

**Mamoura Diversified Global Holding PJSC**

UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

# **Mamoura Diversified Global Holding PJSC**

## **Interim condensed consolidated financial statements**

<i>Contents</i>	<i>Page</i>
Independent Auditors' Report on review of interim condensed consolidated financial statements	1 - 2
Interim consolidated statement of comprehensive income	3 - 4
Interim consolidated statement of financial position	5 - 6
Interim consolidated statement of changes in equity	7 - 8
Interim consolidated statement of cash flows	9 - 10
Notes to the interim condensed consolidated financial statements	11 - 37



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## **Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements**

To the Shareholder of Mamoura Diversified Global Holding PJSC

### *Introduction*

We have reviewed the accompanying 30 June 2021 interim condensed consolidated financial statements of Mamoura Diversified Global Holding PJSC ("MDGH" or "the Company") and its subsidiaries (together referred to as "the Group"), which comprises:

- the interim consolidated statement of comprehensive income for the six-month period ended 30 June 2021;
- the interim consolidated statement of financial position as at 30 June 2021;
- the interim consolidated statement of changes in equity for the six-month period ended 30 June 2021;
- the interim consolidated statement of cash flows for the six-month period ended 30 June 2021; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

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



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at and for the six months ended 30 June 2021 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*Other Matter*

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2020 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 12 November 2020.

Furthermore, the consolidated financial statements of the Group as at and for the year ended 31 December 2020 were also audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 4 May 2021.

KPMG Lower Gulf Limited

Emilio Pera  
Registration No.: 1146  
Abu Dhabi, United Arab Emirates  
Date: 11 Oct 2021

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2021 (Unaudited)

	Notes	Six-month period ended 30 June	
		2021 AED millions	2020 AED millions
<b>CONTINUING OPERATIONS</b>			
Revenue	6	27,203	21,629
Cost of sales		<u>(19,650)</u>	<u>(21,476)</u>
<b>Gross profit</b>		<b>7,553</b>	<b>153</b>
Research, development and exploration expenses		(990)	(1,067)
General and administrative expenses		(3,560)	(3,358)
Investment income / (loss) (net)	7	14,868	(5,103)
Income / (loss) from equity accounted investees	11	5,720	(1,866)
Other income (net)		683	1,787
Impairment losses on financial assets at amortised cost (net)		(135)	(343)
Impairment of goodwill		<u>-</u>	<u>(19)</u>
<b>Profit / (loss) before net finance expense and taxes</b>		<b><u>24,139</u></b>	<b><u>(9,816)</u></b>
Finance income		740	994
Finance costs		(2,015)	(2,456)
Net foreign exchange loss (net)		<u>(107)</u>	<u>(24)</u>
<b>Net finance expense</b>		<b><u>(1,382)</u></b>	<b><u>(1,486)</u></b>
<b>Profit / (loss) before income tax from continuing operations</b>		<b>22,757</b>	<b>(11,302)</b>
Income tax expense (net)		<u>(1,037)</u>	<u>(61)</u>
<b>Profit / (loss) for the period from continuing operations</b>		<b>21,720</b>	<b>(11,363)</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit for the period from discontinued operations	4	<u>-</u>	<u>3,649</u>
<b>Profit / (loss) for the period</b>		<b><u>21,720</u></b>	<b><u>(7,714)</u></b>
<b>Profit / (loss) for the period attributable to:</b>			
Owner of the Group		21,641	(7,970)
Non-controlling interests		<u>79</u>	<u>256</u>
		<b><u>21,720</u></b>	<b><u>(7,714)</u></b>

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued For the six-month period ended 30 June 2021 (Unaudited)

	<i>Six-month period ended</i>	
	<b>30 June</b>	
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
<b>Other comprehensive income / (loss)</b>		
<i>Items that are or may be reclassified to profit or loss in subsequent periods</i>		
Exchange difference on translation of foreign operations	(1,075)	(498)
Gain / (loss) on hedge of net investments in foreign operations ( <i>net</i> )	874	(53)
Share of other comprehensive income / (loss) of equity accounted investees	563	(589)
Effective portion of changes in fair value of cash flow hedges and other reserves	<u>(244)</u>	<u>(541)</u>
	118	(1,681)
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		
Net movement in defined benefit plan and others	<u>50</u>	<u>(44)</u>
<b>Other comprehensive income / (loss) for the period, net of income tax</b>	<u>168</u>	<u>(1,725)</u>
<b>Total comprehensive income / (loss) for the period</b>	<b><u>21,888</u></b>	<b><u>(9,439)</u></b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>		
Owner of the Group	21,797	(9,523)
Non-controlling interests	<u>91</u>	<u>84</u>
	<b><u>21,888</u></b>	<b><u>(9,439)</u></b>

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 (Unaudited)

	<i>Notes</i>	<b>30 June 2021 AED millions (unaudited)</b>	<b>31 December 2020 AED millions (audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	79,613	79,288
Intangible assets	9	8,927	9,379
Investment properties	10	11,136	10,157
Investment in equity accounted investees	11	80,062	78,125
Other receivables and prepayments	12	18,193	16,334
Other financial assets	13	111,536	85,217
Derivative financial instruments		113	153
Defined benefit plan assets		581	517
Deferred tax assets		<u>1,977</u>	<u>2,062</u>
<b>Total non-current assets</b>		<b><u>312,138</u></b>	<b><u>281,232</u></b>
<b>Current assets</b>			
Inventories		7,223	6,856
Trade receivables		7,440	6,417
Other receivables and prepayments	12	46,639	55,078
Other financial assets	13	1,106	1,180
Derivative financial instruments		365	281
Cash and cash equivalents	14	<u>30,635</u>	<u>21,650</u>
		<b>93,408</b>	<b>91,462</b>
Assets classified as held for sale		<u>7</u>	<u>961</u>
<b>Total current assets</b>		<b><u>93,415</u></b>	<b><u>92,423</u></b>
<b>TOTAL ASSETS</b>		<b><u>405,553</u></b>	<b><u>373,655</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		56,136	56,136
Additional shareholder contributions		119,290	119,290
Shareholder current account		12,213	11,248
Retained earnings		52,490	30,786
Other reserves	16	144	(12)
Government grants		<u>367</u>	<u>367</u>
<b>Total equity attributable to the Owner of the Group</b>		<b>240,640</b>	<b>217,815</b>
Non-controlling interests		<u>2,384</u>	<u>1,811</u>
<b>Total equity</b>		<b><u>243,024</u></b>	<b><u>219,626</u></b>

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued As at 30 June 2021 (Unaudited)

	<i>Notes</i>	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
<b>Total liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing borrowings	15	<b>110,825</b>	104,921
Derivative financial instruments		<b>1,716</b>	2,398
Provisions		<b>3,662</b>	3,634
Employees' benefit liabilities		<b>835</b>	820
Deferred tax liabilities		<b>3,896</b>	3,424
Other liabilities		<b><u>5,513</u></b>	<u>4,114</u>
<b>Total non-current liabilities</b>		<b><u>126,447</u></b>	<u>119,311</u>
<b>Current liabilities</b>			
Interest-bearing borrowings	15	<b>17,644</b>	17,028
Trade payables		<b>4,316</b>	3,792
Income tax payable		<b>428</b>	143
Derivative financial instruments		<b>550</b>	82
Provisions		<b>1,397</b>	1,397
Other liabilities		<b><u>11,747</u></b>	<u>12,276</u>
<b>Total current liabilities</b>		<b><u>36,082</u></b>	<u>34,718</u>
<b>Total liabilities</b>		<b><u>162,529</u></b>	<u>154,029</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>405,553</u></b>	<u>373,655</u>

//Signed//

**Waleed Al Mokarrab Al Muhairi**  
Chairman

//Signed//

**Carlos Obeid**  
Director

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

## Mamoura Diversified Global Holding PJSC

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2021 (Unaudited)

<i>Amounts in AED millions</i>	<i>Share capital</i>	<i>Additional shareholder contributions</i>	<i>Shareholder current account</i>	<i>Retained earnings</i>	<i>Other reserves</i>	<i>Government grants</i>	<i>Total attributable to the Owner of the Group</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
At 1 January 2020 (audited)	<u>56,136</u>	<u>123,155</u>	<u>6,918</u>	<u>19,807</u>	<u>1,219</u>	<u>367</u>	<u>207,602</u>	<u>11,064</u>	<u>218,666</u>
(Loss) / profit for the period	-	-	-	(7,970)	-	-	(7,970)	256	(7,714)
Other comprehensive loss	-	-	-	-	(1,553)	-	(1,553)	(172)	(1,725)
Total comprehensive loss	-	-	-	(7,970)	(1,553)	-	(9,523)	84	(9,439)
Dividends	-	-	-	-	-	-	-	(547)	(547)
Acquisition of interests in subsidiaries	-	-	-	-	-	-	-	234	234
Contribution by non-controlling interest	-	-	-	-	-	-	-	398	398
Other movements	-	-	-	30	14	-	44	-	44
At 30 June 2020 (unaudited)	<u>56,136</u>	<u>123,155</u>	<u>6,918</u>	<u>11,867</u>	<u>(320)</u>	<u>367</u>	<u>198,123</u>	<u>11,233</u>	<u>209,356</u>

