DP WORLD

THE SMARTER TRADE REPORT

ANNUAL REPORT AND ACCOUNTS 2022

OUR PURPOSE

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

By expanding our logistics touchpoints across the world, we took one step closer to our vision to lead the future of world trade.

THE POWER LANE THAT CONNECTS THREE KEY REGIONS

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2022 – A STRONG YEAR FOR WOMEN EMPOWERMENT

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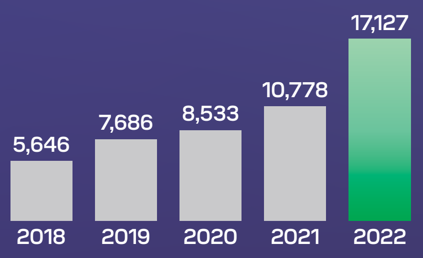
LAYING THE FOUNDATION FOR HUMANITARIAN WORK

20

FINANCIAL HIGHLIGHTS

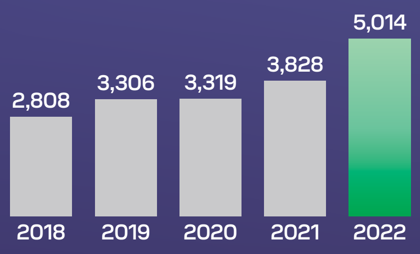
REVENUE
(US$ MILLION)



US$17,127m

Revenue is in US$ million before separately disclosed items. The results of the Group are set out in detail in the Consolidated Financial Statements and accompanying notes commencing on page 95.

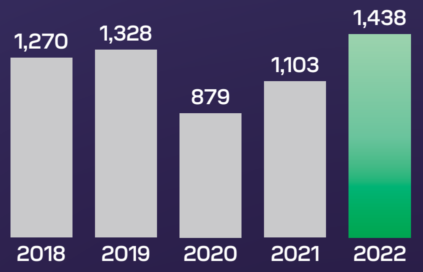
ADJUSTED EBITDA
(US$ MILLION)



US$5,014m

Growing adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and amortisation) is a key measure of value delivered to shareholders. Adjusted EBITDA is calculated including our share of profit from equity accounted investees before separately disclosed items.

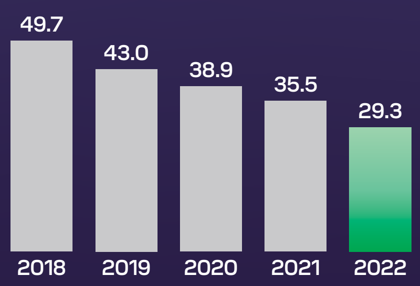
PROFIT ATTRIBUTABLE TO OWNERS
(US$ MILLION)



US$1,438m

Profit attributable to owners of the company is before taking separately disclosed items into account and after minority interest.

ADJUSTED EBITDA MARGIN
(%)



29.3%

Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and amortisation) is a key measure of value delivered to shareholders. The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

OPERATIONAL AND STRATEGIC HIGHLIGHTS

NEW PARTNERSHIPS

We added two new partners in Jebel Ali with global investors – Caisse de dépôt et placement du Québec (CDPQ) and Hassana Investment Company (Hassana) – strengthening our balance sheet to meet our long-term growth and end-to-end supply chain strategy objectives.

LAUNCH OF DP WORLD FOUNDATION

We launched the DP World Foundation to streamline our local, regional, and international humanitarian initiatives and support causes associated with health, education, and food.

INTRODUCTION OF A POWER LANE

Combining the strengths of our Maputo container terminal, Unifeeder's direct sailing services, and Imperial's market expertise – we linked three key regions with a trade power lane – Africa, Middle East and the Subcontinent to connect South African citrus farmers to the world.

LOGISTICS OF THE WORLD

In February, we fully acquired Imperial Logistics to enhance our global logistics capability and provide end-to-end supply chain solutions, in Africa and beyond.

INTRODUCING OUR 100,000TH EMPLOYEE

We introduced our 100,000th employee – Fatima Alburaimi, a Technical Programme Engineer based in Dubai.

DECARBONISATION: TOWARDS NET ZERO

To support our decarbonisation efforts, we expanded the coverage of our carbon emissions reporting. We now report seven additional categories under Scope 3 emissions reporting.

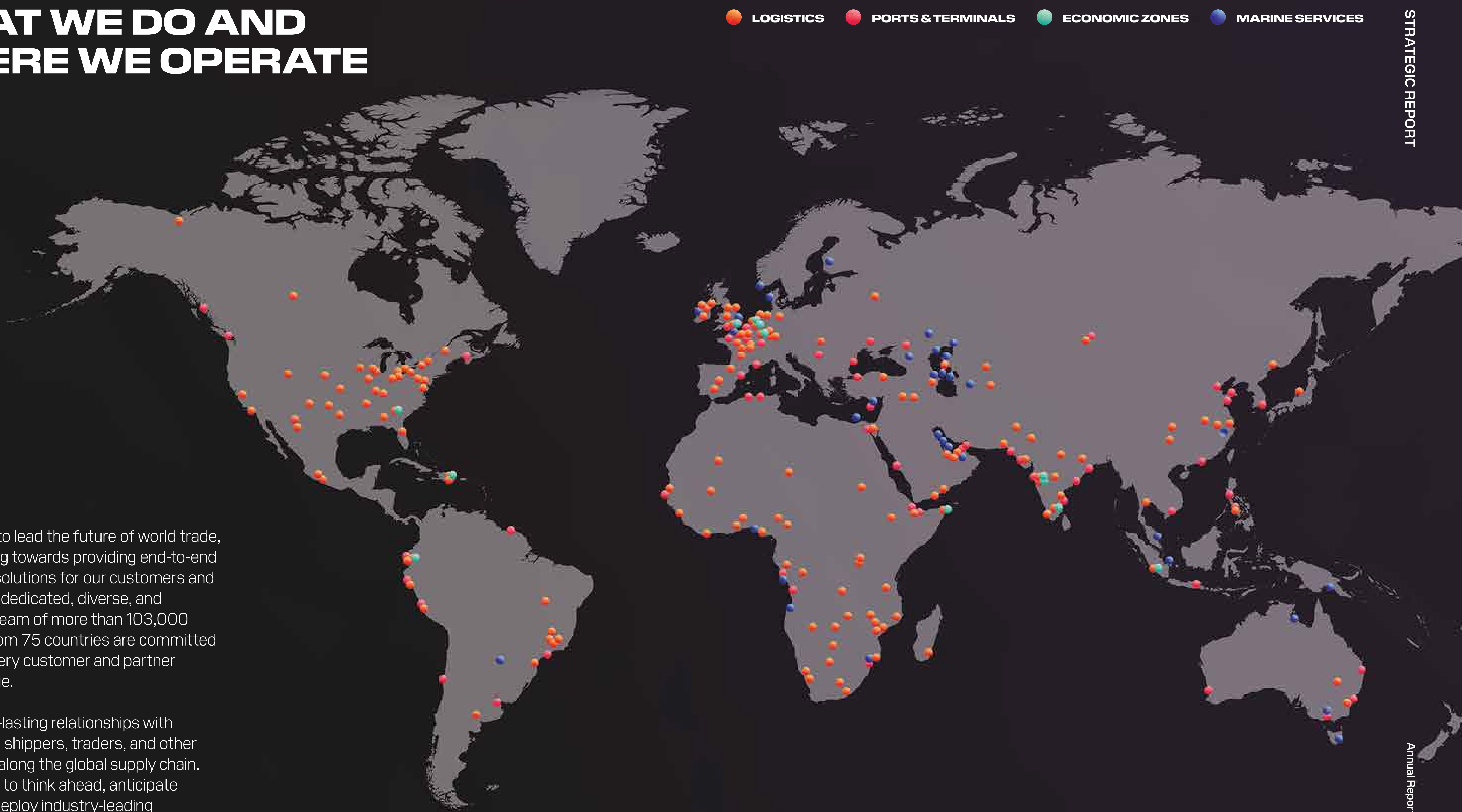
182 DAYS OF EXPO 2020 DUBAI

We concluded Expo 2020 Dubai this year by sharing our vision for global trade with more than a million people, government delegations from key markets, connecting with presidents, prime ministers and ministers from priority markets and signing 16 agreements.

FIRST EVER GLOBAL FREIGHT SUMMIT

We hosted our first Global Freight Summit this year with the theme – "Better Information Builds Better Connections". We invited C-Suite executives and other senior decision-makers from the freight forwarding and logistics industry to come together for three days to hear from influential speakers and network with peers, with a focus on how we can tackle the supply chain's greatest challenges and biggest opportunities.

WHAT WE DO AND WHERE WE OPERATE



With a vision to lead the future of world trade, we are working towards providing end-to-end supply chain solutions for our customers and partners. Our dedicated, diverse, and professional team of more than 103,000 employees from 75 countries are committed to bringing every customer and partner unrivalled value.

We build long-lasting relationships with governments, shippers, traders, and other stakeholders along the global supply chain. This allows us to think ahead, anticipate change, and deploy industry-leading technology to create the smartest, most efficient, and innovative trade solutions while ensuring a positive and sustainable impact on economies, societies, and our planet.

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

Geopolitical tensions, reshoring by manufacturers and producers, and the impact of monetary policies on the globalised world were just some of the major challenges that the trade industry faced in 2022.

Yet hard days make you stronger and dreams can come true if we dare to pursue them. Subsequently, we have made strong progress despite the challenging environment and it has helped shape the evolution of our business. Our resilience became the defining feature in our determination to transform our business into an integrated logistics business providing supply chain solutions to our customers, partners and all our stakeholders.

Shortly after acquiring syncreon in late 2021, we fully acquired Imperial Logistics in February 2022. This move extended our global footprint, particularly in Africa and cemented our end-to-end logistics capability. Major transformations to link all our assets – physical, digital and human – in pursuit of this ambition are now underway.

We have also expanded our reach in developing markets. Logistics infrastructure opens untapped domestic and international trade opportunities, grows economies and makes goods more affordable. Investing in developing economies, not only helps global trade go further, but it also facilitates economic growth, attracts foreign investment and generates thousands of jobs – raising the quality of life for everyone and changing what is possible.

The year began with the first stone being laid at the Port of Ndayane, Senegal, representing the beginning of our US$1 billion investment. This is our largest port investment in Africa and the largest single private investment in the history of Senegal. Our existing best-in-class infrastructure in the country has already been credited with stimulating a 10% uplift in Senegal's GDP growth. This will reinforce its position as a trade hub in West Africa and further the nation's development through the next century.

Hot on the heels of our project in Senegal, we progressed with our expansion plans in Angola and Puntland (Somalia), and expanded the capabilities of operations in Caucedo, Dominican Republic. Our Callao Port expansion in Peru will create one of the biggest single terminals in South America once it is completed in 2023.

Over the 182 days of Expo 2020 Dubai, we shared our vision for global trade with more than a million people. It allowed us to showcase Dubai as a world-leading trade hub, and our Flow Pavilion became a living showcase of the successes built by our commitment to innovation to keep trade flowing. It brought opportunities to create future economic growth for communities around the world. We were able to engage with government delegations from key markets around the world, connecting with presidents, prime ministers and ministers from priority markets and signing 16 agreements.

Expo 2020 Dubai also provided a platform to highlight our commitment to sustainability. Over 7,000 students and 355 school groups participated in our school's education programme and we also welcomed HRH The Prince of Wales at the first-ever "Earthshot Prize Innovation Showcase". As a founding partner, we announced a landmark investment of £1 million to pilot two nature-based solutions – a pilot land-based coral farm for reef restoration in the Middle East and a marine infrastructure enhancement initiative to benefit native sea life at Port Callao in Peru.

One of our key priorities in 2022 was to broaden our partnerships, strengthen our balance sheet and drive long-term value. Our collaboration with our partners to make the most of complementary expertise and long-term thinking has been an integral part of our success.

We enhanced our relationship with India's National Infrastructure Investment Fund (NIIF) to include our flagship India ports platform, which will raise approximately US$300 million. We also created a new investment platform with the British International Investment Group to accelerate investment in Africa and unlock its trade potential.

We also welcomed two new partners with minority stakes at our flagship assets in the UAE (Jebel Ali Port, Jebel Ali Free Zone and National Industries Park) raising US$7.4 billion. Our agreements with Canadian investment fund "CDPQ" and Saudi Arabia-based "Hassana" allowed us to reduce our net leverage and strengthen our balance sheet. This will ensure we can enhance our UAE assets and capture the wider region's significant growth potential.

