161	4,147,849	1,494,343	891,177	10,774,530

* Service concession asset include non-cash additions of USD 2,182 thousand (2022: USD 2,606 thousand).

During 2023, the amortisation of USD 297,745 thousand (2022: USD 300,690 thousand) was included in cost of sales and USD 22,552 thousand (2022: USD 11,173 thousand) was included in general and administrative expenses.

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Notes to the consolidated financial statements (continued)

15. Goodwill impairment testing

Goodwill acquired through business combinations and port concession rights with indefinite useful lives has been allocated to various cash-generating units (CGUs) for the purpose of impairment testing.

Impairment testing is done at an operating business (or group of businesses) level that represents an individual CGU. Details of the CGUs aggregated by geography are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life		Discount rates	Terminal value growth rate
	2023	2022	2023	2022		
	USD'000	USD'000	USD'000	USD'000		
CGUs aggregated by geography						
Asia Pacific and India	456,076	457,502	-	-	7.8 - 11.5% (2022: 8.3 - 11.5%)	2.5% (2022: 2.5 - 4.5%)
Australia and Americas	1,060,401	1,331,694	147,836	137,171	7.7 - 22.7% (2022: 8.3 - 21.4%)	2.5% (2022: 2.5 - 3.0%)
Middle East, Europe and Africa	2,724,684	2,347,804	772,802	733,073	6.9 - 17.8% (2022: 7.9 - 22.0%)	1.0%-2.5% (2022: 1.0 - 4.5%)
Total	4,241,161	4,137,000	920,638	870,244		

The recoverable amount of a CGU is determined based on its value in use calculated using cash flow projections which are based on the financial budgets approved by management covering a three-year period and a further outlook for five years. This is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held by the Group (i.e. generally for a period of 25-50 years).

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

Budgeted EBITDA margins – The Group uses budgeted EBITDA margin which is adjusted for expected efficiency improvements, price fluctuations and manpower costs. These margins are collated based on information submitted by the individual CGUs which is reviewed and approved at the Group level.

Discount rates – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average weighted average cost of capital based on the rate of 30 years default free US treasury bonds adjusted for country-specific risks.

Terminal value growth rate – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the eight-year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio. Based on the historical trend of growth in global trade, the long-term growth in the range of 1% to 2.5% is considered reasonable for the diversified businesses of the Group. The values assigned to key assumptions are consistent with the past experience of management.

Sensitivity to changes in assumptions

The calculation of value in use for a CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 10% decrease in earnings for a future period would not result in impairment. Further, an increase of up to 0.25% in the discount rate and decrease of up to 0.25% in the terminal value growth rate would not result in impairment.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

16. Properties held for development and sale

	2023	2022
	USD'000	USD'000
As at 1 January	116,249	117,135
Cost of properties sold charged to profit or loss	(41,763)	(2,800)
Additions	6,246	1,914
As at 31 December	80,732	116,249

Properties held for development and sale consist of the cost of land and related improvements.

The Group has future commitments towards infrastructure development of USD 136,660 thousand (2022: USD 155,946 thousand) to be incurred over a period of 8 years in respect of these properties.

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience for of estimating the net realisable value of these properties.

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Notes to the consolidated financial statements (continued)

17. Interests in equity-accounted investees

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interests in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	722,015	569,680	44,363	84,052	484,099	284,844	1,250,477	938,576
Other current assets	338,261	345,911	84,644	84,633	232,444	267,155	655,349	697,699
Non-current assets	5,012,748	5,486,568	370,130	384,949	2,892,528	2,753,602	8,275,406	8,625,119
Total assets	6,073,024	6,402,159	499,137	553,634	3,609,071	3,305,601	10,181,232	10,261,394
Current financial liabilities	176	20,005	2,115	20,759	91,265	92,635	93,556	133,399
Other current liabilities	542,074	628,590	44,857	48,067	274,466	277,581	861,397	954,238
Non-current financial liabilities	518,550	715,787	173,790	148,535	1,723,943	1,333,647	2,416,283	2,197,969
Other non-current liabilities	185,170	262,524	27,305	35,675	159,657	279,923	372,132	578,122
Total liabilities	1,245,970	1,626,906	248,067	253,036	2,249,331	1,983,786	3,743,368	3,863,728
Net assets (100%)	4,827,054	4,775,253	251,070	300,598	1,359,740	1,321,815	6,437,864	6,397,666
Group's share of net assets							1,862,950	1,788,833
Revenue	1,427,358	1,401,160	191,701	210,738	954,085	1,065,000	2,573,144	2,676,898
Depreciation and amortisation	(272,630)	(298,865)	(29,682)	(41,306)	(163,071)	(171,717)	(465,383)	(511,888)
Other expenses	(427,759)	(577,732)	(105,157)	(165,773)	(512,417)	(632,867)	(1,045,333)	(1,376,372)
Finance costs	(37,825)	(68,759)	(27,119)	(26,122)	(75,384)	(75,602)	(140,328)	(170,483)
Finance income	12,742	18,994	3,673	4,452	1,207	2,859	17,622	26,305
Income tax expense	(107,357)	(96,822)	(8,070)	(8,996)	(42,936)	(44,844)	(158,363)	(150,662)
Profit/(loss) (100%)	594,529	377,976	25,346	(27,007)	161,484	142,829	781,359	493,798
Group's share of profit (before separately disclosed items)	112,841	95,860	12,688	14,448	38,374	55,667	163,903	165,975
Group's share of dividends received							72,003	91,684
Group's share of other comprehensive loss							(15,436)	(136,524)

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Notes to the consolidated financial statements (continued)

17. Interests in equity-accounted investees (continued)

Material equity-accounted investees

Included in the above table are three material equity-accounted investees, two of which are in “Asia Pacific and India” region and one is in “Middle East, Europe and Africa” region.

The material equity-accounted investees included in ‘Asia Pacific and India region’, individually have total assets of USD 3,724,508 thousand and USD 700,903 thousand, net assets of USD 2,754,267 thousand and USD 484,846 thousand, revenue of USD 1,018,681 thousand and USD 282,681 thousand and profit of USD 222,625 thousand and USD 91,724 thousand, respectively (2022: The material equity-accounted investees included in ‘Asia Pacific and India region’, individually had total assets of USD 3,717,826 thousand and USD 665,164 thousand, net assets of USD 2,611,206 thousand and USD 438,267 thousand, revenue of USD 983,381 thousand and USD 253,743 thousand and profit of USD 200,887 thousand and USD 62,196 thousand, respectively).

Included in “Middle East, Europe and Africa” is an equity-accounted investee with total assets of USD 1,172,860 thousand, net assets of USD 630,407 thousand, revenue of USD 157,627 thousand and a loss of USD 4,081 thousand. (2022: Included in “Middle East, Europe and Africa” was an equity-accounted investee having total assets of USD 1,085,421 thousand, net assets of USD 615,482 thousand, revenue of USD 170,351 thousand and a profit of USD 11,968 thousand.)

The table below represents the carrying amounts of interests in equity-accounted investees recognised on the statement of financial position and the related movements during the year:

	2023	2022
	USD'000	USD'000
Interests in joint ventures	1,215,798	1,129,954
Interests in associates	647,152	658,879
Balance as at 31 December	1,862,950	1,788,833

	2023	2022
	USD'000	USD'000
As at 1 January	1,788,833	2,249,442
Additional investments	34,254	68,899
Acquired through business combinations	-	12,975
Conversion to subsidiaries through acquisition of control	(37,621)	(39,028)
Share of loss reclassified to provisions	3,369	7,411
Disposals	(2,349)	(215,982)
Share of profit (net of tax)	163,903	120,013
Dividends received	(72,003)	(91,684)
Impairment loss (refer to note 9)	-	(186,689)
Share of other comprehensive loss	(15,436)	(136,524)
As at 31 December	1,862,950	1,788,833

18. Inventories

	2023	2022
	USD'000	USD'000
Merchandise*	279,598	284,917
Spare parts and consumables	263,258	257,541
Fuel	43,258	45,306
Total	586,114	587,764
Provision for obsolete and slow-moving items	(18,178)	(18,159)
Net carrying value	567,936	569,605

In 2023, inventories of USD 2,071,866 thousand (2022: USD 1,971,415 thousand) were recognised in the consolidated statement of profit or loss as an expense (under cost of sales).

*Comprises fast moving consumer goods (FMCG) and pharmaceutical products.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

19. Due from Parent Company

	2023	2023	2022	2022
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Due from Parent Company (refer to note 28)	-	-	1,748,227	1,882,190

The non-current portion of the due from the Parent Company at the end of 2022 comprised a loan of USD 1,500,000 thousand (plus accrued interest) provided to the Parent Company in July 2020, for a 5.5-year period at an interest rate of 6.125% per annum. During the current year, this amount, including interest totalling USD 22,267 thousand, along with the current portion, was fully settled by offsetting against a dividend payable amount of USD 7,652,684 declared during the year (refer to note 10). The remaining dividend payable balance of USD 4,000,000 thousand was paid in cash.

20. Receivables and other assets

	2023	2023	2022	2022
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Trade receivables (net)	337,311	2,325,604	423,460	2,307,236
Advances paid to suppliers	1,435	239,911	1,958	181,508
Unbilled revenue	-	471,873	-	254,206
Deposits receivable	83,945	27,150	75,985	19,893
Defined benefit pension surplus (refer note 23)	17,631	-	5,033	-
Prepayments	41,753	324,761	39,789	423,112
Derivative financial instruments	28,213	36,380	41,562	48,132
Other receivables	184,052	1,121,862	448,634	829,134
Due from related parties	101,719	64,301	135,432	55,347
Asset held for sale (refer note (ii) below)	-	13,751	-	5,158
Total	796,059	4,625,593	1,171,853	4,123,726

(i) The Group's exposure to credit and currency risks are disclosed in note 29.