## Mamoura Diversified Global Holding PJSC

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

For the period ended 30 June 2021 (Unaudited)

<i>Amounts in AED millions</i>	<i>Share capital</i>	<i>Additional shareholder contributions</i>	<i>Shareholder current account</i>	<i>Retained earnings</i>	<i>Other reserves</i>	<i>Government grants</i>	<i>Total attributable to the Owner of the Group</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
At 1 January 2021 (audited)	<u>56,136</u>	<u>119,290</u>	<u>11,248</u>	<u>30,786</u>	<u>(12)</u>	<u>367</u>	<u>217,815</u>	<u>1,811</u>	<u>219,626</u>
Profit for the period	-	-	-	21,641	-	-	21,641	79	21,720
Other comprehensive income	-	-	-	-	156	-	156	12	168
Total comprehensive income	-	-	-	<u>21,641</u>	<u>156</u>	-	<u>21,797</u>	<u>91</u>	<u>21,888</u>
Transfer from an entity under common control ( <i>see note (i)</i> )	-	-	965	-	-	-	965	-	965
Dividends	-	-	-	-	-	-	-	(100)	(100)
Contribution by non-controlling interests	-	-	-	-	-	-	-	20	20
Share-based payments of a subsidiary ( <i>see note (ii)</i> )	-	-	-	-	-	-	-	574	574
Other movements	-	-	-	63	-	-	63	(12)	51
<b>At 30 June 2021 (unaudited)</b>	<b><u>56,136</u></b>	<b><u>119,290</u></b>	<b><u>12,213</u></b>	<b><u>52,490</u></b>	<b><u>144</u></b>	<b><u>367</u></b>	<b><u>240,640</u></b>	<b><u>2,384</u></b>	<b><u>243,024</u></b>

(i) In 2021, the Shareholder of the Company instructed an entity under its common control to transfer certain investment properties with a fair value of AED 965 million (*see note 10*) to the Group.

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2021 (Unaudited)

	Notes	Six-month period ended 30 June	
		2021 AED millions	2020 AED millions
<b>Cash flows from operating activities</b>			
Profit / (loss) for the period		21,720	(7,714)
<i>Adjustments for:</i>			
Depreciation, amortisation and net impairment of property, plant and equipment, right of use and intangible assets		5,134	7,776
Investment (income) / loss ( <i>net</i> )	7	(14,868)	5,103
Finance lease and other income ( <i>net</i> )		(136)	(396)
Net impairment charges		135	343
(Income) / loss from equity accounted investees	11(b)	(5,720)	1,866
Net finance expense		1,382	1,486
Income tax expense ( <i>net</i> )		1,037	61
Net (reversal of) decommissioning and other provisions		(329)	86
Share-based payments		574	-
Non-cash income and expense from discontinued operations		-	(2,620)
		8,929	5,991
Change in inventories		(50)	1,088
Change in trade and other receivables and prepayments		(549)	(750)
Change in trade payables and other liabilities		1,000	(2,540)
Income taxes refunded / (paid)		39	(59)
<b>Net cash generated from operating activities</b>		<b>9,369</b>	<b>3,730</b>
<b>Cash flows from investing activities</b>			
Acquisition of financial investments		(14,987)	(8,094)
Proceeds from disposal, redemption of and distribution from financial investments		4,448	3,004
Acquisition of investees ( <i>net of cash acquired</i> ) ( <i>see note (i)</i> )		(2,284)	(432)
Proceeds from disposal of investees ( <i>net of cash disposed</i> ) ( <i>see note (i)</i> )		3,782	2,076
Acquisition of non-current assets ( <i>see note (ii)</i> )		(5,381)	(5,613)
Proceeds from disposal of non-current assets ( <i>see note (ii)</i> )		62	909
Proceeds from settlement of loans		315	259
Loans disbursed		(1,680)	(1,624)
Change in long-term deposits		6,760	9,547
Dividend income received		2,441	2,554
Interest income received		583	1,004
<b>Net cash (used in) / generated from investing activities</b>		<b>(5,941)</b>	<b>3,590</b>

# Mamoura Diversified Global Holding PJSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the period ended 30 June 2021 (Unaudited)

	<i>Notes</i>	<i>Six-month period ended</i>	
		<i>2021</i>	<i>2020</i>
		<i>AED</i>	<i>AED</i>
		<i>millions</i>	<i>millions</i>
<b>Cash flows from financing activities</b>			
Proceeds from government grants		112	803
Proceeds from issuance of interest-bearing borrowings	15	23,787	32,068
Repayment of borrowings and lease liabilities		(16,702)	(11,938)
Interest paid		(1,165)	(2,702)
Dividends paid to non-controlling interests		(100)	(547)
<b>Net cash generated from financing activities</b>		<b>5,932</b>	<b>17,684</b>
<b>Net increase in cash and cash equivalents</b>		<b>9,360</b>	<b>25,004</b>
Cash and cash equivalents at 1 January		21,650	20,337
Net foreign exchange fluctuation		(375)	(164)
<b>Cash and cash equivalents at 30 June</b> <i>(see note (iii))</i>		<b>30,635</b>	<b>45,177</b>

- (i) Investees include subsidiaries, equity accounted investees, and net assets classified as held for sale.
- (ii) Non-current assets comprise of property, plant and equipment, intangible assets and investment properties.
- (iii) Cash and cash equivalents as at 30 June 2020 contains cash and cash equivalents from discontinued operations amounting to AED 612 million.

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Mamoura Diversified Global Holding PJSC (“MDGH” or “the Company”) is registered as a public joint stock company in the Emirate of Abu Dhabi, United Arab Emirates (“UAE”). The Company was established by the Emiri Decree No. 12, dated 6 October 2002 and was incorporated on 27 October 2002. The Company’s registered address is PO Box 45005, Abu Dhabi, UAE.

The Company and its subsidiaries (together the “Group”) are engaged in investing and managing investments, in sectors and entities that contribute to the Emirate of Abu Dhabi’s strategy to diversify its economy. Consequently, the Group holds interests in a wide range of sectors and industries.

The Company is wholly owned by Mubadala Investment Company PJSC (the “Shareholder” or the “Parent”) and the ultimate parent of the Company is the Government of the Emirate of Abu Dhabi (the “Ultimate Parent”).

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 11 October 2021.

### 2 BASIS OF PREPARATION

#### (a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” and the applicable requirements of the UAE Federal Law No. 2 of 2015 (as amended). It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2020, prepared in accordance with International Financial Reporting Standards (“IFRS”).

#### (b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and investment properties – measured at fair value;
- Assets held for sale – measured at the lower of carrying amount and fair value less costs to sell;
- Defined benefit pension plans and plan assets measured at fair value; and
- Certain non-current assets received as government grants which are measured at nominal value.

#### (c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in UAE Dirhams, (“AED”) which is the Company’s functional and presentation currency. All financial information presented in AED has been rounded to the nearest million, unless otherwise stated.

#### (d) Use of estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 2 BASIS OF PREPARATION continued

#### (d) Use of estimates and judgements continued

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those described in the Group's consolidated financial statements for the year ended 31 December 2020, except as specified below.

During six-month period ended 30 June 2021, GlobalFoundries Inc ("GlobalFoundries"), a subsidiary of the Group, revised the estimated useful lives of certain production equipment from 5 and 8 years to 10 years, beginning the first quarter of 2021 decreasing depreciation expense by AED 1,139 million for the six-month period ended 30 June 2021. This resulted from GlobalFoundries' assessment of the longer product life cycles, the versatility of the product equipment to provide better flexibility to meet changes in customer demands and the ability to re-use production equipment over several technology life cycles.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021 as described below. During 2021, the Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide practical reliefs related to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform ('IBOR reform'), then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the IBOR reform. A change in the basis for determining the contractual cash flows is required by IBOR reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by IBOR reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

The amendments also provide a practical expedient to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform.

**3 SIGNIFICANT ACCOUNTING POLICIES** continued

**Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)**  
continued

Further, amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising from IBOR reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

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

The Group intends to use the practical expedients in future periods if they become applicable.

**4 DISCONTINUED OPERATIONS**

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit for the period from discontinued operations</b>		
Borealis AG (“Borealis”) ( <i>see note (i)</i> )	-	2,375
MEDGAZ S.A. (“MEDGAZ”) ( <i>see note (ii)</i> )	-	1,244
Others	<u>-</u>	<u>30</u>
<b>Profit for the period from discontinued operations</b>	<u>-</u>	<u>3,649</u>

The comparative information in the interim consolidated statement of profit and loss has been re-presented for the impact of discontinued operations.