The resilience of our business, the diversity of our portfolio and the continued focus on supply chain solutions will support our end-to-end strategy, which will drive sustainable value for all our stakeholders.

We remain committed to strengthening and enhancing our focus on sustainability. We are very proud that we have either maintained or improved our sustainability scores from some of the leading international sustainability rating agencies.

As our footprint has grown, we have evolved to focus more on our future legacy and lasting impact. We recognise the impact of climate change and are taking prudent steps to mitigate our impact on the environment. Over the next five years, we will invest up to US$500 million across our business to cut CO_2 emissions by nearly 700,000 tonnes as we strive to meet our target of becoming net zero by 2050.

Finally, and a particularly personal highlight, is the launch of the DP World Foundation, which will allow us to carry out our humanitarian initiatives as we look to build towards a sustainable future. We have always made great efforts to support the communities where we operate. The Foundation will document and organise this work through an accredited institution to streamline those endeavours and deliver assistance to those who need it most in the quickest time.

The challenges of 2022 helped DP World evolve and grow stronger. We have employees based in every continent and our numbers now exceed over 100,000 for the first time. Our people are our most valued strength. They are the driver for our shared vision of making trade flow. Now it is time to look forward to 2023 – together we can build on our success for the world of today and the world of tomorrow.

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND
CHIEF EXECUTIVE OFFICER
21 March 2023

OUR YEAR IN REVIEW

JANUARY

We started the new year by digitising customs with the launch of CARGOES Customs – a new digital streamlined, single-window interface that will replace the traditional customs system. This system will empower customs agencies and border authorities to facilitate trade, secure global supply chains and increase compliance.

We joined forces with Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping to research and develop zero-carbon technologies and solutions.

The Maiden yacht and her all-new female crew set sail on their three-year world tour, as part of our partnership to raise funds for girls' education.

FEBRUARY

We committed £1 million (£500k each) to scale two Earthshot Oceans Finalists' solutions. The solutions included a pilot land-based coral farm for reef restoration in the Middle East and a marine infrastructure enhancement initiative to benefit native sea life at Port Callao in Peru.

We completed the acquisition of Imperial Logistics (Imperial) by taking a 100% stake.

MARCH

On International Women's Day, our Chairman Sultan Ahmed bin Sulayem became the first HeForShe Champion in the Middle East. HeForShe Champions are a group of ambitious leaders from across government, the corporate world, not-for-profit, and academia that are all set to develop large set of scalable solutions for gender equality.

We hosted the Africa Forum at our Flow Pavilion at Expo 2020 Dubai to discuss the role of trade in unlocking Africa's potential.

We were recognised by Sustainalytics as a top ESG Risk performer out of 4,000+ companies. We were also awarded industry and region top-rated badges for our performance.

APRIL

We launched the DP World Foundation to support causes associated with health, education, and food on local, regional, and international levels.

We won the prestigious "Best Logistics Technology & Cold Chain Delivery" award at this year's Vaccine Industry Excellence Awards in Washington DC.

MAY

The first batch of female Solar Engineers from Senegal graduated after a six-month training course run by our partnership with Barefoot College International (BCI). Now fully qualified, these ten graduated women, lovingly known as "Solar Mamas" can install, maintain and repair solar-powered infrastructure in their local communities that suffer from electricity shortages.

We expressed our intention to explore the Metaverse to solve real-world supply chain challenges.

JUNE

We announced a US$5 billion investment in three of our flagship UAE assets – Jebel Ali Port, Jebel Ali Free Zone, and National Industries Park. This announcement was made in conjunction with CDPQ.

Our Southampton Port became the first in Britain to replace diesel with hydrotreated vegetable oil (HVO) in its operations and cutting net emissions by over 80%.

We announced the development of Jeddah Logistics Park – a 415,000 square metre port-centric Logistics Park at the Jeddah Islamic Port. This announcement was made in conjunction with Saudi Ports Authority (Mawani).

JULY

In July, Imperial (a DP World company) was in the news – it acquired controlling stakes in Africa FMCG Distribution Ltd and J&J Group, and increased its stake in PST Sales & Distribution in Botswana from 38% to 72%.

Our e-commerce platform, DUBUY.com expanded its Africa footprint by launching in Ghana and Zambia.

AUGUST

Al Ain Farms, a leading dairy and poultry company in the UAE, joined DUBUY.com to enter new territories and serve new markets such as Kenya, Tanzania, Rwanda, Ghana, and Zambia through our global logistics network.

We became the title sponsor of the Asia Cup T20 Cricket Tournament, making it the DP World Asia Cup 2022.

SEPTEMBER

Construction began on a new 119,000 sq ft green warehouse at our logistics park in London that will connect the adjacent rail terminal and roads to the port.

We also celebrated moving the ten millionth container at London Gateway. The milestone represents an increase of almost 650% compared with its first full year of operation in 2014. A new £350 million fourth berth will increase capacity by a third when it opens in 2024.

OCTOBER

In a strategic move to support large multinational companies to set up base in Dubai, we launched the Global Business Corporation (GBC).

We celebrated adding more than 23,000 nautical miles of new trade routes – connecting the Americas, Europe, Asia, and the Middle East through our global network of rail, roads, sea, and port services.

Our Marine Services division introduced a new coastal service for the UAE, expanding the connectivity of Jebel Ali to other ports around the country.

NOVEMBER

We partnered with Lin-Gang Special Area to expand our China operations and create an economic zone in Shanghai. Lin-Gang has also joined World Logistics Passport (WLP) – a points-based loyalty initiative designed to smooth the flow of global trade.

As part of our commitment to help golf grow and drive positive community impact, we launched an initiative to collect used golf balls across the DP World Tour, which resulted in over 130,000 used golf balls being donated to organisations for grassroots golf projects.

Leading students from top UAE and Indian universities competed at our inaugural Big Tech Project, tasked with solving trade challenges through the metaverse. Students from Mohamed Bin Zayed University of Artificial Intelligence – Team Digicortex won the competition. Their two winning solutions included a virtual training simulator and use of smart glasses to enhance efficiency and maintenance at ports and terminals.

DECEMBER

We partnered with Americold in Atlanta, US – the global leader in temperature-controlled warehousing and logistics-to support large food companies with a new standard in global distribution. The combination of Americold's global infrastructure and strategic customer relationships and our global port infrastructure and end-to-end logistics solutions, we can achieve unprecedented optimisation of global food flows.

We celebrated the milestone of our 100,000th employee globally – Fatima Alburaimi, a Technical Programme Engineer in Dubai.

STRATEGIC REPORT

MARKET OVERVIEW

MACRO-ECONOMICS – A SHARPER-THAN-EXPECTED ECONOMIC SLOWDOWN

Carrying-on the trend of the latter part of 2021, global economic growth continued to weaken and came under more pressure as the year progressed. A cost-of-living crisis, caused by persistent and broadening inflation pressures, China's dented demand amid strict COVID-19 policies and the war in Ukraine, drove a sharper-than-expected slowdown of global economic activity. Monetary tightening and higher interest rates introduced by the US Federal Reserve and other Central Banks to calm inflation impacted economic growth and expansion. Global GDP grew 3.4%[1] in 2022, driven by emerging market and developing economies growth of 3.9%[1] and a 2.7%[1] increase in advanced economies.

MERCHANDISE TRADE VOLUMES – THE YEAR ENDS ON COOLING SENTIMENT

Demand started to change mid-year amid a shift back to services and heightened global economic concerns. By the beginning of the fourth quarter, the global slowdown had steepened, as both manufacturing and services performance deteriorated, and output contracted at a faster rate. Export orders declined as business sentiment cooled and global import demand waned. The slowdown and subsequent easing of congestion did, however, provide relief to overstretched supply chains.

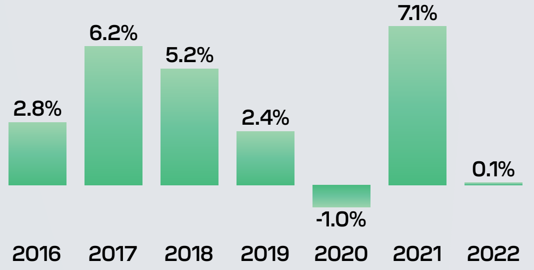
LOGISTICS – DEMAND FOR LOGISTICS SLOWS FOLLOWING BUMPER 2021

Following a bumper 2021 with demand for logistics services growing by more than 10% in the year, growth stalled in 2022 as the global economy slowed.

The global freight forwarding market is expected to decline by 2.7% in 2022, with China and Russia being key contributors to the softening of demand. Demand in China is expected to be down by almost 7% in 2022 due to continued COVID-19-related lockdowns, while logistics demand in Russia is forecast to be more than 20% lower due to the war.

The more stable contract logistics market is forecast to show growth of 3.4% in 2022, which is down from 8.6% growth in 2021. Key growth drivers remain the emerging economies of Asia and Middle East, where outsourcing of logistics remains at a relatively early stage.

GLOBAL PORT HANDLING GROWTH (INCLUDING EMPTIES AND TRANSHIPMENT) (DREWRY)



GLOBAL SCHEDULE RELIABILITY (SEAINTEL)

The demand forecast for 2023 is for low single digit growth, with contract logistics expected to expand by 3.1% and freight forwarding by 0.7%, with China expected to return to some normalisation.

WORLD PORT HANDLING

Softening demand at the start of the year gave way to consumers pausing discretionary spending, resulting in port handling ending the year at the same level as 2021. Port volumes totalled 859.2[2] million TEU.

KEY REGIONS

AMERICAS

After a strong start to the year, demand in North America collapsed in the second half of 2022, as high inflation reduced consumer appetite and fully stocked inventories impacted imports. The exception was a volume resurgence on the transatlantic trade. Container throughput for the year grew 0.9%[2], while port congestion that had plagued the US West Coast since mid-2020 cleared by late 2022.

Increasing raw material prices benefited commodity exporters but constrained those economies relying on imports, while inflation also took a toll and resulted in Latin American container demand declining by 1.9%[2].

EUROPE

The region was severely affected by the Russia-Ukraine war, which led to a steep rise in energy costs and sanctions against Russia. Cautious consumer spending and industrial action across northern Europe and the UK also weighed heavily, and full-year container handling declined by 2.8%[2].

SUBCONTINENT

The Subcontinent recorded a 3.4%[2] decline for 2022, due to reduced container handling in Bangladesh, Pakistan and Sri Lanka. India has been one of the few bright spots, where a host of free trade agreements and high consumer demand, underpinned by increased government spending and neutral Central Bank policies, boosted GDP growth. India is also expected to be a main beneficiary as the trend of sourcing away from mainly China continues.

MIDDLE EAST & AFRICA

Surging oil prices supported most of the MEA region's growth momentum that started in 2021. In addition, a rebound in tourism, including a surge for the World Cup, backed a 3.2%[2] increase in container throughput.

Africa's container handling fell 2.2%[2] as some areas of the continent were impacted by price shocks and supply chain disruptions caused by the Russia-Ukraine war. Severe flooding and industrial action also affected port activities in South Africa.

ASIA PACIFIC & OCEANIA

Greater China throughput increased 3.3%[2] down from 6.5% growth in the prior year, as disruptions to supply chains from COVID-19-related lockdowns impacted manufacturing and exporting centres. These challenges intensified in the last quarter of 2022. North Asian ports were hit hard, recording a 3.3%[2] drop, not only due to cooling global demand but also due to labour action and the impact of the strong USD. South-East Asian ports were down by 0.7%[2] but should profit from "China's plus 1 strategy", which is gaining traction with manufacturers.

Australia benefited from higher prices and strong demand for its commodity exports, which helped offset declining consumer confidence on the back of rising inflation. Container throughput grew at 1.7%[2] during the year.