(ii) Asset held for sale is stated net of impairment amounting to USD 8,256 thousand (2022: 2,589).

21. Cash and cash equivalents

	2023	2022
	USD'000	USD'000
Cash at banks and in hand (i)	2,357,667	2,191,837
Time deposits less than 3 months	984,384	1,040,253
Cash and cash equivalents for the consolidated statement of financial position	3,342,051	3,232,090
Bank overdrafts repayable on demand (refer note 33)	(104,635)	(108,810)
Cash and cash equivalents for the consolidated statement of cash flows	3,237,416	3,123,280

(i) Includes cash amounting to USD 75,015 thousand (2022: 71,609 thousand) which is subject to restrictions imposed by banks or other third parties as part of contractual covenants (refer note 33). However, there is no restriction on withdrawal.

21a. Short-term investments

	2023	2022
	USD'000	USD'000
Time deposits greater than 3 months but less than 1 year	261,866	209,690

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

22. Provision for employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2023	2022
	USD'000	USD'000
As at 1 January	205,719	213,833
Additional provisions made during the year	31,924	37,804
Payments made during the year	(15,660)	(16,325)
Actuarial losses/(gains)	6,782	(28,710)
Foreign exchange losses/(gains)	1,165	(883)
As at 31 December	229,930	205,719

In accordance with the provisions of IAS 19, management carried out an exercise to assess the present value of the Group's defined benefit obligations at 31 December 2023 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 4.50% (2022: 3.50% per annum), a discount rate of 6% per annum (2022: 4.9% per annum) and retirement age ranging between 45 years - 60 years (2022: 45 years – 60 years).

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' for employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss.

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the provision for employees' end of service benefits as at 31 December 2023 by the amounts shown below:

	USD'000
1.0% reduction in the discount rate	10,298
1.0% increase in the salary escalation rate	10,812

23. Pensions and post-employment benefits

The Group participates in several pension schemes around the world, mostly concentrated in the United Kingdom.

The Trustee Board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

a) P&O UK Pension Scheme

This scheme, which is located in the UK, is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accrual on 31 December 2015. The pension fund is legally separated from the Group and is managed by a Trustee board.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities. Paternoster (UK) Ltd were acquired by Rothesay Life ("Rothesay") in 2012.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

23. Pensions and post-employment benefits (continued)

On 2 August 2023, the Trustee transferred USD 572,895 thousand to Rothesay in exchange for a second bulk annuity insurance policy, resulting in all the P&O UK Scheme's liabilities being covered by an insurance policy, thus removing the funding risk for these liabilities and treated as buy-in arrangement. The Scheme assets are now managed by Rothesay who has assumed all the investment risk for the P&O UK Scheme.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was at 31 March 2022 on a market related basis. The deficit on a statutory funding objectives basis was USD 44,559 thousand.

b) P&O Ferries Scheme

Formal actuarial valuations of the P&O Ferries Scheme will normally be carried out triennially by qualified independent actuaries, the latest completed regular valuation report for the scheme being at 1 April 2020, using the projected unit method. This scheme has been closed to further benefit accrual from 31 August 2018.

At this date, the market value of the P&O Ferries Scheme's assets were USD 251,819 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 324,513 thousand giving a deficit of USD 72,694 thousand and a funding ratio of 78%.

The agreed deficit payments from these valuations are payable as follows:

- From 2024 to 2029: USD 2,546 thousand per annum
- 2030: USD 637 thousand.

The Trustee and the Company are considering the results of the 1 April 2023 valuation, which is expected to be finalised in 2024.

c) Merchant Navy Officers' Pension Fund ('MNOFP Scheme')

The Group participates in various industry multi-employer schemes in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The MNOFP Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated. The scheme has been closed to further benefit accrual from 31 March 2016.

The most recent formal actuarial valuation of the New Section of MNOFP Scheme was carried out as at 31 March 2021. This resulted in a surplus of USD 73,840 thousand. As there were sufficient assets to cover the Fund's technical provisions at the valuation date, no new contributions were required.

As at 31 December 2023, there were no outstanding contributions payable (from previous valuations) to the Fund.

The Group's share of the net surplus of the MNOFP Scheme at 31 December 2023 is estimated at 19.10%. Due to the Scheme rules, there could be no refund of any surplus until the Scheme is wound-up and each member was provided with an individual annuity that was equal to no less than 100% of their Scheme pension.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

23. Pensions and post-employment benefits (continued)

d) Merchant Navy Ratings' Pension Fund ('MNRPF Scheme')

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF Scheme had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge, by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The most recent formal actuarial valuation was carried out as at 31 March 2020. The deficit contributions arising from the valuation totalled USD 122,218 thousand. This deficit included an estimated sum of USD 89,117 thousand in respect of the expected settlement for the Ill-Health Early Retirement Court case, including the administration costs for the rectification. In 2022, the Group has recognised their share of additional liability of USD 39,464 thousand in respect of ill-health retirement and this was included under separately disclosed items (refer note 9).

The Trustees of the MNRPF identified issues mainly relating to the re-measurement of guaranteed minimum pension (GMP) liability and other accruals. Investigations are still ongoing but based on an initial estimate, an additional liability reserve of USD 192,783 thousand is expected. In 2023, the Group has recognised its share in the scheme as an employer's past service cost amounting to USD 89,625 thousand and this has been included under separately disclosed items (refer note 9).

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2024: USD 12,094 thousand *
- 2025: USD 19,097 thousand *

* The contributions payable by P&O Ferries would be the higher of their respective outstanding contributions or a percentage of the free operational cash flow.

The Trustee and the Company are considering the results of the 1 April 2023 valuation, which is expected to be finalised in 2024.

The Trustee set the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the MNRPF at 31 December 2023 was estimated at 46.49%.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

23. Pensions and post-employment benefits (continued)

e) Others

The Group also operates a number of other defined benefit and defined contribution schemes.

Reconciliation of assets and liabilities recognised in the consolidated statement of financial position

	2023	2022
	USD'000	USD'000
Non-current		
Defined benefit schemes net liabilities	228,351	238,333
Liabilities in respect of long service leave	5,420	3,916
Liabilities for other non-current deferred compensation	1,672	3,940
	235,443	246,189
Current		
Defined benefit schemes net liabilities	15,444	15,235
Liabilities for current deferred compensation	93,034	91,164
	108,478	106,399
Net liabilities	343,921	352,588
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within defined benefit pension surplus - note 20)	(17,631)	(5,033)
Employee benefits liabilities: Non-current	253,074	251,222
Employee benefits liabilities: Current	108,478	106,399
Net liabilities	343,921	352,588

Long-term employee benefit expense recognised in the consolidated statement of profit and loss consists of following:

	2023	2022
	USD'000	USD'000
Defined benefit schemes	121,009	65,540
Defined contribution schemes	58,475	55,995
Other employee benefits	33,423	23,053
Total	212,907	144,588

The remeasurements of the net defined benefit liabilities gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2023	2022
	USD'000	USD'000
Actuarial loss/(gains) recognised in the year	90,121	(1,079,845)
Return on plan assets lesser than the discount rate	102,868	1,047,561
Change of share in multi-employer scheme	-	(986)
Movement in the minimum funding liability requirements	(287,309)	(13,441)
Total	(94,320)	(46,711)

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

23. Pensions and post-employment benefits (continued)

Actuarial valuations and assumptions

The latest valuations of the defined benefit schemes have been updated to 31 December 2023 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes	P&O UK scheme	P&O Ferries scheme	MNOPF scheme	MNRPF scheme	Other schemes
	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022
Discount rates	4.50%	4.50%	4.50%	4.50%	4.50%	4.80%	4.80%	4.85%	4.85%	4.00%
Discount rates bulk annuity asset	4.50%	-	-	-	-	4.90%	-	-	-	-
Expected rates of salary increases	-*	-*	-*	-*	2.50%	-*	-*	-*	-*	2.50%
Pension increases:										
Deferment	3.00%	3.00%	2.55%	2.55%	2.90%	3.00%	3.00%	2.45%	2.45%	2.60%
Payment	3.00%	3.00%	3.00%	3.00%	2.90%	3.00%	3.00%	3.00%	3.00%	1.30%
Inflation	3.05%	3.00%	3.05%	3.05%	3.00%	3.05%	3.00%	3.05%	3.05%	2.60%

* The P&O UK Scheme, MNOPF and MNRPF were closed to future accruals as at 31 March 2016, so future pay increases are not relevant.