**(i) Borealis**

On 29 January 2020, the Board of Directors of the Parent approved the partial disposal of the Company’s interest in Borealis. On 12 March 2020, the Group signed an agreement with OMV AG (“OMV”) to sell 39% of its stake in Borealis to OMV. On 20 October 2020, the Group received the last of the necessary approvals with respect to the partial disposal of its stake in Borealis to OMV. Accordingly, the Group recognised the sale transaction effective 20 October 2020. Following the completion of this sale, OMV holds a 75% interest and the Group retains a 25% interest in Borealis. Based on the shareholder agreement between the Group and OMV and other relevant factors, the Group ceased to exercise control over Borealis after the completed sale of its 39% interest in Borealis. Henceforth, the Group’s retained stake of 25% has been classified as an equity accounted associate.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 4 DISCONTINUED OPERATIONS continued

#### (i) Borealis continued

The results of operations of Borealis are presented below:

	<i>Six-month period ended 30 June 2020 AED millions (unaudited)</i>
Revenue	13,944
Cost of sales	(10,867)
<b>Gross profit</b>	<b>3,077</b>
Net income and expenses	(619)
Income taxes	<u>(83)</u>
<b>Profit from discontinued operations</b>	<b><u>2,375</u></b>
Summarised cash flows of Borealis are presented below:	
Net cash generated from operating activities	2,452
Net cash used in investing activities	(2,774)
Net cash generated from financing activities	<u>494</u>
Net increase in cash and cash equivalents	<u>172</u>

#### (ii) MEDGAZ

In October 2019, CEPSA Holding LLC, a subsidiary of the Group, entered into an agreement with Naturgy Energy Group, S.A. and Sonatrach S.p.A. for the sale of its full ownership in MEDGAZ in which the Group owned 42.09% shares. On 30 April 2020, the Group completed the sale after obtaining the necessary approvals and satisfying the conditions precedent, which resulted in a gain of AED 1,244 million.

### 5 OPERATING SEGMENTS

In November 2020, the Board of Directors of the Parent approved the reorganisation of the Group's business platforms effective January 2021. The Group is now organised into four new business platforms namely, UAE Investments, Direct Investments, Disruptive Investments and Real Estate and Infrastructure Investments. The objective of the reorganisation is to make the Group more streamlined, more effective and more focused, to capitalise the Group's strengths and prepare for its next phase of growth. The business platforms are responsible for the screening, due diligence, development and implementation of all business ideas, investment opportunities, acquisitions and disposals. The following summary describes the operations in each of the Group's reportable segments:

#### UAE Investments

This platform aims to accelerate the transformation of the UAE's economy by investing in national world class champions, fostering vibrant industrial and commercial clusters and partnering with world-class global entities. The aspiration is to grow these assets and incubate new initiatives aimed at attracting investment partners to cultivate these sectors further and establish additional clusters in the UAE for profitable and sustainable growth.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 5 OPERATING SEGMENTS continued

#### Direct Investments

This platform executes global direct investments and actively manages a portfolio targeting high-growth, highly-profitable companies across a range of sectors with strong fundamentals including energy, chemicals, technology, life sciences, consumer, industrials and financial services.

#### Disruptive Investments

This platform encompasses: (i) investments in next-generation companies that are pioneering breakthrough solutions across a wide range of sectors and geographies; (ii) country-focused and commercially driven investment programmes established with a local partner, including in Russia and CIS, China, United Kingdom and France; and (iii) credit investments primarily in the form of direct lending in North America and Western Europe and across different asset classes and industries.

#### Real Estate and Infrastructure Investments

This platform deploys capital into physical assets around the world that offer long-term stable returns across business cycles. It includes properties and real estate investments, as well as international infrastructure, both physical and digital.

#### Corporate

The segment is responsible for developing and driving the strategy of the Group as whole as well as focusing on the economic development by establishing business in services-based sectors, such as insurance and financing.

	<i>UAE Investments AED millions</i>	<i>Disruptive Investments AED millions</i>	<i>Direct Investments AED millions</i>	<i>Real Estate and Infrastructure Investments AED millions</i>	<i>Corporate AED millions</i>	<i>Total AED millions</i>
<i>For the period ended 30 June 2021 (unaudited)</i>						
Revenues from contracts with customers	5,767	104	20,481	17	-	26,369
Other revenue	<u>769</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>21</u>	<u>834</u>
<b>Total revenue</b>	<b><u>6,536</u></b>	<b><u>104</u></b>	<b><u>20,525</u></b>	<b><u>17</u></b>	<b><u>21</u></b>	<b><u>27,203</u></b>
Profit / (loss) for the period attributable to the Owner of the Group (continuing operations)	<u>5,999</u>	<u>6,719</u>	<u>8,748</u>	<u>1,126</u>	<u>(951)</u>	<u>21,641</u>
Total comprehensive income / (loss) for the period attributable to the Owner of the Group	<u>5,532</u>	<u>6,717</u>	<u>9,351</u>	<u>1,141</u>	<u>(944)</u>	<u>21,797</u>
<i>At 30 June 2021 (unaudited)</i>						
<b>Total assets</b>	<b><u>117,707</u></b>	<b><u>56,479</u></b>	<b><u>158,238</u></b>	<b><u>21,910</u></b>	<b><u>51,219</u></b>	<b><u>405,553</u></b>
<b>Total liabilities</b>	<b><u>21,378</u></b>	<b><u>9,674</u></b>	<b><u>43,712</u></b>	<b><u>1,192</u></b>	<b><u>86,573</u></b>	<b><u>162,529</u></b>
<i>For the period ended 30 June 2020* (unaudited)</i>						
Revenues from contracts with customers	5,538	55	15,185	18	-	20,796
Other revenue	<u>709</u>	<u>-</u>	<u>35</u>	<u>61</u>	<u>28</u>	<u>833</u>
<b>Total revenue</b>	<b><u>6,247</u></b>	<b><u>55</u></b>	<b><u>15,220</u></b>	<b><u>79</u></b>	<b><u>28</u></b>	<b><u>21,629</u></b>
Loss for the period attributable to the Owner of the Group (continuing operations)	<u>(1,341)</u>	<u>(1,493)</u>	<u>(6,848)</u>	<u>(412)</u>	<u>(1,212)</u>	<u>(11,306)</u>
Profit for the period attributable to the Owner of the Group (discontinued operations)	<u>44</u>	<u>-</u>	<u>3,292</u>	<u>-</u>	<u>-</u>	<u>3,336</u>
Total comprehensive loss for the period attributable to the Owner of the Group	<u>(2,022)</u>	<u>(1,507)</u>	<u>(4,280)</u>	<u>(502)</u>	<u>(1,212)</u>	<u>(9,523)</u>
<i>At 31 December 2020* (audited)</i>						
<b>Total assets</b>	<b><u>114,223</u></b>	<b><u>42,406</u></b>	<b><u>144,321</u></b>	<b><u>18,766</u></b>	<b><u>53,939</u></b>	<b><u>373,655</u></b>
<b>Total liabilities</b>	<b><u>21,008</u></b>	<b><u>6,947</u></b>	<b><u>41,833</u></b>	<b><u>1,057</u></b>	<b><u>83,184</u></b>	<b><u>154,029</u></b>

\*Segment disclosures of comparative period has been adjusted in accordance with IFRS 8 to reflect the current organisational structure, effective January 2021.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 6 REVENUE

	<i>Revenue from contract with customers AED millions</i>	<i>Other revenue AED millions</i>	<i>Total revenue AED millions</i>
<i>Six-month period ended 30 June 2021 (unaudited)</i>			
Revenue from semiconductor wafers	11,213	-	11,213
Revenue from petrochemicals	9,267	-	9,267
Revenue from exploration and production activities	2,862	-	2,862
Revenue from aircraft maintenance and repairs, components leasing and sales	600	87	687
Revenue from medical services	1,289	-	1,289
Revenue from satellite capacity leasing	457	242	699
Others	<u>681</u>	<u>505</u>	<u>1,186</u>
	<u>26,369</u>	<u>834</u>	<u>27,203</u>
<i>Six-month period ended 30 June 2020 (unaudited)</i>			
Revenue from semiconductor wafers	9,858	-	9,858
Revenue from petrochemicals	5,325	-	5,325
Revenue from exploration and production activities	2,094	-	2,094
Revenue from aircraft maintenance and repairs, components leasing and sales	1,339	98	1,437
Revenue from medical services	974	-	974
Revenue from satellite capacity leasing	482	245	727
Others	<u>724</u>	<u>490</u>	<u>1,214</u>
	<u>20,796</u>	<u>833</u>	<u>21,629</u>
	<i>Six-month period ended 30 June</i>		
	<i>2021 AED millions (unaudited)</i>	<i>2020 AED millions (unaudited)</i>	
<i>Timing of revenue recognition (see note (i))</i>			
Over a period of time	2,145	12,149	
At a single point in time	<u>24,224</u>	<u>8,647</u>	
<b>Revenue from contracts with customers</b>	<u>26,369</u>	<u>20,796</u>	

- (i) In the fourth quarter of 2020, due to operational and commercial reasons, GlobalFoundries Inc (“GlobalFoundries”), a subsidiary of the Group, modified the cancellation terms of its contracts with customers that are applicable to wafer products. The change was effective to all wafer outstanding purchase orders as at the date of contract modification and future purchase orders thereafter.