KEY TRENDS AND IMPACTS

Event	What does this mean for DP World?
Freight rate collapse in H2 and diminishing ocean freight profitability Since the peak in January 2022, SCFI spot rates dropped and were down 78% by the end of the year – although still 24%[3] above the pre-pandemic rate average. This has put long-term contract rates under pressure and forced carriers to provide temporary rate discounts and renegotiate existing contract rates. Carriers resumed their fight for volume by the end of the year, as consumer demand declined, rather than engaging in structural capacity management. The rate decline has seen liner profitability drop around 40-50% in the last quarter, compared to Q3 2022. A further profit downgrade was issued for 2023.	**Systemic initiatives to protect revenues & rates** Pressure on pricing power has been limited and DP World reported revenues ahead of volume growth during the year. Some of these revenue increases were driven by market condition-specific elements, like storage, but the foundations were laid for more adequate compensation for the activities DP World performs. To offset cost increases, variable elements have been factored into contract pricing clauses, including CPI, which will provide some protection against rising inflation. New revenue opportunities are also being pursued to enhance earnings and mitigate cost increases.
Improving schedule reliability and easing port congestion Schedule reliability of leading container liners improved in the latter part of the year, reaching 56.6%[4] in December – a marginal improvement of 0.1% point compared to the previous month. The average delay stood at just over 5 days, an improvement from more than 6 days in 2021. Capacity in the first half of the year was absorbed by extensive vessel waiting times outside main ports but from the half-year mark, congestion normalised, injecting available capacity back into the market. This decrease in delays resolved 67%[4] of global capacity loss.	**DP World to manage schedule volatility via operational and commercial initiatives** Despite the on-time arrival improvements, ports continue to be affected by delayed vessels and overall schedule volatility, including blank and sliding sailings that result in fewer port calls but larger peaks. Blank sailings and operating ghost loops, where only some of a service's proforma vessels are deployed, are expected to increase going forward and could potentially lead to permanent capacity reductions. This may affect operations and costs for ports and terminals. To offset these disruptions and higher costs, DP World introduced recovery mechanisms in some locations, when yearly minimum vessel calls are not achieved. At the same time, DP World is partnering with shipping lines to improve operational efficiencies and boost vessel schedule reliability.
Continuation of vertical integration and industry consolidation The year was marked by significant M&A activity, driven by strengthened balance sheets. Liner operators spent profits on logistics assets, with port investment featuring heavily. MSC acquired Bolloré Africa Logistics, gaining control of all Bolloré Group's shipping, logistics and terminal operations in Africa, and terminal operations in India, Haiti and Timor-Leste. Hapag Lloyd expanded its terminal investments, including the acquisition of SAAM Ports and Logistics to gain control over the infrastructure. The carrier also contributed towards liner consolidation by taking ownership of DAL. At the same time, niche and domestic carriers that expanded their networks into main trades during the boom in 2021, have almost all retracted as they struggled to remain competitive, whilst the bulk of main carriers expanded their capacity in 2022. MSC grew the most in TEU terms and has an orderbook of 1.73M[5] TEU, more than the total capacity of the sixth-ranked container line Evergreen.	**Revenue diversification and broadening logistics solutions mitigate consolidation** DP World's integration strategy leverages synergies between port, marine and landside assets. The investment into the marine segment, through the acquisition of Unifeeder and Transworld Feeders, has strengthened connectivity, whilst landside assets provide end-to-end logistics solutions for BCOs. This revenue diversification strategy protects against a more consolidated customer base and spreads cost recovery across the supply chain. DP World continues to nurture customer relationships through its dedicated carrier point programme.
Talk of re- and nearshoring is turning into action Global supply chain disruptions and rising costs are driving the diversification of manufacturing and re- and nearshoring of production networks. As a result, new manufacturing facilities, including chip factories and aluminium and steel plants, are under construction in the US, and Europe introduced the EU Chips Act to support the set-up of semiconductor manufacturing. At the same time, diversification from China for a "China plus 1 strategy" will benefit other Asian countries, such as Vietnam, Malaysia and Thailand. India is also set to become a key beneficiary of these supply chain changes. And a variation on that theme involves companies relocating manufacturing from Asia and sourcing it along the US-Mexico border. For pan-European markets, Turkey offers production alternatives.	**DP World's assets are well-positioned to support sourcing diversification** DP World operates port-centric logistics ecosystems that can enable the shift towards more regional or domestic sourcing and manufacturing. Assets like warehousing, free zones and intermodal infrastructure can support the re- or nearshoring of supply chains. With assets in locations including Thailand, Vietnam, India, South Korea and Turkey, DP World is well-placed to benefit from these sourcing and manufacturing changes. The large origin and destination (O&D) footprint, and presence in key consumer markets puts DP World in a favourable position to benefit from revenue diversification to the land side.

Sources:
1: IMF World Economic Outlook Update (January 2023)
2: Drewry Container Forecaster, Q2 2023 Supplement
3: Clarkson Container Intelligence Monthly Newsletter
4: Sea-Intelligence, Monthly Schedule Reliability Report
5: Alphaliner Monthly Monitor January 2023

BUSINESS MODEL

WE ARE COMMITTED TO SUSTAINABILITY AND RESPONSIBLE CORPORATE CITIZENSHIP WITHIN OUR BUSINESS MODEL.

WE MAKE TRADE FLOW BY:

CUSTOMER RELATIONSHIPS AND OPERATIONAL EXCELLENCE
- Customer satisfaction is central to our success.
- We strive for excellence and operational efficiency.

PEOPLE, CULTURE, AND SAFETY
- Training and development programmes for employees and supply chain through The Hub, our global centre of excellence for learning, leadership, and talent management.
- Our Principles sit at the core of our diverse and innovative culture and drive our behaviours.
- We are fully committed to our people's well-being and promoting a culture of safety.

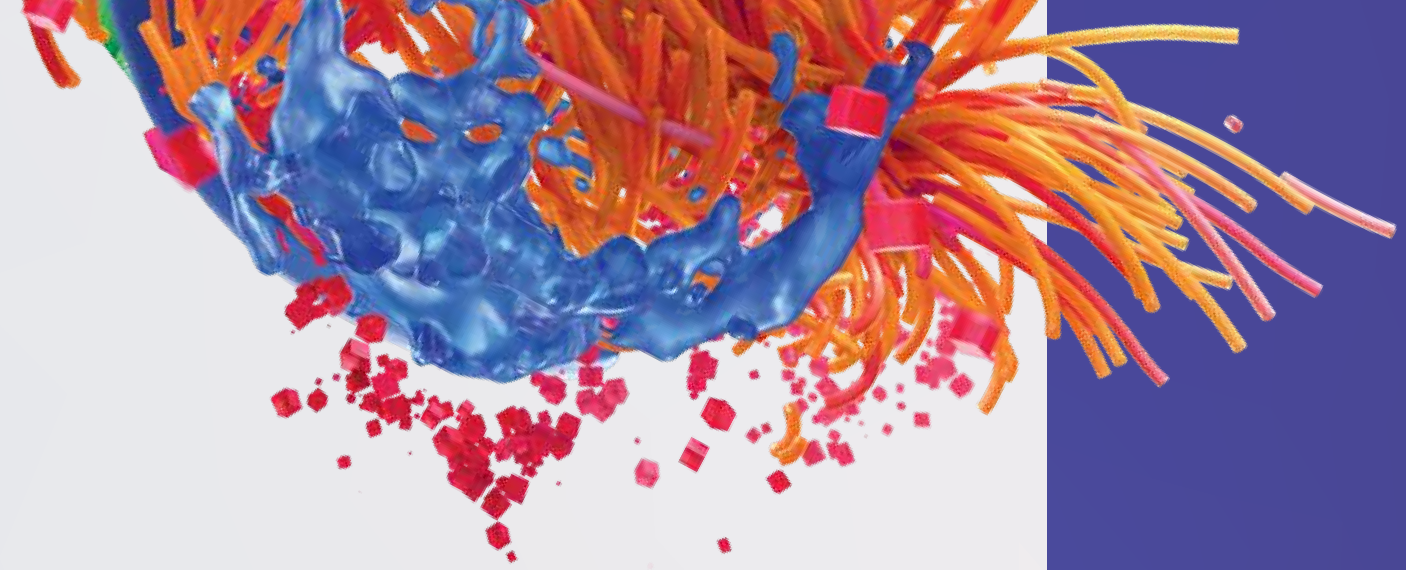
COMMUNITY AND ENVIRONMENT
- We are committed to changing what's possible for everyone through our sustainability strategy, "Our World, Our Future".
- Driving best practices and fostering innovation in sustainability to build a vibrant, secure, and resilient society.

FINANCE, GOVERNANCE, AND RISK
- Deliver the highest standards of ethical behaviour.
- Robust best practice governance frameworks in place.
- Solid risk management that maintains our leading position in the industry.

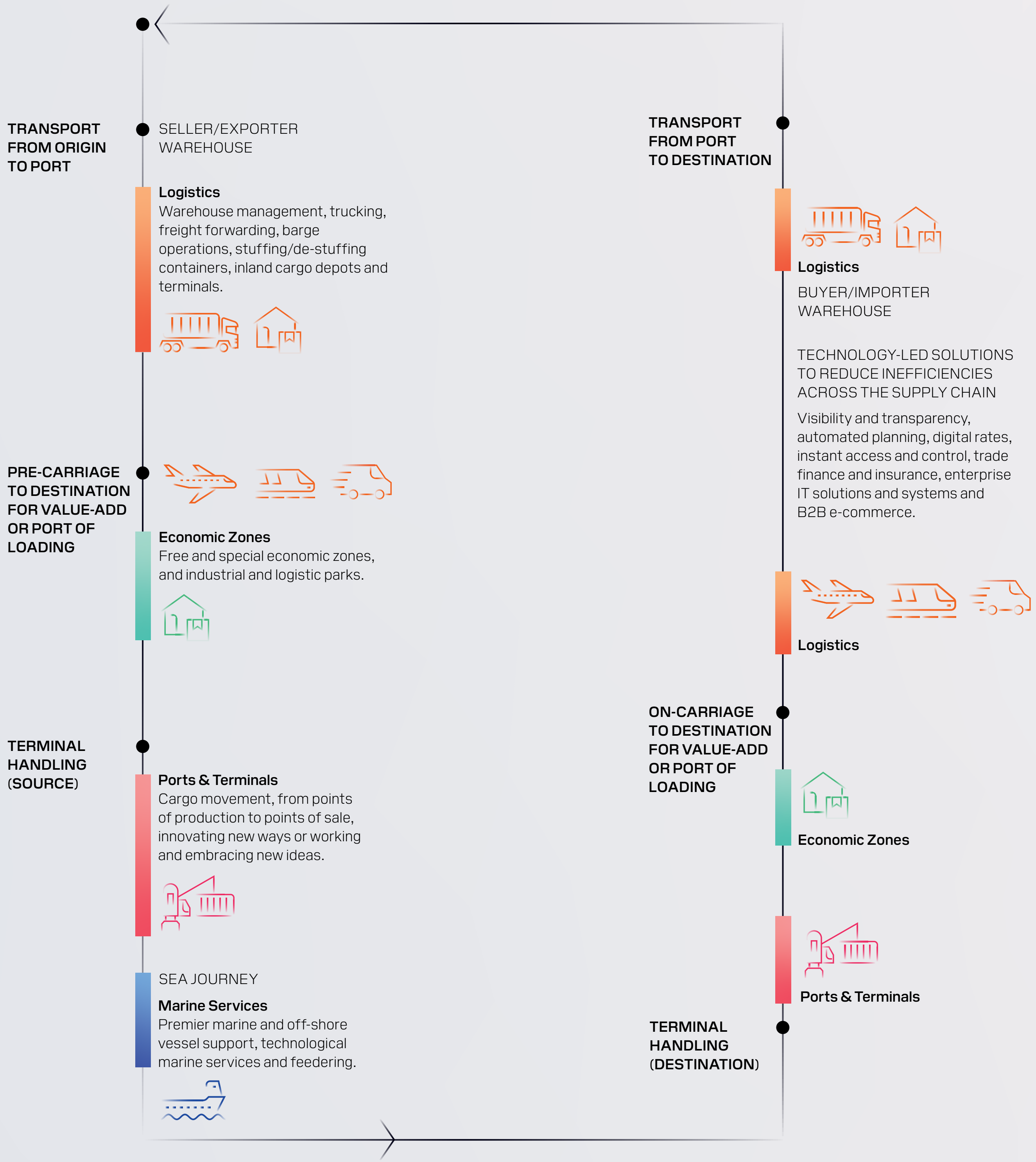
TECHNOLOGY AND INNOVATION
- Delivering a best-in-class experience for customers through technology and innovation which sets us apart and is transformative in terms of performance, using big data and analytics, robotics, and artificial intelligence.

OUR PRINCIPLES
There are five principles that are fundamental to the success of our organisation. Our Principles are central to every decision we make and are the foundation of our culture.