The assumptions for pensioner longevity under both the P&O UK Scheme and the New Section of the MNOPF Scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
2023				
P&O UK scheme	21.5	23.1	24	25.7
P&O Ferries scheme	22.5	24.1	25	26.7
MNOPF scheme	21.6	23.4	24.2	26.0
MNRPF scheme	19.3	21.0	22.7	24.6
2022				
P&O UK scheme	21.6	23.2	24.1	25.8
P&O Ferries scheme	22.6	24.2	25.2	26.8
MNOPF scheme	22.2	23.9	24.6	26.4
MNRPF scheme	20.3	22.2	23.6	25.6

The weighted average duration of the defined benefit obligation as at 31 December 2023 was 10 years (2022: 11 years).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

23. Pensions and post-employment benefits (continued)

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2023 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	11,565
0.1% increase in inflation assumption and related assumptions	5,268
0.25% p.a. increase in the long-term rate of mortality improvement	4,722

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme	P&O Ferries scheme	MNOF scheme	MNRPF scheme	Other schemes	Total group schemes fair value
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
2023						
Equities	-	42,649	68,365	201,532	42,593	355,139
Bonds	-	33,610	423,942	205,504	137,948	801,004
Other investments	34,628	103,312	-	-	103,414	241,354
Value of insured pensioner liabilities	1,157,248	-	-	-	2,087	1,159,335
Total	1,191,876	179,571	492,307	407,036	286,042	2,556,832
2022						
Equities	57,729	52,125	96,416	235,135	69,727	511,132
Bonds	486,542	37,120	413,745	209,615	97,999	1,245,021
Other investments	59,028	76,892	-	-	49,435	185,355
Value of insured pensioner liabilities	556,200	-	-	-	1,654	557,854
Total	1,159,499	166,137	510,161	444,750	218,815	2,499,362

Except for the insured pensioner liability, all material investments have quoted prices in active markets.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

23. Pensions and post-employment benefits (continued)

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2023 and 31 December 2022:

	P&O UK scheme		P&O Ferries scheme		MNOFP scheme		MNRPF scheme		Other schemes		Total group schemes		P&O UK scheme		P&O Ferries scheme		MNOFP scheme		MNRPF scheme		Other schemes		Total group schemes			
	2023	USD'000	2023	USD'000	2023	USD'000	2023	USD'000	2023	USD'000	2023	USD'000	2022	USD'000	2022	USD'000	2022	USD'000	2022	USD'000	2022	USD'000	2022	USD'000	2022	USD'000
Present value of obligations at 1 January																										
Employer's interest costs	(1,085,042)		(174,381)		(470,509)		(477,622)		(263,118)		(2,470,672)		(1,819,529)		(313,009)		(722,194)		(738,669)		(333,824)		(3,927,225)			
Employer's current service costs	(52,362)		(8,458)		(21,890)		(23,258)		(12,304)		(118,272)		(30,821)		(5,425)		(12,082)		(12,452)		(6,634)		(67,414)			
Employer's past service cost*	-		-		-		-		(16,948)		(16,948)		-		-		-		-		(11,230)		(11,230)			
Acquired through business combinations	-		-		-		(89,625)		-		(89,625)		-		-		-		(39,464)		-		(39,464)			
Contributions by scheme participants	-		-		-		-		-		-		-		-		-		-		(58,377)		(58,377)			
Effect of movement in foreign exchange rates	(61,896)		(10,411)		(26,576)		(28,194)		(37,918)		(164,995)		183,282		31,248		73,661		75,271		29,537		592,999			
Benefits paid	81,715		7,463		36,815		28,358		16,227		170,578		82,354		6,657		36,492		29,835		13,152		168,490			
Experience (losses)/gains on scheme liabilities	(31,343)		(19,651)		(13,184)		21,144		(7,454)		(50,488)		(27,986)		(18,863)		(7,520)		10,602		(4,629)		(48,396)			
Change in share in multi-employer scheme	-		-		-		-		-		-		-		-		(7,027)		-		-		(7,027)			
Actuarial gains/(losses) on scheme liabilities due to change in demographic assumptions	10,945		4,353		10,821		23,507		4,279		53,905		47,588		2,589		(8,013)		-		(2,606)		39,558			
Actuarial (losses)/gains on scheme liabilities due to change in financial assumptions	(41,417)		(8,582)		(15,423)		(15,747)		(12,369)		(93,538)		480,070		122,422		176,174		197,255		112,762		1,088,683			
Present value of obligations at 31 December																										
	(1,179,400)		(209,667)		(499,946)		(561,437)		(330,954)		(2,781,404)		(1,085,042)		(174,381)		(470,509)		(477,622)		(263,118)		(2,470,672)			

*In 2023, this relates to re-measurement of the guaranteed minimum pension liability (2022: relates to additional benefits provided to scheme members covered under ill-health retirement) (refer to note 9).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

23. Pensions and post-employment benefits (continued)

Reconciliation of the opening and closing present value of scheme assets for the period ended 31 December 2023 and 31 December 2022:

	P&O UK scheme	P&O UK scheme	P&O UK scheme	P&O UK scheme	Total group schemes	Total group schemes	Total group schemes	Total group schemes	P&O UK scheme	P&O UK scheme	P&O UK scheme	P&O UK scheme	P&O UK scheme	Total group schemes	Total group schemes	Total group schemes	Total group schemes
	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Fair value of scheme assets at 1 January	1,159,499	166,137	510,161	444,750	2,499,362	1,885,942	326,189	773,644	677,125	326,307	3,989,207			677,125	326,307	3,989,207	
Interest income on assets	56,218	8,209	24,626	21,641	122,444	32,054	5,548	13,187	11,589	5,755	68,133			11,589	5,755	68,133	
Return on plan assets (lesser)/greater than the discount rate	(13,930)	(2,612)	(32,587)	(57,717)	3,978	(502,015)	(127,969)	(168,402)	(147,941)	(101,234)	(1,047,561)			(147,941)	(101,234)	(1,047,561)	
Acquired through business combinations	-	-	-	-	-	-	-	-	-	-	6,815			-	6,815	6,815	
Contributions by employer	12,811	6,841	622	9,204	45,066	19,109	1,849	616	13,561	26,718	61,853			13,561	26,718	61,853	
Contributions by scheme participants	-	-	-	-	1,349	-	-	-	-	1,269	1,269			-	1,269	1,269	
Effect of movement in foreign exchange rates	64,590	9,454	27,668	23,610	176,493	(190,771)	(32,207)	(78,930)	(69,770)	(33,353)	(405,031)			(69,770)	(33,353)	(405,031)	
Benefits paid	(81,715)	(7,463)	(36,815)	(28,358)	(170,578)	(82,354)	(6,657)	(36,492)	(29,835)	(13,152)	(168,490)			(29,835)	(13,152)	(168,490)	
Change in share in multi-employer scheme	-	-	-	-	-	-	-	8,013	-	-	8,013			-	-	8,013	
Administration costs incurred during the year	(5,597)	(995)	(1,368)	(6,094)	(14,436)	(2,466)	(616)	(1,475)	(9,979)	(310)	(14,846)			(9,979)	(310)	(14,846)	
Fair value of scheme assets at 31 December	1,191,876	179,571	492,307	407,036	2,556,832	1,159,499	166,137	510,161	444,750	218,815	2,499,362			444,750	218,815	2,499,362	
Defined benefit schemes net liabilities	12,476	(30,096)	(7,639)	(154,401)	(224,572)	74,457	(8,244)	39,652	(32,872)	(44,303)	28,690			(32,872)	(44,303)	28,690	
Minimum funding liability	(12,476)	-	7,639	(14,386)	(19,223)	(114,253)	-	(40,133)	(127,872)	-	(282,258)			(127,872)	-	(282,258)	
Net liability recognised in the consolidated statement of financial position at 31 December	-	(30,096)	-	(168,787)	(243,795)	(39,796)	(8,244)	(481)	(160,744)	(44,303)	(253,568)			(160,744)	(44,303)	(253,568)	

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

23. Pensions and post-employment benefits *(continued)*

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:

	2023	2022
	USD'000	USD'000
Minimum funding liability as on 1 January	(282,258)	(324,503)
Employer's interest costs	(14,801)	(5,918)
Actuarial gains during the year	287,309	13,441
Effect of movement in foreign exchange rates	(9,473)	34,722
Minimum funding liability as on 31 December	(19,223)	(282,258)

It is anticipated that the Group will make the following contributions to the pension schemes in 2024:

	P&O UK scheme	P&O Ferries scheme	MNOFP scheme	MNRPF scheme	Other schemes	Total group schemes
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Pension scheme contributions	-	2,546	-	12,094	1,842	16,482

24. Payables and other liabilities

	2023	2023	2022	2022
	Non-current	Current	Non-current	Current
	USD'000	USD'000	USD'000	USD'000
Trade payables	-	1,224,068	-	1,182,972
Deferred revenue	78,537	257,306	69,397	220,408
Advances and deposits from customers	1,636	289,960	849	347,637
Other payables and accruals	194,054	2,984,019	170,778	2,837,842
Provisions*	15,870	192,295	4,418	222,794
Derivative financial instruments	239,869	158,744	218,646	107,097
Amounts due to related parties (refer to note 28)	104,836	58,791	100,507	51,757
As at 31 December	634,802	5,165,183	564,595	4,970,507

During the current year, USD 221,402 thousand included in the deferred revenue as of 31 December 2022 has been recognised as revenue in 2023 (2022: 244,997 thousand).