Prior to the contract modification, GlobalFoundries satisfied its performance obligations over time because of the customer’s contractual obligation to pay for work completed to date with a reasonable profit. The change in cancellation terms substantively modified the contracts with customers. As a result, GlobalFoundries no longer meets the criteria to account for revenue recognition from contracts with customers over time on the outstanding purchase orders at the contract modification date and future orders thereafter. Consequently, GlobalFoundries recognises revenue on the impacted outstanding wafers orders and future orders at the point at which control of the wafers is transferred to the customer, which is determined to be at the point of wafer shipment from its facilities or delivery to the customer location, as determined by the agreed shipping terms.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 7 INVESTMENT INCOME / (LOSS) (NET)

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Fair value gains / (losses) from non-derivative financial instruments <i>(net)</i>	<b>13,840</b>	(5,911)
Fair value gains from derivative financial instruments <i>(net)</i>	<b>438</b>	202
Dividend income from equity investments	<b>625</b>	658
Fair value losses from investment properties <i>(net)</i>	<b><u>(35)</u></b>	<u>(52)</u>
	<b><u>14,868</u></b>	<u>(5,103)</u>

### 8 PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2021, the Group acquired and / or constructed property, plant and equipment with a cost of AED 4,788 million (*six-month period ended 30 June 2020: AED 5,257 million*).

During the six-month period ended 30 June 2021, impairment losses amounting to AED 63 million were reversed (*six-month period ended 30 June 2020: AED 625 million impairment loss*).

### 9 INTANGIBLE ASSETS

During the six-month period ended 30 June 2021, the Group acquired intangible assets with a cost of AED 115 million (*six-month period ended 30 June 2020: AED 823 million*).

### 10 INVESTMENT PROPERTIES

During the six-month period ended 30 June 2021, the Group acquired investment properties with a carrying amount of AED 1,013 million (*six-month period ended 30 June 2020: AED 20 million*) of which AED 965 million (*six-month period ended 30 June 2020: nil*) was transferred from an entity under common control.

### 11 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

#### (a) Investments in equity accounted investees

	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Associates <i>(see note (i))</i>	<b>37,056</b>	38,037
Joint ventures	<b><u>43,006</u></b>	<u>40,088</u>
	<b><u>80,062</u></b>	<u>78,125</u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 11 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES continued

#### (a) Investments in equity accounted investees continued

##### (i) Partial disposal of Aldar Properties PJSC (“Aldar”)

During the six-month period ended 30 June 2021, the Group disposed 12.21% of its interest in Aldar. The carrying amount of disposed interest was AED 3,196 million and the sale resulted in a gain of AED 353 million.

After the transaction, the Group holds a 17.54% direct interest in Aldar. The Group continues to retain significant influence over Aldar and accounts for the retained stake as an equity accounted associate. The carrying amount of the retained stake in Aldar was AED 4,483 million as at 30 June 2021.

#### (b) Income / (loss) from equity accounted investees

	<i>Six-month period ended</i>	
	<i>30 June</i>	
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Share of results	5,367	(1,982)
Gain on divestment (see note 11(a)(i))	<u>353</u>	<u>116</u>
	<u>5,720</u>	<u>(1,866)</u>

### 12 OTHER RECEIVABLES AND PREPAYMENTS

	<i>30 June</i>	<i>31 December</i>
	<i>2021</i>	<i>2020</i>
	<i>AED</i>	<i>AED</i>
	<i>millions</i>	<i>millions</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Amounts due from related parties (see notes (i) and 19(d))	25,449	25,516
Restricted and long-term deposits (see note (ii))	32,749	39,509
Finance lease receivables	1,923	1,884
Contract assets receivable	128	143
Other receivables and prepayments	<u>5,029</u>	<u>4,854</u>
	65,278	71,906
Less: expected credit losses	<u>(446)</u>	<u>(494)</u>
	<u>64,832</u>	<u>71,412</u>
<b>Disclosed as:</b>		
Non-current	18,193	16,334
Current	<u>46,639</u>	<u>55,078</u>
	<u>64,832</u>	<u>71,412</u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 12 OTHER RECEIVABLES AND PREPAYMENTS continued

- (i) As at 30 June 2021, amounts due from related parties include service concession receivables amounting to AED 4,265 million (31 December 2020: AED 4,522 million) (see note 19(d)), on account of services relating to the construction of buildings for certain universities. Service concession receivables are expected to be recovered over the respective concession periods of the universities which is expected to continue until the years 2034 to 2036.
- (ii) Restricted and long-term deposit includes long term deposits amounting to AED 31,643 million (31 December 2020: AED 38,638 million) which represent deposits with an original maturity of more than three months. Long term deposits include AED 13,624 million (31 December 2020: AED 18,298 million) placed with entities under common control (see note 19(d)).

### 13 OTHER FINANCIAL ASSETS

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Loans receivable (see note 13(a))	10,255	8,798
Investment in non-derivative financial instruments (see note 13(b))	<u>102,387</u>	<u>77,599</u>
	<u>112,642</u>	<u>86,397</u>
<b>Disclosed as:</b>		
Non-current	111,536	85,217
Current	<u>1,106</u>	<u>1,180</u>
	<u>112,642</u>	<u>86,397</u>

#### (a) Loans receivable

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Loans to joint ventures	2,467	1,778
Loans to entities under common control	122	122
Loans to associates	<u>2</u>	<u>44</u>
Loans to related parties	2,591	1,944
Less: expected credit losses	<u>(865)</u>	<u>(840)</u>
<b>Loans to related parties (net) (see note 19(d))</b>	<u>1,726</u>	<u>1,104</u>
Loans to third parties (see note (i))	9,447	8,554
Less: expected credit losses	<u>(918)</u>	<u>(860)</u>
<b>Loans to third parties (net)</b>	<u>8,529</u>	<u>7,694</u>
<b>Total loans receivable at amortised cost</b>	<u>10,255</u>	<u>8,798</u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 13 OTHER FINANCIAL ASSETS continued

#### (a) Loans receivable continued

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
<b>Disclosed as:</b>		
Non-current	9,258	7,721
Current	<u>997</u>	<u>1,077</u>
	<b><u>10,255</u></b>	<b><u>8,798</u></b>

- (i) Out of the total loans given to third parties, loans amounting to AED 6,073 million (*31 December 2020: AED 5,520 million*) is represented by senior secured loans provided to middle-market businesses across multiple industries primarily located in the United States of America. These loans are secured, through share pledges, by the enterprise value of the obligors. As of 30 June 2021 this collateral represents approximately 278% (*31 December 2020: 235%*) of the carrying value of the senior secured loan portfolio.

#### (b) Investment in non-derivative financial instruments

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
<b>i. Fair value through profit or loss (“FVTPL”) financial assets</b>		
<u>Quoted investments</u>		
Equity securities ( <i>see note (i)</i> )	29,841	23,991
Debt securities	<u>2,519</u>	<u>2,238</u>
<i>Total quoted investments</i>	<b><u>32,360</u></b>	<b><u>26,229</u></b>
<u>Unquoted investments</u>		
Convertible bonds and preference shares	6,107	5,805
Equity securities	15,784	14,259
Funds ( <i>see note (ii)</i> )	41,109	26,301
Loans receivable ( <i>see note (iii)</i> )	6,856	4,810
Debt securities	<u>93</u>	<u>-</u>
<i>Total unquoted investments</i>	<b><u>69,949</u></b>	<b><u>51,175</u></b>
<b><i>Total financial assets through profit or loss</i></b>	<b><u>102,309</u></b>	<b><u>77,404</u></b>
<b>ii. Fair value through other comprehensive income</b>		
Quoted debt securities	<u>78</u>	<u>195</u>
	<b><u>102,387</u></b>	<b><u>77,599</u></b>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 13 OTHER FINANCIAL ASSETS continued

#### (b) Investment in non-derivative financial instruments continued

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
<b>Disclosed as:</b>		
Non-current	<b>102,278</b>	77,496
Current	<b><u>109</u></b>	<u>103</u>
	<b><u>102,387</u></b>	<u>77,599</u>
(i)	During the period, the Group invested AED 1,425 million in quoted equity securities, disposed of quoted equity securities for AED 1,923 million and recognised gain of AED 6,422 million on these securities.	
(ii)	During the period, the Group invested AED 10,186 million in unquoted funds, redeemed / received distribution of AED 1,920 million from these funds and recognised gain of AED 6,561 million on these funds.	
(iii)	During the period, the Group disbursed loans in AED 2,004 million, recovered loans of AED 59 million and recognised a fair value gain of AED 80 million on these.	