For more on **Our Principles**, see **page 55**



WE CHANGE WHAT'S POSSIBLE FOR EVERYONE:



WE DELIVER VALUE THROUGH:

ENVIRONMENT
- Climate change
- Water

SOCIAL
- Wellbeing
- Community engagement
- People development
- Women
- Education

GOVERNANCE
- Safety
- Security
- Ethics

SUSTAINABILITY STRATEGY
Our sustainability strategy implements the use of "Our World, Our Future" as a guide to working responsibly and sustainably.

It helps us prioritise sustainable and inclusive economic growth while creating a positive impact for the people, communities, and environments in which we operate.

OUR STRATEGY

OUR STRATEGIC OBJECTIVES | 2022 ACTIVITY | 2023 OUTLOOK

1. OFFER END-TO-END SUPPLY CHAIN SOLUTIONS TO CARGO OWNERS

- We have a clear focus on offering end-to-end supply chain solutions to cargo owners, with the goal of enhancing efficiency, transparency, and resilience in the supply chain. To achieve this objective, we rely on our extensive global platform and proprietary technology solutions.
- Our end-to-end supply chain solutions span from a wide range of services, including transportation, warehousing, and other value-added services. By leveraging our global network, we can offer our customers seamless and integrated services that can facilitate faster and more reliable cargo movement.
- Our proprietary technology solutions enable us to optimise operations, improve visibility, and streamline communication with customers. These technological tools help us to enhance efficiency, reduce costs, and mitigate risks in the supply chain, providing customers with a competitive advantage in the global marketplace.

2022 ACTIVITY

- Our Marine Services division introduced a new coastal service for the UAE connecting the Jebel Ali hub to other ports around the country using multi-carrying vessels (MCV's) that can bypass congestion by calling at smaller berths.
- We partnered with Atlanta-based Americold, a global leader in temperature-controlled warehousing and logistics, to support the world's largest food companies with a new standard in global distribution.
- We signed a lease with UAE-based food producer IFFCO to develop a 300,000 square feet edible oil packing plant at our economic zone in Berbera, Somaliland.
- Our recent acquisition, Imperial Logistics took controlling stakes in Africa FMCG Distribution Ltd and J&J Group to provide more logistics-based solutions to our customers.
- Completed our first industrial park in South Carolina, USA offering users a strategic, inland, and rail-served platform with close port proximity to industrial development.
- We began construction at two of our facilities – a temperature-controlled warehouse in our economic zone at the Dominican Republic and JAFZA Logistics Park in Dubai, UAE – to accommodate the growing number of warehousing, processing and logistics activities carried out in the Emirate.

2023 OUTLOOK

- To position ourselves as a leading global provider of end-to-end logistics solutions.
- To continue to be a trusted global brand that can be relied on by our customers and to recruit, retain and enhance the skills of our best talent.
- Continue to expand through acquisitions and partnerships to diversify our revenue base and engage directly with cargo owners.
- To focus on digitally led solutions that connect our physical infrastructure to efficient digital platforms reaching directly to the cargo owners.

2. BROADEN CAPABILITIES AND OFFER SUPPLY CHAIN SOLUTIONS TO A WIDER AUDIENCE

- We are committed to expanding our logistics capabilities across air, ocean, rail, and road transportation to offer a more comprehensive range of solutions to a wider audience. This strategy involves serving cargo owners across different verticals and geographies, particularly in growth markets. We are focused on building new trade lanes to improve connectivity for our customers, enabling faster and more efficient cargo movement.
- By expanding our capabilities and offerings, we aim to provide a complete suite of solutions that can cater to the evolving needs of cargo owners worldwide. This will help strengthen our position as a leading provider of end-to-end supply chain solutions, offering a variety of transportation options that can cater to the unique requirements of different industries and sectors.

2022 ACTIVITY

- We digitalised customs operations by launching CARGOES Customs – a new streamlined, single-window interface that will replace the traditional customs system. It will enable customs agencies and border authorities to facilitate trade, secure global supply chains and increase compliance.
- We announced the development of a new Ro-Ro (roll-on, roll-off) terminal at our port in Constanta, Romania which will become one of the most important cargo and vehicle hubs on the Black Sea.
- We hosted the Africa Forum at our DP World Flow Pavilion at Expo 2020 Dubai to discuss the role of trade in unlocking Africa's potential.
- We launched Global Business Corporation (GBC) in a strategic move to support large multinational companies enhancing their operating models to set up a base in Dubai.

2023 OUTLOOK

- Diversify services to connect different points on trade routes to maximise customer benefits.
- Expand our logistics reach to provide a complete suite of trade solutions that strengthen our position as a global end-to-end supply chain solutions provider, especially in developing markets.

3. CONTINUE TO INVEST IN ORIGIN-DESTINATION FOCUSED PORT LOCATIONS

- We plan to continue our investment in port locations that are focused on origin and destination to enhance our offerings to cargo owners. This strategy involves expanding container capacity in key origin and destination ports, in both emerging and developing markets, to meet the growing demand for efficient and reliable cargo movement.
- In addition to serving cargo owners, we also aim to provide better services to shipping line customers. This involves offering capacity in key growth markets and implementing automation to increase operational efficiency. By investing in origin and destination focused port locations, we can offer a comprehensive range of services to both cargo owners and shipping line customers, enhancing our position as a leading global provider of cargo solutions.

2022 ACTIVITY

- Announced the development of the 415,000 square metres Jeddah Logistics Park at the Jeddah Islamic Port in partnership with the Saudi Ports Authority, (Mawani).
- Began work on our new green warehouse at London Gateway's Logistics Park that will connect the adjacent rail terminal and the roads to the port – giving businesses access to logistics led solutions.
- Launched a new intermodal train service connecting our container terminals at London Gateway and Southampton that will boost the resilience of our customers' supply chains.

2023 OUTLOOK

- Examine wide-ranging opportunities to connect directly with cargo owners and shipping line customers.
- Concentrate on innovations that help move trade leveraging our origin-destination focused port locations.
- Understand cargo owners and customers' needs better to align our infrastructure and services.

See **pages 34 and 36** for more information about how the success of our **Strategy** is measured and supported through our **KPIs and Risks**. →

THE POWER LANE THAT CONNECTS THREE KEY REGIONS

South Africa plays a major role in the popular and the widely produced global citrus market and based on production volumes and global demands, the region was the world's second-largest citrus exporter in 2020. Its six-month citrus season produces over 50,000 FEUs (forty-foot equivalent units) containers worth of fruits.

With our business transformation and series of strategic acquisitions over the years, we're fully equipped to provide citrus farmers with a key trade gateway from South Africa to the world.

Our Maputo container terminal serves as an access point for many businesses exporting cargo to the world, thanks to its strategic position close to the many industrial areas of South Africa and its road and rail connections.

The newly launched services from our subsidiary, Unifeeder, connects three key regions directly – Africa, the Middle East, and the subcontinent – allowing BCOs that sell perishables like citrus to get competitive advantages by making their cargo reach their destinations faster. Unifeeder understands product needs and provides optimised solutions that fit budgets and schedules.

WE COMBINED OUR STRENGTHS

Combining the strengths of our Maputo container terminal and the direct sailing services provided by Unifeeder that connects three key regions directly, and Imperial's market expertise in Africa, we provided a tailor-made solution to South African citrus growers from the Mpumalanga region (Northeast part of South Africa) to export internationally – South Africa via Maputo to Dubai in the Middle East and further, Mundra in India.

Agricultural logistics are key to improving food security, improving cost efficiency, and reducing food wastage. The sector is a major source of employment and plays a key role in the regional economy which means it brings big savings on time and money for local farmers with access to international markets all with one trade solutions provider.

2022 – A STRONG YEAR FOR WOMEN EMPOWERMENT

2022 has been a great year where we've made strides in the key focus area of women empowerment, which sits under our sustainability strategy – "Our World, Our Future". Our strategy aligns with the United Nations Sustainable Development Goals. It is embedded into everything we do so make a positive difference in the communities where we live and work in.

MAIDEN'S NEW TOUR

We became the title sponsor of the iconic yacht – Maiden in 2021. 2022 saw Maiden and her all-female crew set sail on a three-year world tour. The iconic yacht left Dubai on her 90,000nm journey, skippered by the legendary Marie-Claude Kieffer. Maiden's vision is – 'A world where every girl has access to 12 years of quality education; empowering them to choose their future and fulfil their dreams'.

During the new 2021-2024 World Tour covering port locations of Dubai, Palma, Miami, Brooklyn-NY, Senegal, South Africa, and Maputo, among many others; there will also be a focus on encouraging girls into Science, Technology, Engineering, and Mathematics (STEM) subjects, increasing their life and career choices.

HEFORSHE CHAMPION

On International Women's Day, our Chairman Sultan Ahmed bin Sulayem became the first HeForShe Champion in the Middle East. HeForShe Champions are ambitious leaders from across government, the corporate world, and the not-for-profit sector to develop scalable solutions for gender equality.

"I am personally committed to making a positive impact that increases female representation, eliminates skills shortages and advocates for the diversity agenda."

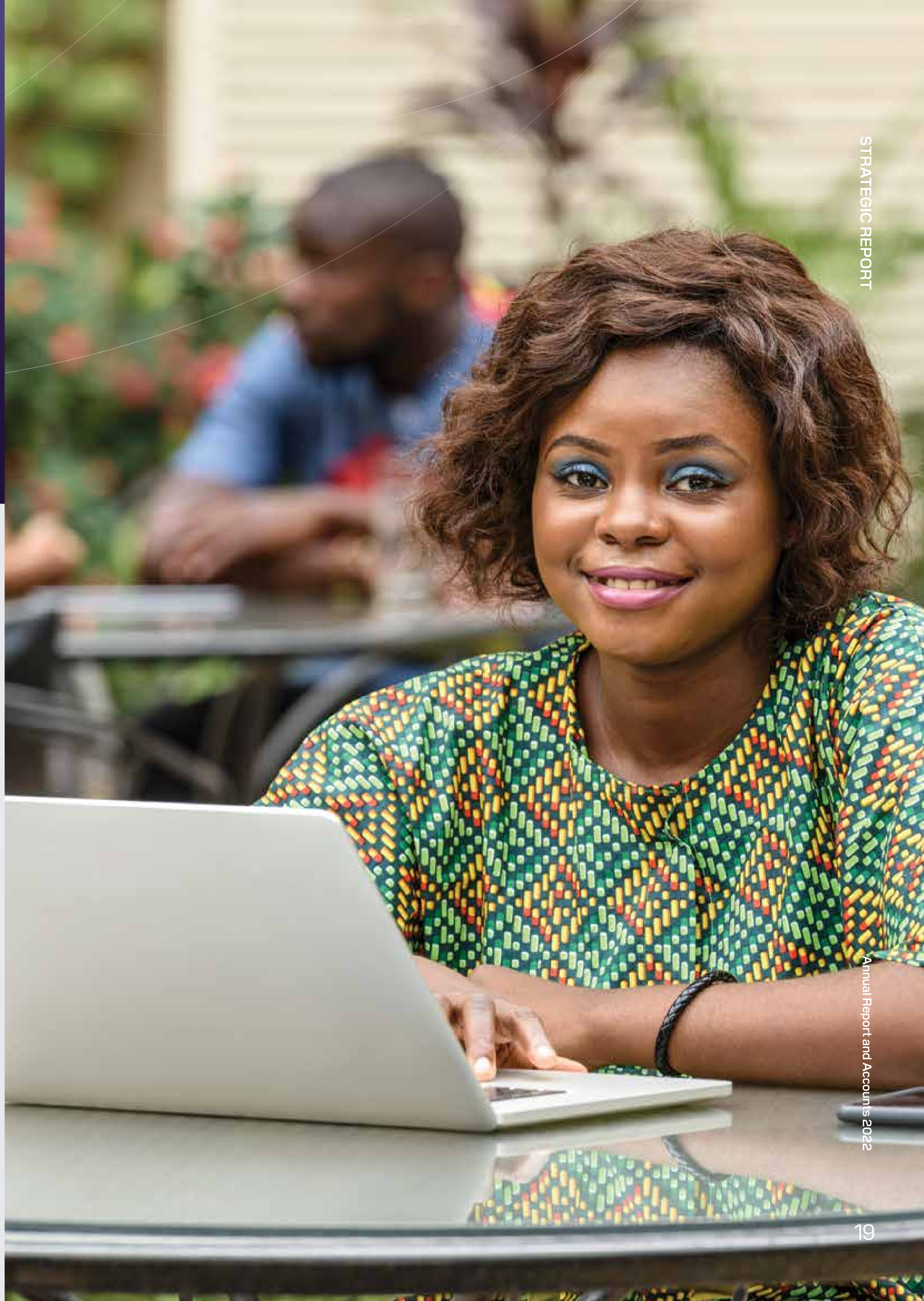
SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF DP WORLD

SOLAR MAMAS OF SENEGAL

In 2022, we saw the first batch of women from rural Senegal graduated as solar engineers through our partnership with Barefoot College International (BCI). Lovingly known as the "Solar Mamas", these women were selected from rural areas of the Ranerou region in northern Senegal to gain knowledge, skills, and tools to run solar-powered infrastructure in their communities.