* During the current year, additional provisions amounting to USD 124,254 thousand (2022: USD 337,495 thousand) were recognised and provisions amounting to USD 143,301 thousand (2022: USD 199,994 thousand) were utilised. The recognised provision reflects management's best estimate of the most likely outcome of various legal, restructuring, employee related, dilapidation and other claims, which are subject to considerable uncertainty in terms of outcome and timing of settlement.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

25. Non-controlling interests (NCI)

The following table summarises the financial information for the material non-controlling interests (NCI) of the Group:

	Middle East, Europe and Africa		Asia Pacific and India	Australia and Americas	Other non-material subsidiaries	Total
	UAE	Other countries				
	2023	2023				
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance sheet information:						
Non-current assets	4,861,069	412,426	1,311,543	7,391,839		
Current assets	913,761	167,005	719,785	1,832,959		
Non-current liabilities	(1,433,488)	(116,496)	(409,589)	(6,452,227)		
Current liabilities	(1,748,837)	(43,330)	(496,964)	(1,755,493)		
Net assets (100%)	2,592,505	419,605	1,124,775	1,017,078		
Fair value adjustments excluding goodwill	383,084	144,555	301,827	634,945		
Total	2,975,589	564,160	1,426,602	1,652,023		
Carrying amount of NCI as at 31 December	955,082	170,760	527,799	828,913	554,447	3,037,001
Statement of profit or loss information:						
Revenue	2,240,972	115,908	1,669,410	1,448,875		
Profit after tax	1,065,765	26,263	2,355	241,559		
Other comprehensive income/(loss), net of tax	2,412	(3,323)	(42,083)	(5,085)		
Total comprehensive income/(loss) (100%), net of tax	1,068,177	22,940	(39,728)	236,474		
Profit allocated to NCI	342,002	6,808	647	62,803	66,488	478,748
Other comprehensive income/(loss) attributable to NCI	774	(1,666)	(15,423)	(3,381)	(47,477)	(67,173)
Total comprehensive income/(loss) attributable to NCI	342,776	5,142	(14,776)	59,422	19,011	411,575
Cash flow statement information:						
Cash from operating activities	1,481,020	19,747	207,423	421,605		
Cash used in investing activities	(92,232)	(2,714)	(101,725)	(117,090)		
Cash used in financing activities	(1,201,112)	(2,571)	(157,800)	(374,125)		
Dividends paid to NCI	-	(5,973)	(26,473)	(92,507)		

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

25. Non-controlling interests (NCI) (continued)

	Middle East, Europe and Africa		Asia Pacific and India	Australia and Americas	Other non-material subsidiaries	Total
	Other countries					
	United Arab Emirates	2022				
	2022	2022	2022	2022	2022	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance sheet information:						
Non-current assets	4,980,208	455,459	1,409,189	4,716,875		
Current assets	748,621	174,391	813,229	774,020		
Non-current liabilities	(2,246,618)	(178,701)	(315,952)	(3,795,095)		
Current liabilities	(1,958,277)	(35,360)	(656,356)	(584,788)		
Net assets (100%)	1,523,934	415,789	1,250,110	1,111,012		
Fair value adjustments excluding goodwill	389,820	153,968	312,617	646,111		
Total	1,913,754	569,757	1,562,727	1,757,123		
Carrying amount of NCI as at 31 December	614,466	171,695	585,635	866,496	499,667	2,737,959
Statement of profit or loss information:						
Revenue	1,049,553	117,887	2,192,303	1,549,174		
Profit after tax	426,133	32,196	416,481	215,960		
Other comprehensive income/(loss), net of tax	1,151	(35,997)	(104,526)	8,309		
Total comprehensive income/(loss) (100%), net of tax	427,284	(3,801)	311,955	224,269		
Profit allocated to NCI	136,745	6,597	125,482	117,324	14,384	400,532
Other comprehensive income/(loss) attributable to NCI	369	(17,636)	(40,560)	5,287	(11,396)	(63,936)
Total comprehensive income/(loss) attributable to NCI	137,114	(11,039)	84,922	122,611	2,988	336,596
Cash flow statement information:						
Cash from operating activities	762,751	9,971	705,554	576,724		
Cash used in investing activities	(74,811)	(6,233)	(127,772)	(184,299)		
Cash used in financing activities	(439,210)	(5,109)	(622,893)	(193,576)		
Dividends paid to NCI	-	(1,122)	(170,834)	(29,189)		

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

26. Business combinations

Bamardo Limited

On 18 July 2023, the Group acquired 100% equity and voting interest in Bamardo Limited (Bamardo) for a purchase consideration of USD 148,000 thousand (cash consideration of USD 133,200 thousand and deferred consideration of USD 14,800 thousand). Bamardo Limited holds an investment in Freight Village Group which offers warehousing and industrial facilities for rent and ownership, manages the delivery of rail containers and provides customs services to the cargo owners.

The carrying values and fair values of the identifiable assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying value	Fair value recognised on acquisition
	USD'000	USD'000
Assets		
Property, plant and equipment*	43,342	46,842
Investment properties*	17,967	43,667
Right-of-use asset	6,650	6,650
Intangible assets*	15	14,092
Receivables and other assets***	9,360	9,360
Inventories	670	670
Deferred tax assets	1,703	1,703
Cash and cash equivalents	7,854	7,854
Liabilities		
Lease liabilities	6,021	6,021
Payables and other liabilities	35,231	35,231
Current tax liabilities	2,579	2,579
Deferred tax liabilities*	4,825	13,478
	-----	-----
Net assets acquired	38,905	73,529
Less: non-controlling interests		(6,225)
Goodwill arising on acquisition**		80,696

Total fair value of net assets acquired		148,000
		=====
For cash flow statement:		
Cash paid		(133,200)
Cash acquired		7,854

Net cash outflow		(125,346)
		=====

* As part of purchase price allocation, the Group recognised customer relationships amounting to USD 14,077 thousand, fair value uplift on property plant and equipment and investment properties amounting to USD 3,500 thousand and USD 25,700 thousand respectively and related deferred tax liabilities amounting to USD 8,653 thousand during the period.

** The goodwill is attributable mainly to the logistics and warehouse solutions offered by Freight Village Group, and the synergies expected to be achieved from integrating the Company into the Group's existing business. The goodwill recognised on acquisition is not expected to be deductible for tax purposes. The deferred tax liability relates to fair value adjustments.

*** The gross amount of trade receivable included in above is USD 2,394 thousand.

Acquisition related costs of USD 448 thousand were incurred during the period and are included under general and administrative expenses in the consolidated statement of profit or loss.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

26. Business combinations (continued)

Bamardo Limited (continued)

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of their interests in the acquiree's identifiable net assets.

From the acquisition date, the business has contributed revenues of USD 19,987 thousand and profit of USD 7,388 thousand to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that the Groups' consolidated revenue would have increased by USD 47,969 thousand and the Group's consolidated profit for the year would have increased by USD 17,731 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

Laem Chabang International Terminal Co. Ltd ('LCIT')

On 18 August 2023, the Group and other shareholders in LCIT agreed to revised terms which granted the Group control over LCIT. The Group retained its previously held equity interest of 34.5%. The fair value of the identifiable net assets and liabilities at the date when control was obtained was USD 107,637 thousand. Goodwill of USD 3,922 thousand and non-controlling interests of USD 70,502 thousand were recognised on the same date.

The remeasurement to fair value of the Group's existing 34.5% interest in LCIT amounts to USD 41,057 thousand which resulted in a gain of USD 19,805 thousand which was recognised under SDI in the consolidated statement of profit or loss (refer to note 9).

CFR Logistics LLC ('CFR')

On 7 November 2023, Group acquired 100% equity interest in CFR Group through its subsidiary DP World Logistics USA, Inc. The CFR Group provides freight forwarding and car shipping services to some key car manufacturers across Europe, Asia and North America.

Total purchase consideration consists of USD 18,459 thousand cash, deferred consideration of USD 1,563 thousand and contingent consideration of USD 7,836 thousand. Contingent consideration is payable subject to attainment of pre-agreed gross profit targets by the CFR Group during the 2024 – 2028 reporting periods and has been calculated and measured based on the expected probabilities of achieving the required targets considering historical data and past performance.

The fair value of identifiable net assets and liabilities on the date of acquisition was USD 13,113 thousand which resulted in recognition of goodwill amounting to USD 14,745 thousand.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

27. Significant group entities

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

a) Significant holding companies

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Holding company
Thunder FZE	100%	United Arab Emirates	Holding company
Economic Zones World FZE	100%	United Arab Emirates	Holding company including development, management and operation of free zones
DP World Jebel Ali Terminals and Free Zone FZCO - refer note (ix)	67.9%	United Arab Emirates	Holding company
Ports International FZCO	90%	United Arab Emirates	Holding company
DP World Sokhna FZCO	90%	United Arab Emirates	Holding company
Dry Docks World FZE	100%	United Arab Emirates	Holding company
DP World Logistics FZE	100%	United Arab Emirates	Holding company
DP World Eurasia Logistics FZE - refer note (viii)	100%	United Arab Emirates	Holding company
DP World Australia (POSN) Pty Ltd.	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Canada Investment Inc.	55%	Canada	Holding company
Hindustan Infralog Private Limited - refer note (ix)	65%	India	Holding company
Hindustan Ports Private Limited	100%	India	Holding company
PT INA DP World Investment	80%	Indonesia	Holding company
South Asia Logistics Pvt Ltd.	100%	Mauritius	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DP World International Investment B.V.	55%	Netherlands	Holding company
DP World Australia B.V.	55%	Netherlands	Holding company
ENAF B.V.	90%	Netherlands	Holding company
DP World Logistics Europe B.V.	100%	Netherlands	Holding company
The Peninsular and Oriental Steam Navigation Company Limited ('P&O SNCO')	100%	United Kingdom	Holding company
Palletways Group Ltd.	100%	United Kingdom	Holding company
Syncreon Acquisition Corp	100%	United States of America	Holding company