### 14 CASH AND CASH EQUIVALENTS

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Bank balances:		
- deposit accounts	<b>13,861</b>	6,684
- call and current accounts	<b>16,772</b>	14,964
Cash in hand	<b><u>2</u></b>	<u>2</u>
<b>Cash and cash equivalents</b>	<b><u>30,635</u></b>	<u>21,650</u>

Bank balances are placed with commercial banks and are short-term in nature (less than 3 months maturity). Deposit and call accounts earn interest at prevailing market rates. Bank balances include AED 11,447 million (31 December 2020: AED 7,347 million) placed with entities under common control (see note 19(d)) on an arm's length basis.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 15 INTEREST-BEARING BORROWINGS

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Borrowings	124,411	117,845
Lease liabilities	<u>4,058</u>	<u>4,104</u>
	<u>128,469</u>	<u>121,949</u>
<b>Disclosed as:</b>		
Non-current	110,825	104,921
Current	<u>17,644</u>	<u>17,028</u>
	<u>128,469</u>	<u>121,949</u>
<b>Borrowings</b>		
Unsecured corporate bonds	80,817	76,848
Unsecured bank borrowings	18,322	16,954
Secured bank borrowings	25,234	24,006
Secured bonds	<u>38</u>	<u>37</u>
	<u>124,411</u>	<u>117,845</u>
<b>Disclosed as:</b>		
Non-current	107,510	101,675
Current	<u>16,901</u>	<u>16,170</u>
	<u>124,411</u>	<u>117,845</u>

Included in unsecured corporate bonds and unsecured bank borrowings at 30 June 2021 were borrowings of AED 20,551 million (*31 December 2020: AED 21,949 million*) which have been designated as a hedge of the net investments in certain foreign subsidiaries. Further, secured bank borrowings of AED 3,065 million (*31 December 2020: AED 2,502 million*) are carried at fair value and are consolidated through controlled funds of the Group.

Total undrawn borrowing facilities, as at the reporting date, amounted to AED 19,934 million (*31 December 2020: AED 22,217 million*).

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 15 INTEREST-BEARING BORROWINGS continued

#### Borrowings continued

Summarised below are assets pledged as securities against secured borrowings as at period/year end:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
<b>Secured bank borrowings:</b>		
Property, plant and equipment	23,474	32,094
Inventory	1,837	-
Loans receivable from third parties	5,792	5,541
Restricted cash	<u>425</u>	<u>519</u>
	<u><b>31,528</b></u>	<u><b>38,154</b></u>
<b>Secured bonds:</b>		
Letters of credit	<u><b>102</b></u>	<u><b>102</b></u>

In addition to the above, certain borrowings are secured through pledges on project proceeds (receivables), a net investment in joint operations, debt and equity securities and bank balances.

Analysis of borrowings at the reporting date, by each significant sub-group of companies, are as follows:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Corporate	84,683	80,021
NOVA Chemicals Corporation (“NOVA”)	13,326	13,220
GlobalFoundries	7,993	8,588
Al Yah Satellite Communications Company PJSC (“Yahsat”)	1,460	929
Other subsidiaries	<u>16,949</u>	<u>15,087</u>
	<u><b>124,411</b></u>	<u><b>117,845</b></u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 15 INTEREST-BEARING BORROWINGS continued

Movement in interest-bearing borrowings during the period / year were as follows:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
At 1 January (audited)	117,845	114,807
Additions	23,787	39,570
Repayments	(16,315)	(33,513)
Divestment of subsidiaries	-	(7,990)
Foreign exchange fluctuations and other movements	<u>(906)</u>	<u>4,971</u>
<b>At the end of the period / year</b>	<b><u>124,411</u></b>	<b><u>117,845</u></b>

As at 30 June 2021, the fair value of the borrowings was estimated at AED 130,181 million (31 December 2020: AED 125,078 million). It includes borrowings amounting to AED 85,525 million (31 December 2020: AED 82,685 million), classified as “Level 1” within the fair valuation hierarchy i.e., fair value is determined using quoted market prices in active markets and borrowings amounting to AED 2,093 million (31 December 2020: AED 929 million) classified as “Level 2” within the fair value hierarchy i.e., fair value is determined using inputs based on observable market data. The remaining borrowings amounting to AED 42,563 million (31 December 2020: AED 41,464 million) are classified as “Level 3” within the fair value hierarchy since the fair value is determined using valuation techniques that include inputs which are not based on observable market data.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 16 OTHER RESERVES

	<i>Statutory reserve AED millions</i>	<i>Foreign currency translation reserve AED millions</i>	<i>Hedging and other reserves AED millions</i>	<i>Reserves from discontinued operations AED millions</i>	<i>Total AED millions</i>
At 1 January 2021 ( <i>audited</i> )	1,582	77	(1,671)	-	(12)
Exchange difference on translation of foreign operations	-	(1,089)	-	-	(1,089)
Movement on hedge of net investment in foreign operations	-	874	-	-	874
Effective portion of changes in fair values of cash flow hedges ( <i>net of tax</i> )	-	-	(239)	-	(239)
Share of other comprehensive loss of equity accounted investees	-	-	565	-	565
Net movement in defined benefit plan and others ( <i>net of tax</i> )	-	-	50	-	50
Other movements	-	1	(6)	-	(5)
<b>At 30 June 2021 (<i>unaudited</i>)</b>	<b><u>1,582</u></b>	<b><u>(137)</u></b>	<b><u>(1,301)</u></b>	<b><u>-</u></b>	<b><u>144</u></b>
At 1 January 2020 ( <i>audited</i> )	1,582	(208)	(155)	-	1,219
Exchange difference on translation of foreign operations	-	(327)	-	-	(327)
Movement on hedge of net investment in foreign operations	-	(53)	-	-	(53)
Effective portion of changes in fair values of cash flow hedges ( <i>net of tax</i> )	-	-	(540)	-	(540)
Share of other comprehensive loss of equity accounted investees	-	63	(652)	-	(589)
Net movement in defined benefit plan ( <i>net of tax</i> )	-	-	(44)	-	(44)
Transfer of reserve of disposal group held for sale	-	(69)	462	(393)	-
Other movements	-	-	14	-	14
<b>At 30 June 2020 (<i>unaudited</i>)</b>	<b><u>1,582</u></b>	<b><u>(594)</u></b>	<b><u>(915)</u></b>	<b><u>(393)</u></b>	<b><u>(320)</u></b>

#### Statutory reserve

As required by the UAE Federal Law No. (2) of 2015 (as amended) and the articles of association of certain subsidiaries registered in UAE, 10% of profit from previous years were transferred to the statutory reserve. The statutory reserve is not available for distribution as dividend.

#### Hedging and other reserve

Hedging reserve comprises the effective portion of the cumulative net change from cash flow hedges related to hedged transactions that has not yet been recycled to profit and loss accounts. Other reserve comprises of the Group's share in the other comprehensive income of equity accounted associates and joint ventures.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 16 OTHER RESERVES continued

#### Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

As at 30 June 2021, borrowings with notional amounts of AED 20,349 million (EUR 4,672 million) (*30 June 2020: AED 19,786 million (EUR 4,795 million)*) were designated as a hedge of the net investments in OMV, Borealis and CEPSA with EUR functional currencies. These borrowings are used to hedge the Group's exposure to EUR foreign exchange risk on those investments. Gains on the translation of these borrowings amounting to AED 624 million (*six-month period ended 30 June 2020: AED 38 million losses on the translation*) were recognised in other comprehensive income to offset losses/gains on translation of foreign operations. There was no ineffectiveness recorded during the period.

The Group, as at 30 June 2021, has also designated the EUR leg of certain swaps as hedging instruments for net investments in Borealis and CEPSA with EUR functional currencies, with notional amount of AED 8,329 million (EUR 1,912 million) (*30 June 2020: AED 7,890 million (EUR 1,912 million)*). A portion of the fair value gains on the hedging instruments, relating to foreign exchange gains and amounting to AED 250 million (*six month-period ended 30 June 2020: AED 15 million foreign exchange losses*), was recognised in other comprehensive income to offset losses/gains on translation of foreign operations. The difference between the fair value of the swaps and related foreign exchange difference on the hedged instrument, amounting to a gain of AED 239 million (*six-month period ended 30 June 2020: AED 157 million*), was recorded in profit or loss within fair value gains from derivative financial instruments. There was no ineffectiveness recorded during the period.