In January this year, these engineers received a presidential visit from Macky Sall, and our Group Chairman and Chief Executive Officer, Sultan Ahmed bin Sulayem, who congratulated them on their efforts and commitment to transforming their communities.

At DP World, we aim to create a positive impact for women in our industry and our communities, aligning ourselves with the United Nations Sustainable Development Goal 5.



LAYING THE FOUNDATION FOR HUMANITARIAN WORK

Every year, the UAE marks Sheikh Zayed Humanitarian Day during the holy month of Ramadan as a remembrance of the great work and achievements of the late ruler, Sheikh Zayed. This year, we announced the launch of DP World Foundation, a non-profit organisation that will aim to facilitate public and privately funded initiatives locally and internationally.

“The foundation will support causes associated with health, education, and food, both on the local, regional, and international levels, in cooperation with the relevant partners. This is in line with the UAE’s Fifty-Year Charter, which includes achieving sustainable growth in humanitarian work.

Based on these values, the DP World Foundation will make a qualitative difference to the world map of humanitarian work while carrying the colours of the UAE flag. DP World has always made great efforts to support the communities in the countries where it operates. It has become necessary to document and organise this work through an accredited institution to streamline those endeavours and deliver assistance to those who need it most, in the quickest time.”

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF DP WORLD

With DP World Foundation, we aspire to change people’s lives for good and lead a positive, long-lasting impact in the community. The core values that we embrace include responsibility, innovation, and excellence.

The Foundation took the first steps towards its goals by signing a memorandum of understanding (MoU) and a partnership agreement with Dubai Customs to collaborate on any charitable work.

DP World Foundation’s first major initiative came in September when our Chairman pledged logistics support and donated US $2.5 million to UNICEF to help people in Pakistan following devastating floods. These funds were allocated towards warehousing and logistics support. We have provided expertise and resources to help the humanitarian community respond to natural disasters since signing a commitment with the Logistics Emergency Team (LET) under the World Food Program.

Working with global partners, governments, businesses, and many others, DP World Foundation will concentrate on tackling food scarcity, bringing financial sustainability, giving educational aid, and providing medical support to people and areas that most need it, to change what’s possible for everyone.

NOTHING'S IMPOSSIBLE WITH THE RIGHT KNOW-HOW

BUSINESS REVIEW — LOGISTICS

DP WORLD EXISTS TO RESHAPE GLOBAL TRADE FOR THE BETTER. BY COMBINING OUR INFRASTRUCTURE WITH OUR EXPERTISE, WE ARE CREATING STRONGER AND MORE EFFICIENT END-TO-END SOLUTIONS ACROSS OUR NETWORK. THIS MEANS SEAMLESS SUPPLY CHAINS FOR OUR CUSTOMERS

The well-documented disruptions to global supply chains in light of the pandemic and geopolitical conflict have made the delivery of goods less reliable. Businesses are looking for new and better solutions that make their logistics more efficient, agile, and stable. They want specialised local-to-global expertise that can help move goods where others cannot. Subsequently, there is a demand for partners who can provide more sustainable, cost-effective solutions to simplify complex logistics challenges.

DP World harnesses the best expertise and the most comprehensive end-to-end infrastructure in the industry – integrating best-in-class facilities, multi-modal transport solutions, digital solutions and market access capabilities into seamless end-to-end supply chains.

We are reshaping and future-proofing supply chains to be more sustainable, faster, and more cost-efficient. We do this by creating seamless ways of moving goods and creating access to new markets. We are innovative and agile in our thinking, opening trade routes to previously underserved markets and regions that unlock global trade to more parts of the world.

The integration of recent acquisitions has strengthened our proposition and reinforced our position as the leading strategic global trade partner for our customers.

FROM HERE TO ANYWHERE

BUSINESS REVIEW — PORTS AND TERMINALS

THROUGHOUT THE DISRUPTIONS OF THE LAST YEAR, OUR PORTS AND TERMINALS HAVE MAINTAINED A STRONG OPERATIONAL PERFORMANCE, PARTICULARLY IN OUR EQUIPMENT UP-TIME WHERE WE ARE IN THE 99TH PERCENTILE

Over the past year, we have completed the rebuild of our Vancouver terminal, continued to expand our Callao terminal and construction started in Senegal at the Port of Ndayane. We also successfully closed the proof of concept for Boxbay high-bay storage system and selected its primary location. Meanwhile, operations have gone from strength to strength at new sites such as Luanda, achieving significant milestones in the first full year of operations.

We continue to streamline operations, lower costs and reduce environmental impact for businesses and their customers by improving safety and efficiency at our ports.

This year, we announced our five-year decarbonisation plan and there has been a renewed focus on leveraging electrification opportunities, particularly electric terminal tractors and RTG (rubber-tired gantry cranes). More green electricity is being used at our ports and terminals operations, with almost a fifth of electricity now coming from green sources.

The strong relationships we have built with our key customers continue, with long-term partnerships signed across our portfolio, such as the UK, Saudi Arabia, UAE, and India. These renewed connections are a testament to the confidence our customers have in us and our competitive advantage.

WHERE THE WORLD MEETS

BUSINESS REVIEW — ECONOMIC ZONES

WE ESTABLISHED ECONOMIC ZONES AND LOGISTICS PARKS TO OFFER CUSTOMERS GREATER OPPORTUNITIES TO TRADE THROUGH OUR GLOBAL NETWORK

These unique offerings are key to unlocking seamless trade. They give our customers connectivity and an environment to shorten the supply chain and bring real cost savings.

Our footprint connects ports to the rest of the supply chain through multimodal connectivity and one-stop shops that offer real value-added services. We work with our customers to create bespoke warehousing and logistics facilities.

We help to level the playing field by investing in previously underserved nations and regions to create new market access opportunities for business while making the global supply chain more resilient.

In the last year, we completed construction on the Berbera Economic Zone, Mumbai FTWZ, Posorja Special Economic Zone, and the South Carolina Gateway Project. Agreements were also signed for the Jeddah Logistics Zone and the Sokhna Economic Zone, with several operations to begin in 2023.

STRATEGIC REPORT

NEW HEIGHTS AND DEPTHS

BUSINESS REVIEW — MARINE SERVICES

DESPITE DECADES OF GLOBALISATION, THERE ARE STILL PARTS OF THE WORLD THAT TRADE DOESN'T REACH

Our broad set of capabilities includes feedering, shortsea, ferries, railways and port services allows us to go further – getting goods to smaller and more local destinations anywhere in the world. Because we are multimodal in our operations and global in our reach, we can create more options to move goods by sea, road, rail, and air.

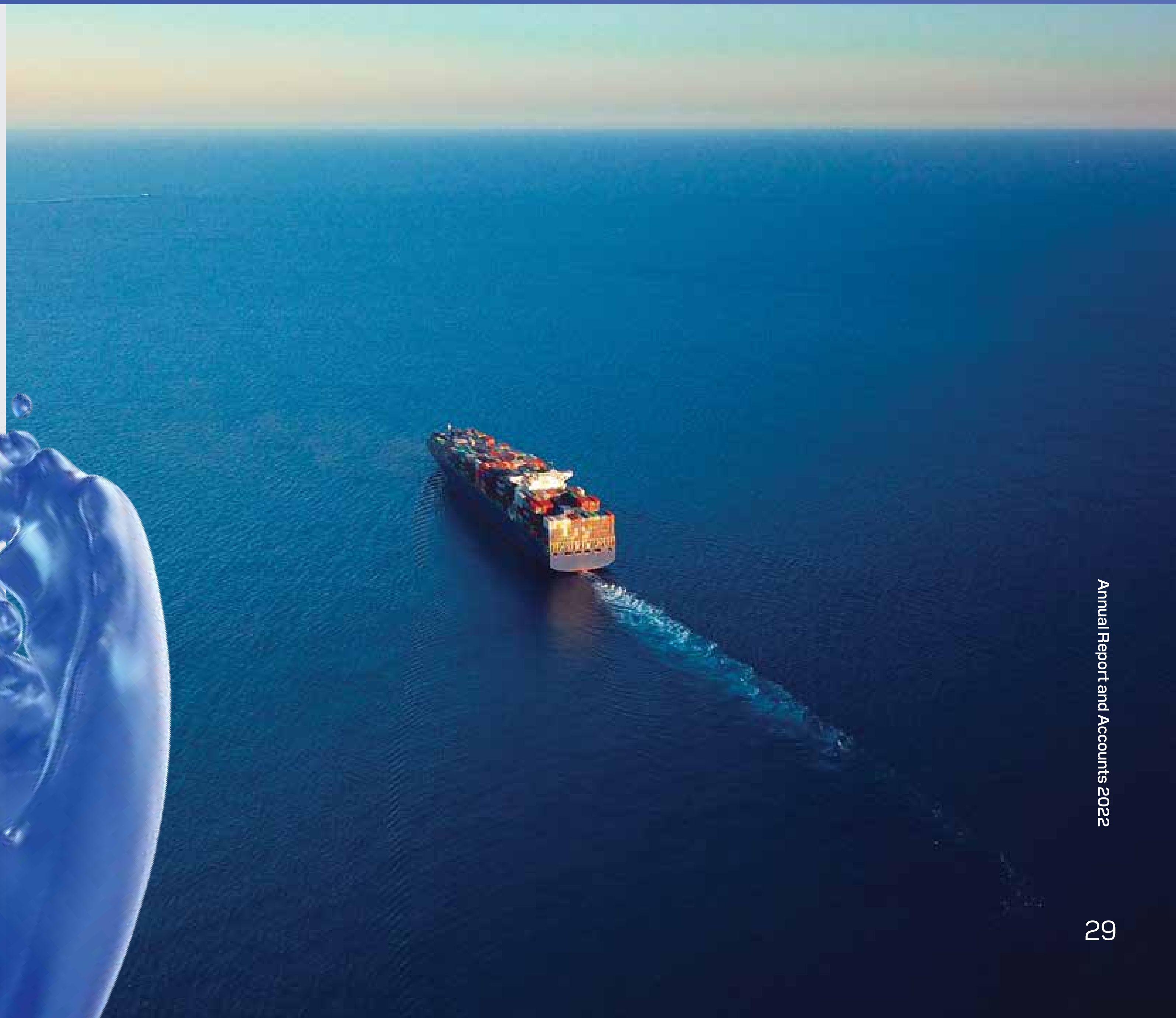
Collectively, we added more than 23,000 nautical miles of new trade routes across the globe in the first three quarters of 2022, equivalent to a complete circumnavigation of the earth.

Our agility and flexibility reduce costs and improve access for consumers and businesses alike. It is also more sustainable – not only minimising the impact by getting goods onto smaller vessels or lower carbon modes but creating more resilient trade that ensures people get access to the goods they want.

Unifeeder Group, which makes up part of the Marine Services pillar, has evolved from being the best-connected feeder and shortsea network in Europe and the Mediterranean to become a global logistics company. By acquiring feeder and regional trade operators it now provides full-scale capability in Northern Africa, the Middle East and the Indian Subcontinent and Asia.

For example, Unifeeder was able to expand its market-leading direct service between Maputo, Jebel Ali and Mundra to include a Mombasa Port call. This new port call in Mombasa has reduced the transit times for goods travelling to Nairobi by two to five days because we can combine sea freight with rail freight.

We also created synergies between the marine services businesses to strengthen our performance, bringing valuable solutions to our customers and increasing market penetration in various regions. In May, for example, we created a joint venture between P&O Ferries and Unifeeder Shortsea to create P&O Ferrymasters – a single brand standing for unique intra-European multimodal transportation and logistics service.