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

27. Significant group entities (continued)

b) Significant subsidiaries – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
Jebel Ali Terminal FZE - refer note (ix)	67.9%	United Arab Emirates	Container terminal operations
DP World MPL Servicos S.A.	100%	Angola	Multi-purpose terminal
Terminales Rio de la Plata S.A.	55.6%	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd. - refer note (iii) and (ix)	33.1%	Australia	Container terminal operations
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Empresa Brasileira de Terminais Portuarios S.A.	100%	Brazil	Container terminal operations
Caucedo Investments Inc. - refer note (iv)	50%	British Virgin Islands	Container terminal operations
Caucedo Services Inc. - refer note (iv)	50%	British Virgin Islands	Container terminal operations
DP World (Canada) Inc. - refer note (ix)	55%	Canada	Container terminal operations
DP World Fraser Surrey Inc. - refer note (ix)	55%	Canada	Multi-purpose and general cargo terminal operations
DP World Nanaimo Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc. - refer note (ix)	55%	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Chile S.A. - refer note (ix)	54.9%	Chile	Container terminal operations
DP World RDC	66%	Congo	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Posorja S.A.	85.3%	Ecuador	Container terminal operations
DP World Sokhna SAE	90%	Egypt	Container and general cargo terminal operations
Eurofos SARL - refer note (iv)	50%	France	Container terminal operations
Stuttgart & Mannheim Terminals	100%	Germany	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd.	85%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
PT DP World Maspion East Java	55%	Indonesia	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A. - refer note (ix)	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd.	75%	Pakistan	Container terminal operations
DP World Callao S.r.l.	100%	Peru	Container terminal operations
Doralch Container Terminal S.A. refer note (ii) & (v)	33.3%	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	80%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	80%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal S.r.l	100%	Romania	Container terminal operations
DP World Dakar S.A. - refer note (vii)	54%	Senegal	Container terminal operations
DP World Berbera	58.5%	Somaliland	Container and general cargo terminal operations
Pusan Newport Co. Ltd. - refer note (ix)	66%	South Korea	Container terminal operations
DP World Tarragona S.A.	60%	Spain	Container terminal operations

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

27. Significant group entities *(continued)*

b) Significant subsidiaries – Ports *(continued)*

Legal Name	Ownership interest	Country of incorporation	Principal activities
Laem Chabang International Terminal Co. Ltd - refer note (iv) & (vi)	34.5%	Thailand	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Türkiye	Container terminal operations
DP World TIS-Pivdennyi	51%	Ukraine	Multi-purpose terminal
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Roll-on/ roll-off operations

c) Associates and joint ventures – Ports

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
Antwerp Gateway N.V. - refer note (i) and (x)	60%	Belgium	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal and warehouse operations
Rotterdam World Gateway B.V. - refer note (x)	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co. Ltd. - refer note (x)	29%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd.	12.5%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paíta S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc. - refer note (x)	31.9%	Philippines	Container terminal operations

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

27. Significant group entities (continued)

d) Other non-port business

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World Creek & Marfa Management FZE	100%	United Arab Emirates	Terminal management and port operation
Box Care FZE	100%	United Arab Emirates	Cargo loading and unloading including ancillary service
Berbera Special Economic Zone FZCO	72%	United Arab Emirates	Investments in ports, free zone, economic zones, airports and industrial zones project
DP World Digital FZE	100%	United Arab Emirates	Electronic network consultancies, information technology consultants and web-design
DP World Financial Services Limited	100%	United Arab Emirates	Arranging and advising on credit facilities
Dubai International Djibouti FZE - refer note (v)	100%	United Arab Emirates	Port management and operation
Drydocks World Dubai FZCO	100%	United Arab Emirates	Newbuild, conversion, repair, maintenance - vessels, equipment, steel structural services
Dubai Maritime City FZE	100%	United Arab Emirates	Real estate development, buying and selling of real estate, leasing and management of self-owned
We One FZE	100%	United Arab Emirates	Property guard and security services
Dubai Auto Zone Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Textile City Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Jebel Ali Free Zone FZE	67.9%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
National Industries Park Management FZE	67.9%	United Arab Emirates	Management, operation and development of industrial zones
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
P&O Marinas FZE	100%	United Arab Emirates	Operating marinas and property leasing
Unifeeder ISC FZCO - refer note (ix)	64.9%	United Arab Emirates	Maritime transport and logistics
P&O Maritime Services Pty Ltd.	100%	Australia	Maritime services
DP World Logistics Australia Pty Ltd.	100%	Australia	Logistics services
Topaz Energy and Marine Limited	100%	Bermuda	Charter of marine vessels and ship management
DP World Logistics Brazil S.A.	100%	Brazil	Logistics services
DP World Logistics Canada Inc.	55%	Canada	Logistics services
DP World China Co Ltd.	100%	China	Investment and development
Bamardo Limited - refer note (vi)	100%	Cyprus	Holding company of inland terminal operator and landbank development
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Logistics DPWL S.A.	100%	Ecuador	Logistics services
DP World Egypt Logistic Service	100%	Egypt	Logistics services

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

27. Significant group entities (continued)

d) Other non-port business (continued)

DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
Logit Services GmbH	100%	Germany	Specialized logistics and supply chain solution
Syncreon Deutschland GmbH	100%	Germany	Logistics and supply chain solutions
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
DP World Multimodal Logistics Private Limited - refer note (ix)	60.8%	India	Logistics, warehousing and transportation services
DP World Rail Logistics Private Limited - refer note (iv) & (ix)	46.1%	India	Logistics, warehousing and transportation services
DP World Cold Chain Logistics Private Limited	59.3%	India	Cold chain logistics
Nhava Sheva Business Park Private Limited - refer note (ix)	65%	India	Free trade warehousing zone
Intech Creative Services Pvt Ltd.	51%	India	Digital technology
PT DPW East Java Gateway	55%	Indonesia	Logistics services
Palletways Italy SPA	100%	Italy	Delivery of palletised freight
Dubai Ports World for Logistic Services	100%	Kingdom of Saudi Arabia	Logistics services
Empresa de Dragagem do Porto de Maputo, S.A.	25.5%	Mozambique	Dredging services
Maputo Intermodal Container Depot S.A.	50%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo S.A.	24.7%	Mozambique	Port management and cargo handling
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
P&O Maritime Services (PNG) Limited	100%	Papua New Guinea	Maritime services
P&O Maritime Paraguay (Holdings) S.A.	100%	Paraguay	Maritime transport and logistics
DP World Logistics S.r.l	100%	Peru	Logistics and warehousing services
Port Secure FZCO - refer note (v)	40%	Republic of Djibouti	Port security services
DP World Novi Sad AD	100%	Republic of Serbia	Inland container terminal operations
DP World Logistics Romania S.r.l.	100%	Romania	Logistics services
DP World Logistics Limited	100%	Rwanda	Warehousing and storage
DP World Bosaso FZCO	75%	Somalia	Ports management
Imperial Logistics Limited	100%	South Africa	Freight management, contract logistics, freight forwarding and market access services
Unico Logistics Co. Ltd. - refer note (ix)	60%	South Korea	Freight forwarding and project cargo services
Palletways Iberia	100%	Spain	Delivery of palletised freight
Remolcadores de Puerto y Altura, S.A.	57%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
Palletways Europe GmbH	100%	Switzerland	Delivery of palletised freight
Swissterminal Holding AG - refer note (iv)	44%	Switzerland	Inland container terminal operations
DP World Lojistik Hizmetleri Anonim Sirketi	100%	Türkiye	Logistics services

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

27. Significant group entities *(continued)*

d) Other non-port business *(continued)*

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
Palletways (UK) Ltd.	100%	United Kingdom	Delivery of palletised freight
CFR Logistics LLC - refer note (vi)	100%	United States of America	Logistics and freight forwarding services
DP World Logistics USA Inc.	100%	United States of America	Logistics services
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks
P&O Ferries Division Holdings Limited	100%	United Kingdom	Ferry services and logistics operator
Syncreon Newco B.V.	100%	United States of America	Specialised logistics and supply chain solution
Hyperloop Technologies Inc.	100%	United States of America	Development of hyperloop transportation system

- (i) Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as equity-accounted investees. The underlying shareholder agreements/ board composition do not provide control to the Group.
- (ii) Although the Group has a 33.34% effective ownership interest in this entity, it was treated as a subsidiary until 22 February 2018, as the Group was able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.
- (iii) Although the Group has a 33.14% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors.
- (iv) Although the Group does not have more than 50% effective ownership interest in these entities, they are treated as subsidiaries, as the Group is able to govern the financial and operating policies of these companies by virtue of contractual agreements with the other investors.
- (v) On 22 February 2018, the Government of Djibouti illegally seized control of Djibouti operations and hence the Group has stopped consolidating this entity's operating results. The Group commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation. The London Court of International Arbitration ruled Djibouti government's seizure of control of the terminal from the Group as illegal. The Group will continue to pursue all legal means to defend its rights as a shareholder.
- (vi) Control acquired during the year; refer to note 26 for details.
- (vii) Change in shareholding was effective in 2022.
- (viii) This entity was incorporated during the year to facilitate acquisition of Bamardo Limited (refer to note 26).
- (ix) The Group has significant non-controlling interests in these subsidiaries.
- (x) These represents material equity-accounted investees of the Group.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

28. Related party transactions and balances

Related party transactions

The Group, in the normal course of business, enters into transactions with other businesses that fall within the definition of a related party as set out in *International Accounting Standard No. 24*. The Group has elected to apply the exemption in relation to government-related entities under IAS 24 'Related parties' to disclose transactions and balances with government related entities which are individually or collectively significant as of the reporting date. To determine significance, the Group considers various qualitative and quantitative factors including whether transactions with the related parties are based on approved terms and conditions set by management. The Group has transactions with government-related entities including, but not limited to, rendering and receiving services, use of public utilities and ancillary services.