### 17 COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Commitments - Group

Commitments at the end of the reporting period are as follows:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Commitments for capital expenditure ( <i>see note (i)</i> )	<b>10,218</b>	8,151
Commitments for equity investments ( <i>see note (ii)</i> )	<b>23,849</b>	27,135
Unfunded loan commitments	<b>329</b>	658
Lease commitments	<b>39</b>	113
Exploration commitments	<b>292</b>	148
	<b><u>34,727</u></b>	<b><u>36,205</u></b>

- (i) Commitment for capital expenditures includes commitment for construction of property plant and equipment and development of investment properties of the Group.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 17 COMMITMENTS AND CONTINGENT LIABILITIES continued

#### (a) Commitments – Group continued

- (ii) Significant commitments for equity investments, as at 30 June 2021, include commitments to Silver Lake of AED 4,550 million, LAC I fund sponsored by Bpifrance of AED 2,540 million and to Apollo Global Management Inc. of AED 1,269 million.
- (iii) In addition to above capital commitment, NOVA entered into other arrangements for the purchase of minimum amounts of feedstock and other raw materials for short and long-term supply and related transportation and storage agreements amounting to AED 49,541 million (31 December 2020: AED 44,196 million). These agreements expire within one to approximately 22 years.

#### (b) Commitments - Joint ventures

In addition to the above, the commitments made by the Group's joint ventures, after reflecting the Group's ownership in them, at the end of the reporting period, are as follows:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Commitments for capital expenditure	6,244	6,178
Commitment for equity and debt investments	232	-
Commitment to provide loans	<u>661</u>	<u>687</u>
	<u>7,137</u>	<u>6,865</u>

#### (c) Contingencies

Contingencies of the Group and Group's joint ventures and associates, after reflecting the Group's ownership in them, at the end of the reporting period, are as follows:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
Contingent liabilities of the Group (see notes (i) and (ii))	<u>16,431</u>	<u>16,176</u>
Group's share of contingent liabilities of joint ventures and associates	<u>7,664</u>	<u>8,027</u>

- (i) Contingent liabilities include bank guarantees, performance bonds, advance payment bonds and completion guarantees.
- (ii) In 2018, the Company provided guarantee overlay to International Petroleum Investment Company PJSC, an entity under common control, for certain of its existing guarantees:
- the payment obligations of 1MDB Energy Limited under its AED 6.43 billion (US \$1.75 billion) 5.99% guaranteed notes due 2022 on a joint and several basis with 1Malaysia Development Berhad ("1MDB"); and
  - the notes and loans of Signum Magnolia Limited which are collateralised by AED 6.43 billion (US \$1.75 billion) 5.75% guaranteed notes due 2022 issued by 1MDB Energy (Langat) Limited and guaranteed by 1MDB.

# Mamoura Diversified Global Holding PJSC

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 18 LITIGATIONS

The Group is involved in litigations in the ordinary course of business. Legal claims often involve highly complex issues. These issues are subject to substantial uncertainties and therefore the estimation of the probability of loss and of damages are often difficult to determine.

The Group records a provision for claims for which it is able to make an estimate of the expected loss or range of possible loss, but believes that the publication of this information on a case-by-case basis would seriously prejudice its position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, for these claims, the Group has disclosed information with respect to the nature of the claim, but not an estimate of the range of potential loss or any provision accrued.

The Group believes that the aggregate provisions recorded for these matters are adequate based upon currently available information as of the statement of financial position date, which may be subject to ongoing revision of existing estimates. However, given the inherent uncertainties related to these claims, the Group could, in the future, exercise judgements that could have a material adverse effect on its results of operations, liquidity, financial position or cash flows in any particular period.

For contingent liabilities, the Group has disclosed the claims, but has not recorded a provision of the potential outcome of these claims and is unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceedings.

A summary of the major litigations of the Group are set out below:

#### *GlobalFoundries*

In April 2021, GlobalFoundries received a letter from a shareholder of GLOBALFOUNDRIES (Chengdu) Integrated Circuit Manufacturing Co. Limited (“GlobalFoundries (Chengdu)”), requesting GlobalFoundries to share in their alleged losses related to costs incurred to support GlobalFoundries (Chengdu). The parties have engaged in negotiations to settle the claim, and GlobalFoundries recorded an estimated provision of USD 34 million (AED 125 million) in June 2021.

In April 2021, GlobalFoundries received a dispute notice from International Business Machines (“IBM”) alleging breaches of several agreements including the parties’ master transaction agreement, technology cooperation agreement, research cooperation agreement and foundry supply agreement. IBM claims restitution of USD 1,500 million (AED 5,510 million) and damages of at least USD 1,000 million (AED 3,674 million). On 7 June 2021, GlobalFoundries filed a complaint for declaratory judgment in New York State Court seeking a ruling that it did not breach any of the relevant agreements and that GlobalFoundries does not owe IBM any damages related to the complaint. On 8 June 2021, IBM filed its complaint in the same court. GlobalFoundries filed a motion to dismiss, and on 14 September 2021 the court granted in part GlobalFoundries’ motion and dismissed certain IBM claims. The court also dismissed without prejudice GlobalFoundries’ declaratory judgment complaint. The case will proceed under IBM’s complaint on the remaining claims.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 18 LITIGATIONS continued

#### *Dow Litigations*

In December 2010, The Dow Chemical Company ("Dow Chemical") filed a Statement of Claim against NOVA in Federal Court in Canada alleging that certain grades of NOVA's SURPASS® polyethylene film resins infringe a Dow Chemical Canadian patent. NOVA filed its statement of defense and counterclaim in March 2011. After a series of court sessions, trials, appeals and oral and written arguments presented in those hearings over the years at different courts, the Federal Court, in June 2017, issued Confidential Supplemental Judgement and Reasons, which became public in July 2017, awarding Dow Chemical CAD 644 million (AED 1,840 million). In July 2017, NOVA paid Dow Chemical USD 501 million (AED 1,840 million) to satisfy the judgement. NOVA filed a Notice of Appeal with the Federal Court of Appeal regarding the Supplemental Judgement and Reasons in July 2017. On 13 November 2020, NOVA filed an application with the Supreme Court for leave to appeal the decision of the Federal Court of Appeal. On 20 May 2021, the Supreme Court granted NOVA leave to appeal the decision of the Federal Court of Appeal. On 21 June 2021, NOVA appealed the decision of the Federal Court of Appeal to the Supreme Court. The Supreme Court has not yet scheduled the hearing date, but the appeal is expected to be heard in the first quarter of 2022.

In 2006, Dow Chemical Canada ULC and its European affiliate (collectively, "Dow") filed a claim against NOVA in the Court of Queen's Bench of Alberta concerning the jointly owned third ethylene plant at the Joffre site.

- i. On 24 September 2019, a judgement was filed with the Court of Queen's Bench of Alberta awarding Dow damages and interest (for the period 2001-2012 in the aggregate amount of CAD 1,430 million (AED 3,959 million) which was paid in full by NOVA. NOVA appealed this decision to the Court of Appeal of Alberta and was successful in 4 out of the 5 issues appealed. On 10 October 2019, NOVA paid an aggregate amount of CAD 1,430 million (AED 3,959 million) (USD 1,080 million) to satisfy the judgement for the period 2001-2012 in full. The Court of Appeal of Alberta remanded such issues to the Court of Queen's Bench of Alberta for redetermination.
- ii. Trial in the Court of Queen's Bench of Alberta for damages for the period beyond 2012 to the date of judgement in June 2018 has been scheduled to begin on 8 November 2021 and will be combined with the Base Period recalculation of damages.
- iii. On 29 April 2021, NOVA filed two applications for summary judgment in respect of the 2001-2012 period remand to the Trial Court. The first seeks the repayment of CAD 417 million (AED 1,218 million) to CAD 563 million (AED 1,644 million) (plus pre-judgement interest) by Dow to NOVA for overpayments in respect of polyethylene damages that the Court of Appeal excluded. The second seeks the repayment of CAD 746 million (AED 2,178 million) (plus pre-judgement interest) by Dow to NOVA for overpayments related to severance of NOVA's obligation to provide ethane services.

#### *Others*

Several group companies are currently subject to routine tax audits performed by their respective tax authorities. Managements' opinions are that the companies are in compliance with all applicable regulations. Given the preliminary nature of the proceedings, potential impacts, if any, cannot be currently reliably estimated.

### 19 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

#### *(a) Identification of related parties*

The Group has related party relationships with its Shareholder, Ultimate parent, joint ventures and associates, and with directors, executive officers and parties which are under common control of the above entities.