TECHNOLOGY

BUSINESS REVIEW

STRATEGIC REPORT

THE GLOBAL PANDEMIC HAS FORCED THE SHIPPING AND LOGISTICS INDUSTRY TO ADOPT NEW TECHNOLOGIES TO KEEP MOVING

Digital adoption and efficiency improvements in the shipping and logistics industry have been slow for years but this changed during the COVID-19 pandemic, as the global crisis forced the sector to adopt new technologies to keep moving. Subsequently, there has been an accelerated focus to deliver the transformative benefits of digitisation at every point in the supply chain journey.

We are leading this transformation, revolutionising all aspects of global trade through innovative technology solutions that make it easier to finance shipments, expand markets and geographies and make the shipping journey more visible, agile, and resilient.

We have created a suite of digital products and services designed specifically to meet the challenges of the supply chain, combining the agile mindset of the technology industry with our decades of deep experience in logistics.

DP World Trade Finance provides access to finance to keep shipments moving. We offer security and agility that comes with complete visibility of goods in transit through end-to-end tracking solutions and guarantee the best shipping rates through our digital logistics platforms. We enable market access and cross-border e-commerce and reduce costs in the supply chain through our partnership with World Logistics Passport.

In November 2022, we also held the inaugural Global Freight Summit in Dubai, bringing together members of the freight community to discuss the most pressing issues in our industry.

GROUP DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S REVIEW

DP World has delivered an impressive set of financial results for 2022 with a significant improvement in profitability, as adjusted EBITDA of US$5,014 million was up by 31.0% on a reported basis and 19.8% on a like-for-like basis on strong top line growth. The adjusted EBITDA margin also remained healthy at 29.3% and the year-on-year decline in adjusted EBITDA margin is due to a mix change.

Reported revenue grew by 58.9% to US$17,127 million, and profit attributable to owners improved considerably by 30.4%, demonstrating DP World's strong performance in the market.

DP World's like-for-like revenue growth was driven by its Ports and Terminals business in the UAE, Africa and the Americas, along with the Marine Services business, where Unifeeder played a vital role as the key growth driver. Meanwhile, reported revenue growth was aided by the acquisitions of syncreon and Imperial Logistics.

In 2022, DP World focused on strengthening its balance sheet and raised over US$8 billion through asset monetisations. The most significant transactions were in the UAE, where the Company partnered with CDPQ and Hassana to raise US$7.4 billion. In addition, a new partnership with BII in Africa raised approximately US$300 million, while in India, DP World expanded its partnership with NIIF to include its ports portfolio, expecting to raise an additional US$300 million.

The strengthening of DP World's balance sheet has resulted in the Company's credit rating being upgraded by Moody's by one notch to Baa2 with Stable Outlook, while the rating by Fitch has improved to a Positive Outlook with a BBB- rating.

Overall, DP World's strong financial results for 2022 reflect its robust business model and efficient operations. The Company's focus on asset monetisation and partnerships has strengthened its balance sheet, while its continued investments in key markets has enabled it to stay ahead of the competition.

MIDDLE EAST, EUROPE AND AFRICA

Results before separately disclosed items US$ million	2022	2021	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	25,025	24,310	2.9%	1.5%
Containerised Revenue	2,656	2,499	6.3%	7.5%
Non-Containerised Revenue	8,944	4,143	115.9%	14.2%
Total Revenue	11,600	6,642	74.6%	11.7%
Share of profit from equity-accounted investees	56	52	6.1%	61.0%
Adjusted EBITDA	3,448	2,740	25.8%	11.9%
Adjusted EBITDA margin	29.7%	41.2%	(11.5%)	41.5%
Profit After Tax	2,154	1,777	21.2%	12.2%

Market conditions were broadly favourable, with strong growth driven by Ports and Terminals in UAE and Africa. At the same time, non-container revenue experienced a significant increase due to Unifeeder's (Europe) strong performance. The like-for-like containerised revenue growth of 7.6% exceeded the volume growth of 1.5%, mainly due to higher ancillary revenue. Although the performance in Europe was solid overall, there was a noticeable slowdown in the second half of 2022, attributable to the weaker economic conditions. Non-container revenue grew 115.9%, primarily due to the acquisition of syncreon and Imperial Logistics.

Overall, revenue in the region grew 74.7% to US$11,600 million and adjusted EBITDA increased 25.8% to US$3,448 million. On a like-for-like basis, adjusted EBITDA improved by 11.9%.

We invested US$1,104 million in the region, mainly focused on Jebel Ali Port & EZ World (UAE), Jeddah (Saudi Arabia), Dakar (Senegal), Sokhna (Egypt) and London Gateway Port & London Gateway Park (UK).

ASIA PACIFIC AND INDIA

Results before separately disclosed items US$ million	2022	2021	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	9,658	10,232	(5.6%)	(5.6%)
Containerised Revenue	533	532	0.2%	8.7%
Non-Containerised Revenue	2,066	1,389	48.8%	35.5%
Total Revenue	2,599	1,921	35.3%	28.4%
Share of profit from equity-accounted investees	96	92	3.9%	10.1%
Adjusted EBITDA	1,001	729	37.3%	40.4%
Adjusted EBITDA Margin	38.5%	37.9%	0.6%	41.4%
Profit After Tax	678	509	33.2%	38.2%

The financial performance of the Asia Pacific and India region was impressive, driven by robust performance in Marine Services and Logistics. The growth in Marine Services was primarily led by Unifeeder (ISC), which benefited from improved average freight rates, while the growth in Logistics was attributable to Unico (South Korea). The performance of Ports and Terminals was mixed, with volumes in the region being softer. Nonetheless, stronger demand for ancillary services resulted in a rise in like-for-like containerised revenue.

Total reported revenue rose 35.3% to US$2,599 million, and adjusted EBITDA increased by 37.3% to US$1,001 million. On a like-for-like basis, adjusted EBITDA increased by 40.4%. Adjusted EBITDA margin of 38.5% remains broadly flat year-on-year. Profit from equity-accounted investees increased to US$96 million.

Capital expenditure in this region during the year was US$163 million, mainly focused on India.

AUSTRALIA AND AMERICAS

Results before separately disclosed items US$ million	2022	2021	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	11,410	10,881	4.9%	4.9%
Containerised Revenue	1,854	1,623	14.2%	18.2%
Non-Containerised Revenue	1,075	593	81.4%	11.8%
Total Revenue	2,929	2,215	32.2%	16.6%
Share of profit from equity-accounted investees	14	7	98.1%	106.5%
Adjusted EBITDA	1,005	807	24.6%	16.2%
Adjusted EBITDA Margin	34.3%	36.4%	(2.1%)	38.1%
Profit After Tax	655	509	28.6%	21.7%

The Americas region was the primary driver of containerised revenue growth, with a particularly strong performance in Latin America. The growth in containerised revenue was also supported by ancillary revenue. Additionally, reported non-containerised revenue growth of 81.4% was mainly due to the full-year contribution of syncreon, which was acquired in December 2021.

Total reported revenue rose 32.2% to US$2,929 million, and adjusted EBITDA increased by 24.6% on a reported basis to US$1,005 million. On a like-for-like basis, adjusted EBITDA increased by 16.2%, reflecting the higher top line.

We invested US$446 million in capital expenditure in this region, mainly focused on Prince Rupert, Vancouver (Canada), Callao (Peru) and Caucedo (Dominican Republic).

CASH FLOW AND BALANCE SHEET

Adjusted gross debt (excluding bank overdrafts and loans from non-controlling shareholders) stands at US$18.5 billion compared to US$19.1 billion as of 31 December 2021. Lease and concession fee liabilities account for US$4.4 billion, with interest-bearing debt of US$14.1 billion as of 31 December 2022. Cash and cash-equivalents on the balance sheet stood at US$3.3 billion, resulting in net debt of US$15.2 billion or US$10.9 billion (on a pre-IFRS 16 basis). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 3.0 times post-IFRS16 and would be 2.7x pre-IFRS16 basis. Cash generation remained solid, with cash from operations improving to US$4.7 billion (2021: US$3.6 billion).

CAPITAL EXPENDITURE

Consolidated capital expenditure in 2022 was US$1,715 million (2021: US$1,393 million), with maintenance capital expenditure of US$203 million. We expect the full-year 2023 capital expenditure to be approximately US$1.7 billion, which will be invested in UAE, Jeddah (Saudi Arabia), London Gateway (UK), Dakar (Senegal), Banana (Democratic Republic of the Congo), Callao (Peru) and DPW Logistics (South Africa).

NET FINANCE COSTS BEFORE SEPARATELY DISCLOSED ITEMS

Net finance costs in 2022 was higher than the prior year at US$800 million compared to 2021 of US$747 million. Increase in net finance costs mainly due to higher average debt and increase in the effective interest rate during the year.

TAXATION

DP World is not subject to income tax on its UAE operations. 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 2022, DP World's income tax expense before separately disclosed items increased to US$395 million (2021: US$238 million), due to an improvement in profitability.

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (MINORITY INTEREST)

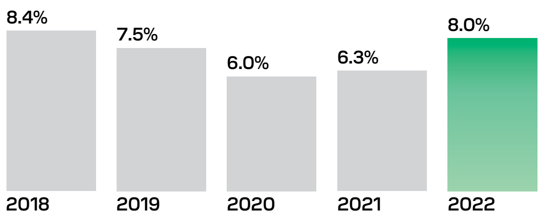
Profit attributable to non-controlling interests (minority interest) before separately disclosed items was US$401 million against FY2021 of US$250 million, mainly due to new minority shareholding in the UAE and Africa and strong performance from Unifeeder (ISC).

YUVRAJ NARAYAN
GROUP DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
21 March 2023

KEY PERFORMANCE INDICATORS

FINANCIAL

RETURN ON CAPITAL EMPLOYED (ROCE) %

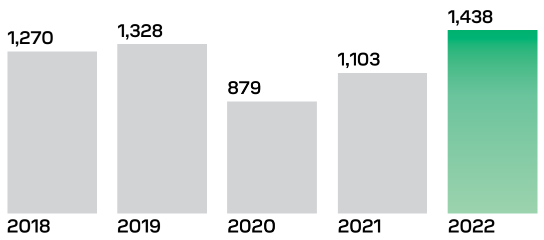


8.0%

DEFINITION
ROCE is earnings before interest and tax, and before separately disclosed items (SDI), as a percentage of total assets less current liabilities.

COMMENT
ROCE is a key measure of how well our investment strategy is delivering value and in 2022 our ROCE improved to 8.0% from 6.3% in 2021. The increase is explained by the significant improvement in our profitability. We expect our ROCE to continue to increase as our portfolio matures. Currently, the average life of our port concession stands at 32 years.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (US$M)



US$1,438M

DEFINITION
Profit attributable to owners of the Company is before taking separately disclosed items (SDI) into account and after minority interest.

COMMENT
Profit attributable to owners of the Company before SDI increased by 30.38% in 2022 on stronger revenue and EBITDA growth.

PEOPLE

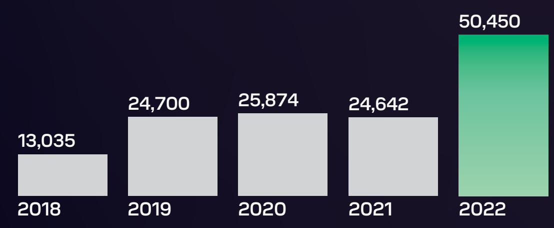
DP WORLD HUB TRAINING PROGRAMME PARTICIPANTS IN 2022

TOTAL: 4,442

DEFINITION
The number of participants who took part in face to face and virtual training programmes run by the DP World Hub across the Group.

COMMENT
The Hub is DP World's global centre of excellence for learning, leadership, and talent management. We consult and partner with the core business to provide learning opportunities that support our key strategic objectives and to continue to deliver a wide range of operational and leadership training with high levels of engagement across the Group.

DP WORLD HUB E-LEARNING MODULE COMPLETION IN 2022



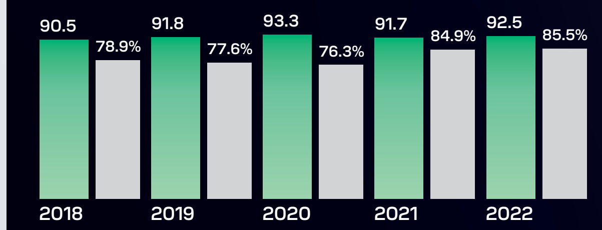
TOTAL: 50,450

DEFINITION
The number of modules completed on the DP World e-learning platform during 2022.

COMMENT
The DP World Hub continues to deliver a wide range of programmes via our e-learning platform. We expect this trend to continue as further e-learning programmes are developed and released.