The significant transactions with related parties included in the consolidated financial statements are as follows:

	2023 - USD'000				2022 - USD'000			
	Parent Company	Equity-accounted investees	Other related parties	Total	Parent Company	Equity-accounted investees	Other related parties	Total
<i>Expenses charged:</i>								
Concession fees	-	-	18,919	18,919	-	-	7,953	7,953
Shared services	-	-	155	155	-	-	40	40
Marine service fees	-	-	15,794	15,794	-	-	14,146	14,146
IT services fees	-	-	-	-	-	-	12	12
Other services	441	238	1,678	2,357	-	-	8,438	8,438
Interest expenses	-	-	45,563	45,563	-	-	51,346	51,346
<i>Revenue earned:</i>								
Revenue	-	-	12,382	12,382	-	-	9,035	9,035
Management fees	-	47,370	-	47,370	-	27,300	-	27,300
Interest income	22,308	1,836	-	24,144	104,496	4,520	-	109,016

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

	Due from related parties		Due to related parties	
	2023 USD'000	2022 USD'000	2023 USD'000	2022 USD'000
Intermediate Parent Company	2,346	2,347	1,996	582
Parent Company (refer to note 19)	-	3,630,417	424	-
Equity-accounted investees	145,747	157,774	6,713	9,750
Other related parties	17,927	30,658	154,494	141,932
Total	166,020	3,821,196	163,627	152,264

The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 38.

Compensation of key management personnel

The remuneration of the Group's directors and other key members of the management during the year were as follows:

	2023 USD'000	2022 USD'000
Short-term benefits and bonus	19,468	18,458
Post-retirement benefits	977	436
Total	20,445	18,894

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

29. Financial risk management

Overview

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

- a) credit risk
- b) liquidity risk
- c) market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

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. 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 Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit and Risk Committee.

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

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

Receivables and other assets

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group uses an allowance matrix to measure the ECLs of trade receivables which comprise a very large number of small balances. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of sales over a period of 60 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), global supply/demand index of container market, global freight rate index of container market, oil prices in international markets and consumer price index (CPI) to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

a) Credit risk (continued)

Receivables and other assets (continued)

Other financial assets

Credit risk arising from other financial assets of the Group comprises bank balances and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities. The Group considers outstanding receivable from related parties as fully recoverable.

Financial guarantees

The Group provides financial guarantees to subsidiaries, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2023	2022
	USD'000	USD'000
Other investments	52,527	40,742
Receivables and other assets excluding prepayments	4,171,103	4,431,943
Due from Parent Company	-	3,630,417
Short-term investments	261,866	209,690
Cash and cash equivalents	3,342,051	3,232,090
Less: Cash in hand	(69,753)	(220,460)
Total	7,757,794	11,324,422

The maximum exposure to credit risk for trade receivables (net) at the reporting date by operating segments are as follows:

	2023	2022
	USD'000	USD'000
Asia Pacific and India	328,121	339,651
Australia and Americas	351,492	506,939
Middle East, Europe and Africa	1,983,302	1,884,106
Total	2,662,915	2,730,696

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

a) Credit risk (continued)

i. Exposure to credit risk (continued)

The ageing of trade receivables (net) at the reporting date was:

	2023	2022
	USD'000	USD'000
Neither past due nor impaired on the reporting date:	1,807,071	2,045,172
Past due on the reporting date		
Past due 0-30 days	446,826	335,843
Past due 31-60 days	154,846	98,427
Past due 61-90 days	94,108	53,141
Past due > 90 days	160,064	198,113
Total	2,662,915	2,730,696

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2023	2022
	USD'000	USD'000
As at 1 January	312,424	200,674
Acquired through business combinations	22,709	30,566
Provisions recognised during the year	12,404	81,184
Provisions written-off during the year	(111,875)	-
As at 31 December	235,662	312,424

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Current trade receivables with the top ten customers represent 24.3% (2022: 22.7%) of the trade receivables.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

b) Liquidity risk (continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. Trade payables are normally settled within 45 days of the date of purchase. For other payables, the Group's terms of business require amounts to be settled within 60 days of the date of provision of the service.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non-derivative financial liabilities						2023
Issued bonds	8,804,288	(14,849,011)	(542,129)	(564,822)	(3,146,442)	(10,595,618)
Bank loans	9,755,069	(12,884,470)	(1,346,202)	(1,247,584)	(3,877,713)	(6,412,971)
Loans from non-controlling interests	1,400,894	(1,761,764)	(479,495)	(457,832)	(145,561)	(678,876)
Lease liabilities	3,987,241	(9,821,645)	(722,634)	(558,442)	(990,205)	(7,550,364)
Service concession liabilities	510,816	(1,241,154)	(45,420)	(43,873)	(130,808)	(1,021,053)
Payables and other liabilities	4,773,933	(4,773,933)	(4,475,461)	(234,968)	(41,016)	(22,488)
Derivative financial liabilities						
Derivative instruments	398,613	(547,364)	(111,803)	(55,740)	(257,479)	(122,342)
Total	29,630,854	(45,879,341)	(7,723,144)	(3,163,261)	(8,589,224)	(26,403,712)

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	More than 5 years
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Non-derivative financial liabilities						2022
Issued bonds	8,455,368	(13,832,794)	(1,587,151)	(365,577)	(1,883,620)	(9,996,446)
Bank loans	5,777,262	(6,930,510)	(1,926,894)	(652,833)	(1,949,838)	(2,400,945)
Loans from non-controlling interests	1,783,376	(2,260,589)	(432,456)	(480,855)	(572,011)	(775,267)
Lease liabilities	3,857,185	(9,321,293)	(643,460)	(642,905)	(909,932)	(7,124,996)
Service concession liabilities	512,332	(1,293,004)	(44,564)	(43,387)	(139,076)	(1,065,977)
Payables and other liabilities	4,555,907	(4,619,854)	(4,283,772)	(179,073)	(74,367)	(82,642)
Derivative financial liabilities						
Derivative instruments	325,743	(364,512)	(4,826)	(183,790)	(175,896)	-
Total	25,267,173	(38,622,556)	(8,923,123)	(2,548,420)	(5,704,740)	(21,446,273)

For details on financial guarantees and letters of credit, refer to note 38.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

29. Financial risk management (continued)

c) Market risk

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

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE dirhams) is approximately 72% (2022: 65%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated to USD at the end year end rates. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. In addition, the Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and accounts for them at fair value.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

- c) **Market risk (continued)**
- i. **Currency risk (continued)**

Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2023
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total USD'000
Cash and cash equivalents	1,978,430	323,684	483,332	62,964	45,595	83,839	28,979	335,228	3,342,051
Short-term investments	69,385	27,490	-	-	-	-	164,674	317	261,866
Trade receivables	1,616,362	199,915	143,834	65,724	73,837	75,777	25,342	462,124	2,662,915
Unbilled revenue	381,570	35,192	28,764	2,291	12,597	495	1,969	8,995	471,873
Deposits receivable	84,001	2,900	4,336	1	12,721	106	1,574	5,456	111,095
Bank loans	(6,911,967)	(1,089,885)	(136,914)	(301,970)	(205,590)	(524,624)	-	(584,119)	(9,755,069)
Loans from non-controlling interests	(916,114)	-	(16,229)	(279,635)	-	(187,568)	-	(1,348)	(1,400,894)
Unsecured bonds	(7,537,378)	(442,502)	(824,408)	-	-	-	-	-	(8,804,288)
Lease and service concession liabilities	(1,984,904)	(628,093)	(529,752)	(534,963)	(29,936)	(456,850)	(37,489)	(296,070)	(4,498,057)
Trade payables	(609,078)	(116,735)	(132,801)	(7,370)	(27,484)	(8,788)	(4,462)	(317,350)	(1,224,068)
Advances and deposits from customers	(263,659)	-	(28)	-	(7,973)	-	-	(19,936)	(291,596)
Net consolidated statement of financial position exposures	(14,093,352)	(1,688,034)	(979,866)	(992,958)	(126,233)	(1,017,613)	180,587	(406,703)	(19,124,172)

* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

c) Market risk (continued)

i. Currency risk (continued)

Exposure to currency risk (continued)

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total USD'000
Cash and cash equivalents	1,826,513	236,576	507,641	72,157	109,910	145,915	18,379	314,999	3,232,090
Short-term investments	30,543	24,952	-	-	-	-	153,874	321	209,690
Trade receivables	1,484,686	215,950	158,002	69,179	58,824	78,119	26,981	638,955	2,730,696
Unbilled revenue	201,500	30,327	9,775	759	8,502	1,587	918	838	254,206
Deposits receivable	71,768	-	2,102	-	10,492	979	1,636	8,901	95,878
Bank loans	(3,316,822)	(888,500)	(129,703)	(300,538)	(161,401)	(404,155)	-	(576,143)	(5,777,252)
Loans from non-controlling interests	(1,210,431)	-	(27,081)	(352,594)	-	(183,535)	-	(9,735)	(1,783,376)
Unsecured bonds	(7,242,689)	(417,467)	(795,212)	-	-	-	-	-	(8,455,358)
Lease and service concession liabilities	(2,294,470)	(509,519)	(599,631)	(509,656)	(10,222)	(290,550)	(17,896)	(137,573)	(4,369,517)
Trade payables	(397,466)	(129,565)	(142,118)	(5,533)	(26,687)	(20,084)	(2,242)	(459,277)	(1,182,972)
Advances and deposits from customers	(340,260)	-	(85)	-	(7,227)	-	-	(914)	(348,486)
Net consolidated statement of financial position exposures	(11,187,128)	(1,437,246)	(1,016,310)	(1,026,226)	(17,809)	(671,724)	181,650	(219,628)	(15,394,421)

* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

c) Market risk (continued)

i. Currency risk (continued)

Sensitivity analysis

A 10% weakening of the USD against the following currencies at 31 December would have increased/(decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2023	2022	2023	2022
	USD'000	USD'000	USD'000	USD'000
GBP	(4,138)	(4,718)	(187,559)	(159,694)
EUR	(1)	(202)	(108,874)	(112,923)
AUD	(898)	(2,359)	(110,329)	(114,025)
INR	(1,864)	(1,159)	(14,026)	(1,979)
CAD	(1,424)	(2,646)	(113,068)	(74,636)
KRW	(767)	229	20,065	20,183

A 10% strengthening of the USD against the above currencies at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

As at 31 December 2023, after taking into account the effect of interest rate swaps, approximately 85% (2022:88%) of the Group's borrowings are at a fixed rate of interest.

Interest rate profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amounts	
	2023	2022
	USD'000	USD'000
Fixed rate instruments		
Financial liabilities (includes loans and borrowings, loans from non-controlling interests and lease & concession liabilities)	(16,824,516)	(16,244,104)
Financial assets (includes short-term investments and deposits under lien)	1,311,929	1,249,943
Effect of interest rate swaps	(3,979,828)	(1,655,158)
Total	(19,492,415)	(16,649,319)
Variable rate instruments		
Financial liabilities (includes loans and borrowings and loans from non-controlling interests)	(7,633,792)	(4,141,419)
Effect of interest rate swaps	3,979,828	1,655,158
Total	(3,653,964)	(2,486,261)

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

29. Financial risk management *(continued)*

c) Market risk *(continued)*

ii. Interest rate risk *(continued)*

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ('bp') in interest rates at the reporting date would have increased/(decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	USD'000	USD'000	USD'000	USD'000
2023				
Variable rate instruments	(36,540)	36,540	-	-
Cash flow sensitivity (net)	(36,540)	36,540	-	-
2022				
Variable rate instruments	(12,363)	12,363	-	-
Interest rate swaps	(300)	300	16,252	(16,252)
Cash flow sensitivity (net)	(12,663)	12,663	16,252	(16,252)

The Group does not account for any fixed rate financial assets or liabilities at fair value and hence there is no impact on profit or loss or OCI.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

d) Fair value

Fair value versus carrying values

The fair values of financial assets and liabilities, together with their carrying values as reported in the consolidated statement of financial position, are as follows:

		2023	2023	2022	2022
	Fair value hierarchy	Fair value	Carrying value	Fair value	Carrying value
		USD'000	USD'000	USD'000	USD'000
Financials assets carried at fair value					
FVOCI – equity instruments	2	21,735	21,735	21,075	21,075
FVTPL investments	3	30,792	30,792	19,667	19,667
Derivative financial instruments	2	64,593	64,593	89,694	89,694
Financials assets carried at amortised cost					
Receivables and other assets**		4,171,103	4,171,103	8,062,360	8,062,360
Investments: Short term deposits		261,866	261,866	209,690	209,690
Cash and cash equivalents*		3,342,051	3,342,051	3,232,090	3,232,090
Financial liabilities carried at fair value					
Derivative financial instruments – Put options	3	(281,495)	(281,495)	(304,697)	(304,697)
Derivative financial instruments – Others	2	(117,118)	(117,118)	(21,046)	(21,046)
Payables and other liabilities - Contingent consideration	3	(69,983)	(69,983)	(74,460)	(74,460)
Financial liabilities carried at amortised cost					
Issued bonds	1	(8,717,721)	(8,963,710)	(8,206,878)	(8,455,368)
Bank loans *		(9,755,069)	(9,755,069)	(5,777,262)	(5,777,262)
Loans from non-controlling interests*		(1,400,894)	(1,400,894)	(1,783,376)	(1,783,376)
Lease and service concession liabilities*		(4,498,057)	(4,498,057)	(4,369,517)	(4,369,517)
Payables and other liabilities**		(4,544,528)	(4,544,528)	(4,481,447)	(4,481,447)

* These financial assets and liabilities carry a market rate of interest and therefore their carrying values approximate their fair values.

** These financial assets and liabilities have short-term maturity and their carrying values approximate their fair values.

Fair value hierarchy

Fair values of financial assets and financial liabilities are determined in accordance with the following hierarchy:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability (observable inputs), either directly or indirectly. These includes quotes prices for identical or similar assets or liabilities in active markets, market observable inputs such as interest rates, yield curves, foreign exchange rates, implied volatility and credit spreads.
- Level 3: Valuation based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of derivative financial instruments-others have been determined using discounted cash flow valuation techniques, which employ the use of market observable inputs such as credit quality of counterparties and observable interest rate curves at each reporting date.

The fair values for quoted bonds are based on their market prices (including accrued interest) as at the reporting date.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

29. Financial risk management (continued)

d) Fair value (continued)

Fair value hierarchy (continued)

The fair values of the Level 3 FVTPL investments were estimated by applying an income approach valuation method including the present value discount technique and the measurements are based on significant inputs that are not observable in the market. Key assumptions used in the valuations includes the assumed probability of achieving profit targets, expected future cash flows and the discount rates applied. The assumed profitability are based on historical performance adjusted for expected future growth.

The fair value of the contingent consideration and put option liabilities were estimated based on the present value of anticipated future payments, which, in turn, were calculated based on the expected probabilities of achieving the required targets.

Other loans include term loans and finance leases. These are largely at variable interest rates, therefore, their carrying values approximate their fair values.

The following table shows reconciliation from opening balances to the closing balances for Level 3 fair values of FVTPL investment:

	FVTPL investments	Put option liabilities	Contingent consideration liability
	31 December 2023	31 December 2023	31 December 2023
	USD'000	USD'000	USD'000
At 1 January – assets/(liabilities)	19,667	(304,697)	(74,460)
Additions	11,122	-	-
Settlement	-	78,595	30,752
Acquired through business combinations	-	-	(7,836)
Change in fair value recognised in profit or loss	1,251	-	(15,604)
Change in fair value recognised directly in equity	-	(46,194)	-
Foreign exchange movements	(1,248)	(9,199)	(2,835)
At 31 December – assets/(liabilities)	30,792	(281,495)	(69,983)

	FVTPL investments	Put option liabilities	Contingent consideration liability
	31 December 2022	31 December 2022	31 December 2022
	USD'000	USD'000	USD'000
At 1 January – assets/(liabilities)	-	(41,823)	-
Additions	4,251	-	(77,457)
Settlement	-	1,134	5,734
Acquired through business combinations	15,054	(195,243)	-
Disposals	(153)	-	-
Change in fair value recognised in profit or loss	70	-	(5,605)
Change in fair value recognised directly in equity	-	(73,567)	-
Foreign exchange movements	445	4,802	2,868
At 31 December – assets/(liabilities)	19,667	(304,697)	(74,460)

There were no transfers between the Level 1 and Level 2.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

30. Share capital

The share capital of the Company as at 31 December was as follows:

	2023	2022
	USD'000	USD'000
Authorised		
1,250,000,000 of USD 2.00 each	2,500,000	2,500,000
Issued and fully paid		
830,000,000 of USD 2.00 each	1,660,000	1,660,000

31. Reserves

Share premium

Share premium represents the surplus amount received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. This reserve is not available for distribution except in specific circumstances as stipulated by the DIFC Companies Law.

Shareholders' reserve

The shareholders' reserve forms part of the distributable reserves of the Group.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

Other reserves

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below.

	Hedging and other reserves	Actuarial reserve	Total other reserves
	USD'000	USD'000	USD'000
Balance at 1 January 2022	(24,956)	(568,196)	(593,152)
Other comprehensive income, net of tax	107,805	76,803	184,608
Balance at 31 December 2022	82,849	(491,393)	(408,544)
Balance at 1 January 2023	82,849	(491,393)	(408,544)
Other comprehensive income/(loss), net of tax	(119,755)	86,997	(32,758)
Balance at 31 December 2023	(36,906)	(404,396)	(441,302)

Actuarial reserve

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

Hedging and other reserves

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred. The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve includes the unrealised fair value changes on FVOCI financial instruments.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

32. Hybrid equity instrument

Subordinated perpetual certificates

On 1 July 2020, the Group issued unsecured subordinated perpetual certificates ('hybrid bond') of USD 1,500,000 thousand which are listed on London Stock Exchange and Nasdaq Dubai. These bonds are deeply subordinated with no maturity date. The bonds have a fixed profit rate of 6% per annum payable semi-annually in arrears till the first call date on 1 October 2025 and will be reset thereafter every five years to a new fixed rate plus the margin.