#### *(b) Compensation of the Group's key management personnel and Board of Directors*

The remuneration of senior key management personnel and the Board of Directors of the Group during the six-month period ended was AED 116 million (*six-month period ended 30 June 2020: AED 99 million*). Separately, a subsidiary of the Group recognised a share-based compensation expense based on the graded vesting of awards outstanding as of its probable IPO date.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 19 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES continued

#### (c) Related party transactions

In the ordinary course of business, the Group provides services to and receives services from related parties on terms agreed by management. Significant transactions with related parties during the period were as follows:

<i>AED millions</i>	<i>Revenue</i>	<i>Purchases of goods and services</i>	<i>Interest bearing borrowings drawn</i>	<i>Interest bearing borrowings repaid</i>	<i>Loans given</i>	<i>Loans recovered</i>	<i>Finance income</i>	<i>Finance cost</i>
<b><i>Six-month period ended 30 June 2021 (unaudited)</i></b>								
Entities under common control	2,031	69	349	356	-	-	180	56
Associates	205	6	-	-	-	-	-	-
Joint ventures	218	142	-	-	2	37	19	36
Ultimate Parent	28	-	-	-	-	-	2	-
	<u>2,482</u>	<u>217</u>	<u>349</u>	<u>356</u>	<u>2</u>	<u>37</u>	<u>201</u>	<u>92</u>
<b><i>Six-month period ended 30 June 2020 (unaudited)</i></b>								
Entities under common control	1,976	71	-	244	-	-	327	83
Associates	1,085	2,847	-	-	-	-	2	-
Joint ventures	353	217	-	-	379	-	71	33
Ultimate Parent	30	-	-	-	-	-	8	-
	<u>3,444</u>	<u>3,135</u>	<u>-</u>	<u>244</u>	<u>379</u>	<u>-</u>	<u>408</u>	<u>116</u>

***For the six-month period ended***  
***30 June 2021***      ***30 June 2020***  
***AED millions***      ***AED millions***

#### *Other significant transactions:*

Cash calls paid to joint ventures	<u>330</u>	<u>345</u>
Income from provision of manpower, project management and consultancy services to joint ventures	<u>83</u>	<u>86</u>
Other miscellaneous transactions and re-charges with / from Shareholders, associates, joint ventures and to entities under common control	<u>298</u>	<u>736</u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 19 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES continued

#### (d) Related party balances

	<i>Bank balances AED millions</i>	<i>Long term deposits AED millions</i>	<i>Amounts due to related parties AED millions (see notes (i) and (ii))</i>	<i>Amounts due from related parties AED millions (see note (iii))</i>	<i>Advances from related parties AED millions (see note (ii))</i>	<i>Loans and deposits from related parties AED millions (see note (ii))</i>	<i>Loans to related parties AED millions (see note (iv))</i>	<i>Finance lease receivables AED millions</i>	<i>Interest bearing borrowings AED millions</i>	<i>Additional shareholder contributions AED millions (see note (v))</i>
Entities under common control	11,447	13,624	2,775	8,348	1,069	-	-	1,223	10,884	-
Associates	-	-	10	65	-	-	2	-	-	-
Joint ventures	-	-	54	1,970	-	-	1,724	-	1,353	-
Ultimate parent	-	-	25	14,290	924	-	-	-	-	-
Shareholder	-	-	-	1,071	-	-	-	-	-	119,290
<b>30 June 2021 (unaudited)</b>	<b>11,447</b>	<b>13,624</b>	<b>2,864</b>	<b>25,744</b>	<b>1,993</b>	<b>-</b>	<b>1,726</b>	<b>1,223</b>	<b>12,237</b>	<b>119,290</b>
Entities under common control	7,347	18,298	2,121	7,902	1,076	-	-	1,224	11,642	-
Associates	-	-	5	65	-	-	44	-	-	-
Joint ventures	-	-	61	1,693	-	-	1,060	-	1,352	-
Ultimate parent	-	-	46	13,140	1,000	758	-	-	-	-
Shareholder	-	-	-	3,048	-	-	-	-	-	119,290
<b>31 December 2020 (audited)</b>	<b>7,347</b>	<b>18,298</b>	<b>2,233</b>	<b>25,848</b>	<b>2,076</b>	<b>758</b>	<b>1,104</b>	<b>1,224</b>	<b>12,994</b>	<b>119,290</b>

(i) The balances in the table above are net of impairment, where applicable.

(ii) Amounts due to related parties, advances from related parties and loans and deposits from related parties are included in other liabilities.

(iii) Amounts due from related parties are included in other receivables and prepayments (see note 12) and trade receivables, net of impairment of AED 343 million (31 December 2020: AED 388 million).

(iv) Loans to related parties are included in loan receivable (see note 13(a)).

(v) Additional shareholder contributions represent interest free loans from the Shareholder with no fixed repayment terms. These loans meet the definition of equity instruments rather than liability, and accordingly are presented within equity.

(vi) Ultimate Parent, in this note, includes the Government of the Emirate of Abu Dhabi and the Abu Dhabi Department of Finance.

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 20 FAIR VALUE DISCLOSURES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, which analyses financial instruments carried at fair value by valuation method. The different levels are defined as follows:

*Level 1:* Quoted prices in active markets for assets and liabilities;

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

*Level 3:* Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*As at 30 June 2021 (unaudited)*

	<i>Carrying amount AED millions</i>	<i>Fair value AED millions</i>	<i>Level 1 AED millions</i>	<i>Level 2 AED millions</i>	<i>Level 3 AED millions</i>
<b>Financial assets measured at fair value</b>					
<u>Financial assets at FVTPL</u>					
Quoted investments					
Equity securities	29,841	29,841	27,454	1,587	800
Debt securities	2,519	2,519	1,059		1,460
Unquoted investments					
Convertible bonds	6,107	6,107	-	1,104	5,003
Equity securities	15,784	15,784	-	-	15,784
Funds	41,109	41,109	-	2,519	38,590
Loans receivable	6,856	6,856	-	-	6,856
Debt securities	93	93	-	-	93
<u>Financial assets at FVOCI</u>					
Quoted debt securities	78	78	78	-	-
	<u>102,387</u>	<u>102,387</u>	<u>28,591</u>	<u>5,210</u>	<u>68,586</u>
<b>Derivative financial assets</b>					
<i>Fair value hedge</i>					
Currency forwards	13	13	-	13	-
<i>Cash flow hedge</i>					
Commodity forwards	86	86	-	86	-
Currency forwards	78	78	-	78	-
Interest rate swaps	10	10	-	10	-
Others	168	168	-	168	-
<i>Financial assets at fair value</i>					
Commodity swaps	66	66	-	66	-
Currency forwards	45	45	-	45	-
Equity options	12	12	12	-	-
	<u>478</u>	<u>478</u>	<u>12</u>	<u>466</u>	<u>-</u>

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 20 FAIR VALUE DISCLOSURES continued

As at 30 June 2021 (unaudited) continued

	<i>Carrying amount AED millions</i>	<i>Fair value AED millions</i>	<i>Level 1 AED millions</i>	<i>Level 2 AED millions</i>	<i>Level 3 AED millions</i>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial liabilities</b>					
<i>Cash flow hedge</i>					
Currency forwards	67	67	-	67	-
Interest rate swaps	134	134	-	134	-
Others	428	428	-	428	-
<i>Financial liabilities at fair value</i>					
Interest rate swaps	681	681	-	681	-
Currency forwards	68	68	-	68	-
Interest rate forwards	<u>888</u>	<u>888</u>	-	<u>888</u>	-
	<u>2,266</u>	<u>2,266</u>	-	<u>2,266</u>	-

As at 31 December 2020

#### Financial assets measured at fair value

##### Investment in non-derivative financial assets

<u>Financial assets at FVTPL</u>					
<i>Quoted investments</i>					
Equity securities	23,991	23,991	20,016	3,175	800
Debt securities	2,238	2,238	825	-	1,413
<i>Unquoted investments</i>					
Convertible bonds	5,805	5,805	-	1,605	4,200
Equity securities	14,259	14,259	-	-	14,259
Funds	26,301	26,301	-	1,977	24,324
Loans receivable	4,810	4,810	-	-	4,810
<u>Financial assets at FVOCI</u>					
Quoted debt securities	<u>195</u>	<u>195</u>	<u>195</u>	-	-
	<u>77,599</u>	<u>77,599</u>	<u>21,036</u>	<u>6,757</u>	<u>49,806</u>

##### Derivative financial assets

<i>Cash flow hedge</i>					
Commodity forwards	34	34	-	34	-
Currency forwards	276	276	-	276	-
Interest rate swaps	5	5	-	5	-
Others	10	10	-	10	-
<i>Financial assets at fair value</i>					
Commodity swaps	61	61	-	61	-
Currency forwards	17	17	-	17	-
Equity options	<u>31</u>	<u>31</u>	<u>31</u>	-	-
	<u>434</u>	<u>434</u>	<u>31</u>	<u>403</u>	-

##### Financial liabilities measured at fair value

##### Derivative financial liabilities

<i>Fair value hedge</i>					
Currency forwards	1	1	-	1	-
<i>Cash flow hedge</i>					
Currency forwards	5	5	-	5	-
Interest rate swaps	251	251	-	251	-
Others	3	3	-	3	-
<i>Financial liabilities at fair value</i>					
Interest rate swaps	836	836	-	836	-
Currency forwards	6	6	-	6	-
Equity options	8	8	8	-	-
Interest rate forwards	<u>1,370</u>	<u>1,370</u>	-	<u>1,370</u>	-
	<u>2,480</u>	<u>2,480</u>	<u>8</u>	<u>2,472</u>	-

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 20 FAIR VALUE DISCLOSURES continued

The following table shows the valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