CUSTOMERS

- GROSS CAPACITY MTEU
- GROSS CAPACITY UTILISATION %

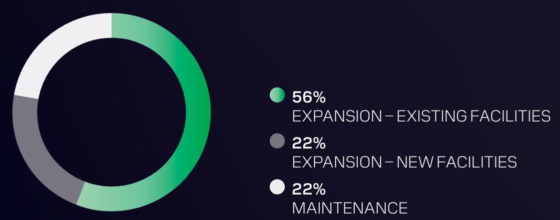


92.5/85.5%

DEFINITION
Gross capacity is the total capacity of our global portfolio of terminals. Gross capacity utilisation is the total throughput in the year divided by the total capacity.

COMMENT
Gross capacity increased by 0.7 million TEU to 92.5 million TEU at the year end. Our utilisation remains high and above the industry average.

CAPITAL EXPENDITURE IN 2022



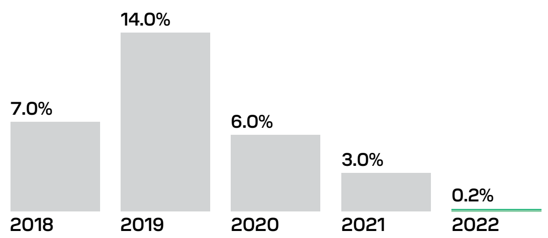
US$ 1,703M

DEFINITION
Capital expenditure is the total cost of property, plant, equipment, investment properties and port concession rights added during the year.

COMMENT
Capital Expenditure totalled US$ 1,703 million during the year and was predominantly related to expansion of existing facilities and their maintenance.

OPERATIONS

INCREASE IN BERTH PRODUCTIVITY "BMPH" %

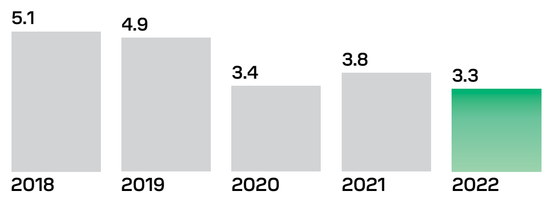


0.2%

DEFINITION
Berth moves per hour (BMPH) is measured as the actual number of containers moved over the quay wall from and to vessels divided by gross berth hours for all vessels from first line to last line.

COMMENT
Our BMPH improved in 2022 as a percentage by 8.3% from 2021 as a result of the recovery of COVID-19. However the graph shows only 0.2% improvement against 2018 (five-year baseline), as a result of quay expansions in some business units, high yard occupancy in several business units, post COVID-19 protocols in some business units and the increase of smaller vessels calling our ports.

REPORTABLE INJURY FREQUENCY RATE ("RIFR")



3.3

DEFINITION
RIFR is the sum total of Employee and Contractor, Lost Time and Medical Treatment Injuries and Fatalities divided by the total hours worked and then multiplied by 1 million.

COMMENT
We are pleased to report that our RIFR has decreased as a result of a lower number of injuries being reported in 2022. Our number one objective is to achieve a SIF (Serious Injury and Fatality) free workplace, and we will continue to make every effort to ensure the safety and wellbeing of our employees and contractors.

STRATEGIC REPORT

EFFECTIVE RISK MANAGEMENT

We constantly monitor the potential threats and opportunities we face to ensure that we remain resilient and thrive, both reputationally and operationally

Our Board recognises that effective risk management is critical to enable us to meet our strategic objectives. The Board establishes the control environment, sets the risk appetite, approves the policies and delegates responsibilities under our Enterprise Risk Management (ERM) framework. The Audit and Risk Committee, under delegation from the Board, monitors the nature and extent of risk exposure for our principal risks. Details of the activities of the Audit and Risk Committee are in the Corporate Governance section of this report, commencing on page 75.

Our ERM framework incorporates a continuous exercise of "bottom-up" risk review that incorporates the Group's business units and reporting, as well as "top-down" risk review by the senior management executives and oversight, designed to support the delivery of our vision and strategy as described on pages 14 and 15 of this report.

OPERATIONAL RISK MANAGEMENT

This bottom-up risk management exercise is performed by businesses across our Group. They identify significant risks to achieving their objectives and specify mitigation strategies to manage these risks. The risks are assessed based on impact and likelihood, enabling prioritisation of major and significant risks.

This is a continual process and may be associated with a variety of strategic, financial, operational and compliance matters, including business strategies, health, safety and protection, environment, operational disruptions, technology threats, competition and regulatory requirements. These risks are collated in risk profiles and are reported at local, regional and Group levels.

STRATEGIC RISK MANAGEMENT

This top-down exercise includes interviews with senior management executives to overlay the strategic considerations of DP World's global strategy. In addition, the Board defines the overall risk appetite for the Group to guide the Board's willingness to accept risk in pursuit of the Group's strategic objectives.

The output from the aggregated results of the top-down and bottom-up exercises forms DP World's risk profile, which is reported and discussed by the Enterprise Risk Management Committee, Audit and Risk Committee and the Board.

This culminates in a list of principal risks, which are reviewed by the Audit and Risk Committee.

TOP-DOWN: OVERSIGHT, REVIEW AND CHALLENGE	RESPONSIBILITY
BOARD AUDIT AND RISK COMMITTEE	The Board is ultimately responsible for risk management and promoting the Group Risk Management Framework, as well as the review and approval of DP World's risk appetite. Under delegation from the Board, the Audit and Risk Committee oversees the implementation of risk management, including policy-setting and application of the framework.
ENTERPRISE RISK MANAGEMENT COMMITTEE	The Enterprise Risk Management Committee assists the Audit and Risk Committee in the discharge of its duties of risk management. It consists of senior executives from across the Group who meet on a regular basis to provide more detailed oversight and challenge on the key corporate and emerging risks that may impact our Group.
ENTERPRISE RISK AND RESILIENCE FUNCTION	The Group Head of Enterprise Risk & Resilience works to establish and implement the Enterprise Risk Management Policy, independently reviews and challenges risk information, compiles and analyses risk profiles, monitors risk management processes within the Group, and regularly reports on risks to our oversight bodies, including the Board.
Logistics, Ports & Terminals, Economic Zones and Marine Services — FIRST LINE OF DEFENCE: Risk ownership and control Regions, Divisions and Corporate Functions — SECOND LINE OF DEFENCE: Risk monitoring and compliance Internal Audit — THIRD LINE OF DEFENCE: Control validation	Corporate oversight mechanisms monitor our significant risks. Regional and divisional management and corporate functions develop policies and procedures and undertake other activities to mitigate a wide range of risks, including operational, financial, compliance and strategic risks. Business units across our core lines of business have responsibility for the identification and management of risks, developing appropriate mitigating actions and the maintenance of risk profiles. Internal Audit provides objective, independent assurance on the key risk-mitigating controls.
	BOTTOM-UP: RISK IDENTIFICATION, ASSESSMENT AND REPORTING

RISK OVERSIGHT AND ACCOUNTABILITY

Ultimate accountability for risk management lies with the Board, which delegates the oversight of implementation and effectiveness to the Audit and Risk Committee, including policy-setting and application of the framework. The timely flow of risk intelligence and reporting lines that we have in place across our three lines of defence enable more informed decisions to be made throughout the Group. DP World's Three Lines of Defence model and key risk responsibilities have been outlined on the previous page.

OUR RISK MANAGEMENT APPROACH

DP World adopts a Group-wide approach to the identification, assessment and prioritisation of risks, including how they are managed, monitored and reported. Management within our business units, regions and corporate functions constantly review, challenge and monitor our risks on an ongoing basis through their day-to-day business activities. This is then formalised into our risk reporting cycle through allocated "Risk Champions" who capture and report on their risks through risk profiles.

OUR APPROACH

1. RISK IDENTIFICATION
A robust methodology is used and a broad spectrum of risks is considered to identify key risks at local, regional, divisional and Group levels as well as for major projects. This is consistently applied through the development and ongoing implementation of the ERM framework.

2. RISK ASSESSMENT AND PRIORITISATION
Once risks are identified, they are evaluated to establish root causes, financial and non-financial impacts, and the likelihood of occurrence. Consideration of risk treatment enables the creation of a prioritised risk profile. Management controls are designed to mitigate risks, and their effectiveness and adequacy are assessed.

3. RISK TREATMENT AND RESPONSE
The risk mitigation strategy is based on the assessment of potential risk exposure and acceptable risk tolerance levels. If additional controls are required, these are identified, and responsibilities are assigned.

4. RISK MONITORING AND REPORTING
Management is responsible for monitoring the progress of actions to treat key risks and is supported through the Group's Internal Audit programme, which evaluates the design and effectiveness of controls. The risk management process is continuous and key risks are reported to the Audit and Risk Committee.

KEY INITIATIVES

ESG RISK ASSESSMENT

DP World places great focus and priority on ensuring that we deliver on our ESG commitments and goals. This is an important strategic priority for the Group and it is expected by our investors, customers and vendors.

As such, in 2022, we undertook a comprehensive risk assessment that identified ESG-specific risks that needed to be mitigated and monitored. Following an awareness campaign, the assessment was distributed to our businesses and subsequently rigorously reviewed by respective region and corporate function leads, and challenged where necessary. This ESG risk assessment feeds into the regular risk review cycle to ensure that we continue to progress as planned.

RUSSIA-UKRAINE CONFLICT

We have several operating entities based in Ukraine covering a range of services, including digital, freight, marine and port and terminal services. Utilising our robust crisis management framework, plans were put in place early in 2022 to ensure coordination at all levels of the business. These plans, which involved Group Executive involvement, prioritised the safety and welfare of our colleagues.

We also played a key role in ensuring trade continued to flow within Ukraine when it was practical and safe to do so, and our businesses have adapted accordingly. Coordination across these businesses has been enhanced using crisis management protocols and our response measures remain in place at the time of writing and will continue to be for as long as necessary.

OPERATIONAL RESILIENCE APPROACH

It has been a challenging few years and organisations have reacted by making themselves – and in particular their supply chains – as robust as possible. As a leading provider of smart logistics solutions, we are committed to providing resilient products and services as part of our value proposition to our customers. We invest in the best operations and support functions across the organisation, and in a dedicated operational resilience programme – designed to seek out new opportunities to improve our resilience.

Our operational resilience programme aims to prevent, withstand and adapt to threats to our people, business and reputation. Our risk management-led approach is designed to increase coordination across corporate functions and to provide greater support to our business units across our pillars so that we are in a strong position to prevent and respond effectively to any form of disruption.

Aligning to best practices in ISO 22301, ISO 22316:2017 and NCEMA 7000:2021, we take a top-down approach to operational resilience delivery. The operational resilience policy links directly to the business continuity and crisis management policies, as well as those of other corporate functions across the Group. It is designed to drive coordination between activities and those teams that have a role in the prevention, preparation and response to all forms of incidents and crises.

Throughout 2022 our focus has been on building our capability to prevent, prepare for and respond to incidents, crises or disruptions. We have delivered a programme of strategically focused crisis training and exercises for senior leadership teams across the globe. This programme has tested our senior leadership teams' response to high-risk events and has allowed them to rehearse, identify lessons and improve their preparations for potential crises.

This year DP World also enhanced our business continuity management (BCM) capability, continuing to support frontline business units with planning and testing while strategically transforming our business continuity approach. This transformation will ensure that BCM delivery matches our risk landscape and will incorporate our new businesses and organisational structure. An initiative to digitise business continuity is underway and we are developing new tools to provide improved support and better intelligence to business units across the organisation. This programme puts the business in a more robust position to meet our customer's needs and is a core focus area for us in 2023.

Finally, in recognition of our investment in the welfare and safety of our people, a project to introduce a mass notification system across DP World was initiated this year – greatly improving our ability to support staff before, during and after major incidents.

Stress-testing our teams, plans, processes and procedures remains a core tenet of our operational resilience programme. It allows us to understand the areas in which we are strong and the areas which need improving. In 2022, we remained adaptive and dynamic in our delivery of resilience improvements. As we enter 2023, our priority remains the protection of our core business to facilitate future growth.