The Group has an unconditional right to avoid paying out cash or another financial asset for the principal or profit as there is no contractual obligation to make any profit payment under the terms of the hybrid bond. Consequently, in compliance with IAS 32, these bonds are classified and presented as equity instruments in these financial statements and are recorded at net of transaction costs and discount of USD 23,314 thousand at initial recognition.

33. Loans and borrowings

	2023	2022
	USD'000	USD'000
Issued bonds (refer note (i) below)	8,804,288	8,455,368
Bank loans (refer note (ii) below)	9,650,434	5,668,452
Bank overdrafts (refer note 21)	104,635	108,810
	18,559,357	14,232,630
of which:		
Classified as non-current	17,638,155	11,168,994
Classified as current	921,202	3,063,636
of which:		
Secured loans and borrowings	3,956,220	3,446,502
Unsecured loans and borrowings	14,603,137	10,786,128

The bonds carry interest rates ranging from 2.4% to 6.9% per annum and majority of the loans carry interest rates ranging from 0.9% to 11.4%.

The table below provides movement of loans and borrowings:

	2023	2022
	USD'000	USD'000
Balance at 1 January	14,232,630	15,201,089
Cash flow items		
Drawdown of borrowings (refer (i), (ii) and (iii) below)	8,901,997	295,309
Repayment of borrowings (refer (i) and (iii) below)	(4,680,439)	(1,782,616)
Other non-cash items		
Acquired through business combinations*	1,198	755,256
Disposal of a subsidiary	(3,607)	-
Transaction cost amortised	19,939	12,314
Net movement in bank overdrafts	(4,174)	39,651
Foreign exchange translation adjustments	91,813	(288,373)
Balance at 31 December	18,559,357	14,232,630

*This includes USD Nil (2022: USD 69,159 thousand) of bank overdrafts taken over on acquisition.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

33. Loans and borrowings (continued)

(i) On 31 May 2023, the Group fully settled USD 1,200 million of Sukuk bond 2023. On 13 September 2023, the Group issued a 10 year Green Sukuk bond 2033 for value USD 1.5 billion, which is listed on Nasdaq Dubai and London Stock Exchange (LSE). This Sukuk carries a fixed profit rate of 5.5% payable on a semi-annual basis.

(ii) On 2 August 2023, the Group signed a long-term unsecured facility with banks amounting to USD 3.5 billion. The facility is denominated in USD, carries market interest rate and is repayable at the end of 7 years from the date of agreement. As of reporting date the facility is fully drawn down. The Group has entered into interest rate swaps for a notional amount of USD 2.5 billion to hedge the variable interest rate.

(iii) During 2023 the Group made drawdowns of USD 2,625 million from the revolving credit facility and repaid a similar amount.

The maturity profile of the Group's loans and borrowings (including acquired from business combinations) as of 31 December 2023 is as below:

Year of maturity	Bonds USD'000	Loans and overdrafts USD'000	Total USD'000
2024	-	915,302	915,302
2025	-	742,415	742,415
2026	824,408	703,473	1,527,881
2027	7,985	511,610	519,595
2028	997,256	1,386,136	2,383,392
2029	989,942	161,891	1,151,833
2030 (refer note (ii) above)	940,204	3,658,941	4,599,145
2031	-	167,202	167,202
2032	-	442,559	442,559
2033 (refer note (i) above)	1,488,982	135,100	1,624,082
2034-38	1,741,587	493,487	2,235,074
2039-47	-	436,953	436,953
2048-49	1,813,924	-	1,813,924
Total	8,804,288	9,755,069	18,559,357

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 11). The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 21).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 29.

At 31 December 2023, the undrawn committed borrowing facilities of USD 2.9 billion (2022: USD 2.0 billion) were available to the Group, in respect of which all conditions precedent had been met.

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Notes to the consolidated financial statements (continued)

34. Lease and service concession liabilities

a. Group as a lessee/concessionaire

	Lease liabilities (IFRS 16)	Service concession liabilities (IFRIC 12)	Total	Lease liabilities (IFRS 16)	Service concession liabilities (IFRIC 12)	Total
	2023	2023	2023	2022	2022	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	3,857,185	512,332	4,369,517	3,384,036	494,799	3,878,835
Acquired through business combinations	178,685	-	178,685	384,676	-	384,676
Additions	394,732	2,182	396,914	992,743	2,606	995,349
Payments	(815,567)	(45,113)	(860,680)	(881,282)	(44,483)	(925,765)
Interest expense	185,663	39,941	225,604	164,863	39,267	204,130
Lease modifications	157,583	(91)	157,492	(18,800)	(666)	(19,466)
Reclassification from other liabilities	-	-	-	-	24,299	24,299
Leases terminations	(4,291)	-	(4,291)	-	-	-
Translation adjustments	33,251	1,565	34,816	(169,051)	(3,490)	(172,541)
As at 31 December	3,987,241	510,816	4,498,057	3,857,185	512,332	4,369,517
Classified as:						
Non-current	3,430,914	472,001	3,902,915	3,202,581	475,357	3,677,938
Current	556,327	38,815	595,142	654,604	36,975	691,579
Total	3,987,241	510,816	4,498,057	3,857,185	512,332	4,369,517

Refer to note 12 for right-of-use assets and refer to note 29(b) for maturity profile of lease liabilities.

b. Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2023	2022
	USD'000	USD'000
Within one year	684,148	589,766
One to two years	399,104	342,068
Two to three years	376,038	321,749
Three to four years	356,503	298,011
Four to five years	325,665	277,384
More than five years	2,305,852	1,693,794
Total	4,447,310	3,522,772

The above leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office premises, warehouses and staff accommodation. In addition, certain vessels and property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

35. Loans from non-controlling interests

	2023	2022
	USD'000	USD'000
Non-current portion	1,006,455	1,467,726
Current portion	394,439	315,650
Total	1,400,894	1,783,376

These loans carry interest rates ranging between 0% to 10.34% (2022: 0% to 10.6% per annum) and are repayable between 2024 and 2039. During 2023, the Group entities obtained loans from NCI amounting to USD 5,955 thousand and repaid USD 399,456 thousand to NCI during the same period. The fair valuation impact of interest free NCI loans was USD 22,038 thousand and other non-cash movements were USD 33,057 thousand.

36. Capital management

The Board's policy is to maintain a strong equity base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Equity consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve, translation reserve, hybrid equity instrument and non-controlling interests. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios such as adjusted net debt/adjusted equity and adjusted net debt/adjusted EBITDA in order to support its business and maximise shareholder value.

For calculating these ratios:

- Adjusted net debt is defined as total loans and borrowings including lease and concession liabilities less cash and cash equivalents.
- Adjusted EBITDA is defined in note 4 *Segment information*.

The Board monitors these ratios without considering the impact of leases and concession liabilities which require further adjustments to adjusted EBITDA and equity. These modified ratios are also provided as an additional information.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

		Without lease and concession liabilities		With lease and concession liabilities	
		2023	2022	2023	2022
		USD'000	USD'000	USD'000	USD'000
Loans and borrowings excluding bank overdrafts (refer to note 33)		18,454,722	14,123,820	18,454,722	14,123,820
Add: Lease and concession liabilities (refer to note 34)		-	-	4,498,057	4,369,517
Less: Cash and cash equivalents for consolidated statement of cash flows (refer to note 21)		(3,237,416)	(3,123,280)	(3,237,416)	(3,123,280)
Less: Short term investments (refer to note 21a)		(261,866)	(209,690)	(261,866)	(209,690)
Total adjusted net debt	A	14,955,440	10,790,850	19,453,497	15,160,367
Equity	B	12,325,684	19,040,092	12,325,684	19,040,092
Adjusted EBITDA		5,107,587	5,014,128	5,107,587	5,014,128
Less: Lease and concession fee expenses (refer to note 34)		(860,680)	(925,765)	-	-
Total	C	4,246,907	4,088,363	5,107,587	5,014,128
Adjusted net debt/adjusted equity	A / B	1.21	0.57	1.58	0.80
Adjusted net debt/adjusted EBITDA	A / C	3.52	2.64	3.81	3.02

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Notes to the consolidated financial statements (continued)

37. Capital commitments

	2023	2022
	USD'000	USD'000
Estimated capital expenditure contracted	1,296,575	1,326,523
Estimated capital expenditure contracted by equity-accounted investees	106,297	90,137
Total	1,402,872	1,416,660

The above commitments mainly relate to the expansion of ports and terminals.

38. Contingencies

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2023	2022
	USD'000	USD'000
Performance guarantees	288,982	175,127
Payment guarantees	290,257	146,763
Letters of credit	23,181	24,316
Guarantees issued on behalf of equity-accounted investees	67,541	30,603
Total	669,961	376,809

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

39. Comparative information

During 2023, land use rights, which were previously classified under intangible assets in prior periods, have been reclassified to investment properties as the Group generates rental income from leasing the land. Prior period comparatives have reclassified to conform to the current year's classification. As a result, USD 2,559 thousand was reclassified from 'Intangible assets' to 'Investment Properties' refer note 13 and 14.

This reclassification has no impact on total non-current assets, total assets, profit or loss or equity and key ratios.

40. Events after the reporting date

- a) On 4 March 2024, the Group monetised a minority stake of 19.2%, without loss of control, in its subsidiary, Hindustan Ports Private Limited. The Group received total cash consideration of USD 271 million.
- b) On 5 March 2024, the Group monetised an additional minority stake of 2.47% (Tranche 3), without loss of control, in its subsidiary, DP World Jebel Ali Terminals and Free Zone FZCO. The Group received total cash consideration of USD 600 million.