<i>Type of financial asset / liability</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable inputs</i>
<b><u>Financial assets at FVTPL – Quoted</u></b>		
Quoted equity securities – Level 1	Quoted bid prices in an active market	-
Quoted equity securities – Level 2	Quoted bid prices adjusted for restrictions using Finnerty model, option pricing model	Discount of 15%
Quoted equity securities – Level 3	Combination of market and income approach	Discount rate of 12-14%. 5 year historical average performance and dividend pay-out
Quoted debt securities – Level 1	Quoted bid prices in an active market	-
Quoted debt securities – Level 3	Discounted cash flows	Discount rate of 14-16% including company risk premium
<b><u>Financial assets at FVTPL – Unquoted</u></b>		
Unquoted convertible bonds – Level 2	A combination of bond value and Black Scholes model along with consideration of converted equity value	<ul style="list-style-type: none"> <li>• Discount rate of 18% - 20.3%</li> <li>• Risk free rate of 0.4% - 0.5%</li> <li>• Volatility of 40%</li> </ul>
Unquoted convertible bonds – Level 3	Combination of market and income approach	<ul style="list-style-type: none"> <li>• Blended cap rate of 4% to 5%</li> <li>• Latest funding round</li> </ul>
Unquoted equity securities – Level 3	Combination of market and income approach	<ul style="list-style-type: none"> <li>• Enterprise value (“EV”)/EBITDA multiple of 9.75x to 17x where applicable</li> <li>• Weighted PE multiple 13.3x</li> </ul>
Loans receivable – Level 3	Discounted cash flows, combination of market and income approach	<ul style="list-style-type: none"> <li>• Discount rate of 4.35%-14.08%</li> <li>• Market yield of 6.5%-13.72%</li> </ul>
Unquoted funds – Level 2	Net asset value provided by the fund manager (underlying investments are quoted)	-
Unquoted funds – Level 3	Net asset value provided by the fund manager	-
Derivative assets / liabilities – Level 2	Market approach. Value is based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates	-
Interest rate swaps and foreign exchange forward contracts at FVTPL – Level 2	Net present value of estimated cash flows, based on forward interest rates (from observable yield curves at the end of the reporting period)	-

# Mamoura Diversified Global Holding PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2021 (Unaudited)

### 20 FAIR VALUE DISCLOSURES continued

The following table demonstrates the movement in the level 3 of fair value hierarchy:

	<i>30 June 2021 AED millions (unaudited)</i>	<i>31 December 2020 AED millions (audited)</i>
At 1 January (audited)	<b>49,806</b>	20,685
Additions and other movements	<b>14,815</b>	27,558
Increase in fair value recognised in profit or loss (net) (see note (i))	<b>7,095</b>	4,542
Disposals and other movements	<b>(2,939)</b>	(2,664)
Divestment of subsidiaries	-	(130)
Transfers out of level 3	<b><u>(191)</u></b>	<u>(185)</u>
As at 30 June (unaudited)	<b><u>68,586</u></b>	<u>49,806</u>

- (i) The total net increase in fair value was recorded in investment income (net) in the interim consolidated statement of comprehensive income.

#### Equity price risk

Equity price risk arises from financial assets at fair value through profit or loss. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved as per the Parent's delegation of authority.

A 500 basis points decrease in price of its equity holdings, assuming all other variables, in particular foreign currency rates, remain constant results to AED 4,337 million (six-month period ended 30 June 2020: AED 1,656 million) decrease in the Group's profit before tax for the period and equity.

### 21 OTHER RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Risks relating to changes in the legislation applicable to activities and/or the industry

The activities carried on by the Group are subject to various legislations. The changes that might arise could affect the structure under which activities are performed and the results generated by operations.

#### Industrial risks, prevention and safety

The Group ensures that the safety control system applied is in accordance with international specifications. Also, in place are action procedures that reflect the standards developed in accordance with best practices, which ensure the maximum possible level of safety, paying special attention to the elimination of risk at source. The objective of this system is ongoing improvement in risk reduction, focused on various activities, such as work planning, the analysis and monitoring of corrective actions derived from incidents and accidents, internal audits, periodic inspections of the facilities and supervision of maintenance work and operations.

#### Environmental risks

Certain activities of companies within the Group, may give rise to an impact on the environment through emissions into the air, water, soil and ground water and also through the handling and treatment of waste. In this connection, the Group ensures that all its industrial plants are awarded their integrated environmental permits, which involve rigorous control over their processes with the aim of minimising impact on the environment. Further, the Group's objective is to minimise the impact of its activities on the environment where it operates its industrial plants, which is reflected in internal environmental protection policies of the group companies and is regulated by the relevant authorities.

### 21 OTHER RISK MANAGEMENT OBJECTIVES AND POLICIES continued

#### **Risks related to COVID-19**

The impact of the COVID-19 pandemic on the global economy has been severe and has resulted in unprecedented responses from governments worldwide to protect public health and local economies. The development of COVID-19 vaccines and the global drive to vaccinate has offered grounds for optimism but there remains a risk of future waves of infection.

In 2020, the Group was affected by the pandemic and its consequences, including declining oil prices. As a result of the COVID-19 pandemic, the Group modified its business practices across its offices which are continually reassessed. The Group's top priority continues to be the health and safety of its employees, customers and other stakeholders as well as ensuring business continuity. Like all businesses, the Group is not immune to future adverse macro-economic developments, including the impact of COVID-19, which could potentially affect the Group's business and financial results in the future. In 2021, as countries have strengthened their pandemic response and accelerated vaccination programs, the global economy has shown signs of recovery. However, uncertainties and challenges still remain for a full economic recovery, especially given the emergence of numerous virus variants.

The Group has assessed the impact of COVID-19 on these interim condensed consolidated financial statements. Property, plant and equipment, investment in equity accounted investees, intangible assets and goodwill were tested for impairments. Management forecasts and budgets were updated, where required, after considering the potential detrimental impact of the pandemic on individual cash generating units, including the results of stress tests of the alternate COVID-19 scenarios which were performed. Management also assessed the impact of COVID-19 on the value of its investment properties. Similarly, instruments subjected to Expected Credit Loss ("ECL"), were assessed for significant increase in credit risk and significant assumptions used in ECL models, including macro-economic factors, were updated, as a result of COVID-19. In arriving at fair value of level 2 and 3 instruments which are valued using in-house models, significant assumptions used in these models were reassessed and where appropriate updated. Refer to note 20 for fair value disclosures on investments measured at fair value.

During the six months period ended 30 June 2021, the Group recorded a total ECL of AED 135 million (*for the six-month period 30 June 2020: AED 343 million*). A fair value loss of AED 35 million (*for the six-month period 30 June 2020: AED 52 million*) was recorded on investment properties. During the period, reversal of impairment losses amounting to AED 63 million was recognised on property, plant and equipment and intangible assets (*for the six-month period ended 30 June 2020: impairment losses of AED 684 million*).

### 22 COMPARATIVE FIGURES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the interim condensed consolidated financial statements.

# Mamoura Diversified Global Holding PJSC

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2021 (Unaudited)

### 23 MATERIAL SUBSEQUENT EVENTS

- (i) On 16 August 2021, the Group subscribed to convertible preference shares of Connect Infrastructure Topco Limited ("CITL") for a consideration of GBP 500 million (AED 2,540 million), with the objective of making indirect investment in CityFibre Infrastructure Holdings Limited, a digital infrastructure platform operator in UK.
- (ii) On 2 September 2021, the Group entered into a Sale and purchase agreement ("SPA") with Delek Drilling, to buy 22% stake in the Eastern Mediterranean's offshore Tamar field for a consideration of USD 1,025 million (AED 3,765 million). The completion of the transaction is subject to the fulfillment of certain conditions precedent defined in the SPA.
- (iii) In July 2021, the Group raised AED 2,680 million by selling 40% of share capital, at AED 2.75 per share, of Yahsat, a wholly owned subsidiary, through an initial public offering on the Abu Dhabi Securities Exchange.
- (iv) As part of restructuring of the Parent, certain assets of Abu Dhabi Investment Council Company PJSC, an entity under common control, have been transferred to the Group, and the Group's 3.68% investment in First Abu Dhabi Bank PJSC ("FAB") has been transferred to the Parent. The carrying amount of the assets transferred to the Group was AED 6,128 million as at 30 June 2021 while the carrying amount of FAB was AED 6,657 million.
- (v) In September 2021, the Group and its joint venture partner, Trafigura, signed a sale and purchase agreement for the divestment of 100 percent of Minas de Aguas Teñidas to Sandfire Resources Ltd, for AED 6,851 million. The transaction is expected to be completed in the first quarter of 2022, with key conditions precedent including Spanish Foreign Direct Investment and anti-trust Merger approval.
- (vi) On 4 October 2021, GlobalFoundries publicly filed a registration statement with the U.S. Securities and Exchange Commission in connection with a potential IPO on the NASDAQ.