OUR PRINCIPAL RISKS

Our ERM framework enables us to monitor, mitigate and manage the internal and external risks that can develop and evolve over time

STRATEGIC OBJECTIVES

Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations

2022 PRINCIPAL RISKS

	Trend			
Macroeconomic instability	︿	●	●	●
Financial risks	〉		●	●
Customer attraction and retention	〉	●	●	●
Major projects – planning and project management	〉		●	●
Geopolitical	︿	●	●	●
IT systems and cyber threat	︿		●	●
Health and safety	︿	●	●	●
Environment and climate change	︿	●	●	●
Compliance	〉	●	●	
Leadership and talent	〉	●	●	●
Labour unrest	〉	●	●	
Legal and regulatory	〉	●	●	

Our Enterprise Risk Management (ERM) framework and methodology are aimed at identifying the principal risks that could:

- hinder the achievement of DP World's strategic objectives and financial targets;
- adversely impact the safety or security of the Group's employees, customers, assets and the surrounding ecosystem;
- have a significant impact on the financial/operational performance of the Group; and/or
- negatively impact the Group's reputation or stakeholder requirements.

While other risks exist outside those listed above, we have made a conscious effort to disclose those of the greatest importance to our business. A summary of our principal risks and how these could affect our strategic objectives is included below. The nature and management of these risks are further described on pages 39 to 49.

Risk is an inherent part of doing business and it is not possible to identify, anticipate or eliminate every risk that may arise. As such, our risk management process aims to provide reasonable assurance that we understand, monitor and manage the principal risks we face in delivering our strategic objectives. We employ controls and mitigation strategies to reduce these inherent risks to an acceptable level. Our principal risks will evolve as these controls and mitigating activities succeed in reducing the residual risk over time, or as new risks emerge.

Many risk factors remain beyond our direct control. The ERM framework can only provide reasonable but not absolute assurance that key risks are managed to an acceptable level.

MACROECONOMIC INSTABILITY

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Throughput correlates with the GDP growth of the global economy. Market conditions in many of the geographies where we operate can be challenging due to macroeconomic or geopolitical issues, which can potentially impact our volume growth and profitability.

TREND

Increasing

According to the International Monetary Fund (IMF), in 2022 the global economy grew by 3.2%. The IMF is forecasting GDP growth of 2.7% in 2023 and showing a reduction in projections for most global economies. Inflationary pressures and rising interest rates will impact GDP growth and global volumes.

HOW WE MANAGE OUR RISK

- Our business remains focused on origin and destination cargo, which is less susceptible to economic instability. Although our focus on faster-growing emerging markets may result in volume volatility in the short term, we believe that the medium to long-term prospects remain robust. We aim to deliver high levels of service to meet our customers' expectations and continue to proactively manage costs.
- Multiple sources of funding have been arranged through bank loans, revolving facilities, bonds, Sukuks and private placements to help ensure that the Group can meet short and long-term liquidity requirements, facilitating our growth and diversification aspirations.
- We have a well-diversified global portfolio of investments across several jurisdictions, spreading our geographical concentration risk. Increasingly, we are investing in logistics, which further diversifies our risks.

FINANCIAL RISKS

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Our Group operates in many geographies around the world. Within the scope of our normal business activities, we are exposed to financial risks that affect our access to liquidity, availability of capital to achieve our growth objectives, foreign currency and interest rate volatility.

TREND

Steady

The Group's strong balance sheet and continuing operational performance have helped manage this risk for the Group. However, interest rate rises have increased the cost of borrowing and we have continued to see interest rate volatility.

HOW WE MANAGE OUR RISK

- Our balance sheet remains strong, with a net debt to adjusted EBITDA of 2.8 times in 2022.
- The Group has a committed revolving credit facility of US$3 billion.
- Our tariffs for our ports and terminals businesses are predominantly US dollar-based, providing us with a natural hedge against foreign exchange risk. Our internal policy is to mitigate all asset-liability mismatch risks where possible and hedge against interest rate risk.
- The issuance of the hybrid bonds and the terms of the debt relating to the de-listing exercise, which has been hedged as per policy, ensure minimal effect on the Group's interest rate and refinancing risk exposure.

OUR PRINCIPAL RISKS

CUSTOMER ATTRACTION AND RETENTION

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

As DP World executes its strategy of developing and growing port-centric logistics and marine services businesses – customer attraction and retention risks must be mitigated.

With the continued expansion into new areas of the supply chain, our customer model has shifted from a smaller number, high value, to a higher number, lower value. This increase in customer base places greater focus on customer relationship management, both in attracting new, as well as retaining existing.

In addition, the utilisation within our ports and terminals business (our core business area) is influenced by the capacity available to handle container volumes. In some jurisdictions, port authorities tender many projects simultaneously and create capacity beyond medium-term demand, which will lead to overcapacity in that market. An increase in capacity can lead to intensified competition between terminal operators, resulting in weak pricing power, loss of revenue and low return on investment.

TREND

Steady

Although we have seen a negative impact on volumes in certain locations, this has been offset by growth in the majority of others.

HOW WE MANAGE OUR RISK

- Developing port-centric logistics by adding landside value to our customers. Such investments complement container terminals by increasing our leverage while at the same time independently contributing sustainable revenue addition.
- Investing in digital assets that will deliver DP World's vision to become a trade enabler by taking our customers' operations online and reducing paper-based complexities involved in existing processes.
- Developing end-to-end logistics solutions that integrate road, rail and non-vessel-owning common carriers; managing businesses and systems to deliver customer-focused solutions.
- Focusing on high levels of customer service to develop sustainable, high-value and trusted customer relationships throughout our portfolio.
- Client management programme in place to build and maintain close relationships with carriers.
- We actively monitor and manage our renewal and retention rates and new business pipeline closely through dedicated commercial teams.
- The capital-intensive nature of the container terminal industry means that barriers to entry are typically high. However, in many jurisdictions, where there are ramp-up risks associated with new capacity, we seek terms with the port authorities to restrict the granting of additional capacity until a reasonable level of ramp-up has been achieved.
- We increase capacity in line with demand to avoid overcapacity.
- Our portfolio continues to have a focus on emerging markets that show resilience and growth. We repurpose and refit our ports and terminals in line with market demand. We use technology to improve efficiency and drive new revenue streams, increasing the return on investment in our existing assets.
- We have medium to long-term global contractual agreements with customers to leverage the global footprint that we have, enabling improved efficiencies for both parties. Where necessary, these are reviewed to include additional services that are being provided.
- Within the logistics business, we have a very wide and diverse customer base across multiple industries, with no single customer contributing more than 5% of our revenue.

MAJOR PROJECTS – PLANNING AND PROJECT MANAGEMENT

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Major capital construction projects and programmes of work contribute significantly to reshaping our portfolio and delivering our strategy. DP World is managing several high-value, long-term projects that can take months or years to complete. These programmes and projects, due to their nature, are exposed to geopolitical events, forces of nature, unforeseen site conditions, technology development, equipment delivery issues and other external factors, which can result in delays, quality issues or cost overruns. Failure to deliver these major programmes and projects can expose the Group to the risk of reduced profitability and potential losses.

TREND

Steady

Our key construction projects continue to progress as planned because of the strength of our contract documents, strong relationships with our supply chain and close monitoring and mitigation of any potential impacts.

HOW WE MANAGE OUR RISK

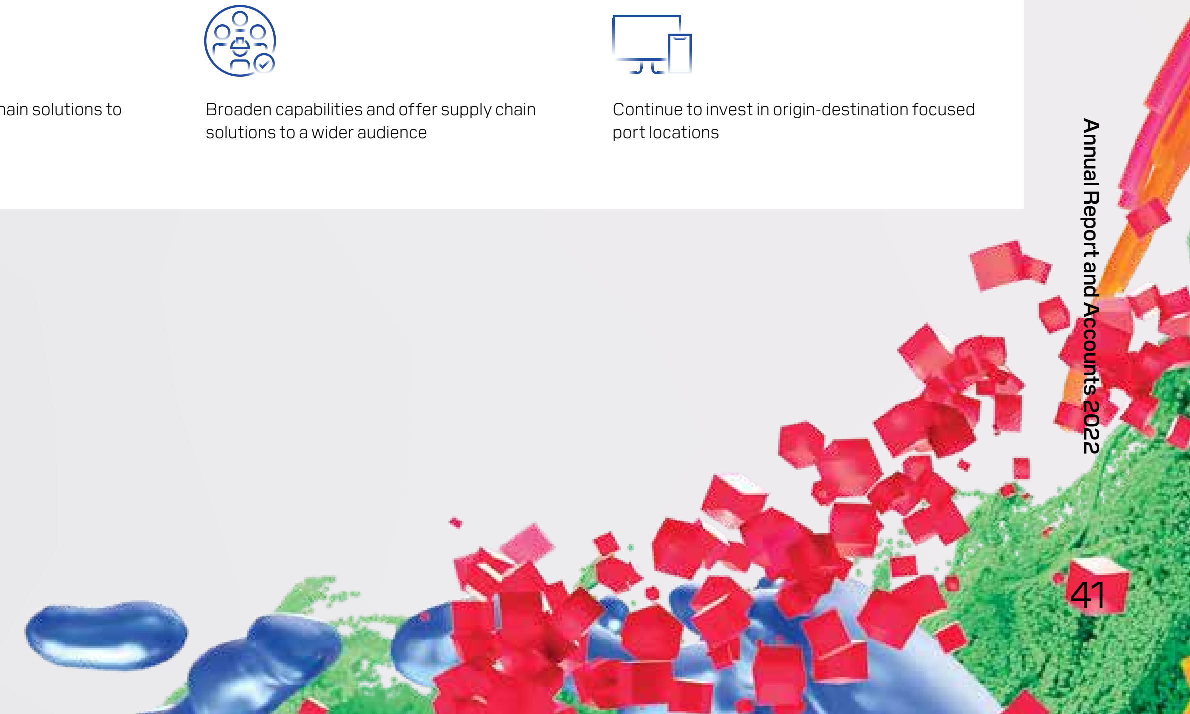
- Our Group Planning and Project Policy ensures full oversight of all capital construction projects and programmes for all Group companies. Key stakeholders across the Group are regularly provided with status update reports on the progress of projects to ensure clear visibility and accountability.
- Our Group Procurement Policy supports in pre-qualifying our vendors, standardising procurement activities (e.g. tendering, evaluation, awarding) and standardising and constantly updating the contractual documentation to cater for the Group's interest when procuring products or services from third-party vendors.
- Project risks are periodically assessed, mitigated, managed and controlled during the project implementation stage.
- Several levels of approval are in place for large-scale contracts up to the level of our Board. Multi-discipline committees have been established to validate vendor selection and the awarding process for all large-scale projects.
- We apply international standards (e.g. ISO9001, PMI PMBOK) which ensures consistency in delivering projects and high customer satisfaction.
- The Project Implementation Manual continues to be enhanced to reflect the latest process, procedures, tools and techniques in project management.
- As the Group continues to diversify and add different companies under its umbrella, the Group Planning and Project Management department has expanded its competencies and expertise to be ready for any new project type (for products or services).

STRATEGIC OBJECTIVES

Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations



STRATEGIC REPORT

Annual Report and Accounts 2022

OUR PRINCIPAL RISKS

GEOPOLITICAL

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

The Group seeks new opportunities and operates across a large number of jurisdictions, resulting in exposure to a broad spectrum of economies and political and social frameworks. Political instability, changes to the regulatory environment or taxation, international sanctions, expropriation of property, civil strife and acts of war can disrupt the Group's operations, increase costs or negatively impact existing operations, services, revenues and volumes.

TREND

Increasing

This risk has increased due to the Russia and Ukraine conflict, as well as ongoing geopolitical tensions and escalations in the Middle East and Africa, China/Taiwan, as well as civil unrest across Latin America and Asia.

HOW WE MANAGE OUR RISK

- We have a well-diversified global portfolio of investments across several geographical jurisdictions, which spreads our risk. We also actively maintain a mix of investments between emerging markets and developed markets to balance our risk-return profile.
- We are also increasingly investing in logistics assets, which further diversifies our potential risk exposure should undesired geopolitical events occur.
- Our focus on the more resilient origin and destination cargo also lowers the risk of volatility.
- Our experienced business development team undertakes initial due diligence, analysing current and emerging issues.
- Business continuity plans are in place to respond to threats and safeguard our operations and assets.
- Authoritative and timely intervention is made at both national and international levels in response to legislative, fiscal and regulatory proposals that are disproportionate and not in our interests.
- Ongoing security assessments and continuous monitoring of geopolitical developments – along with engagement with local authorities and joint venture partners – ensure we are well-positioned to respond to changes in political environments.

IT SYSTEMS AND CYBER THREAT

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

DP World focuses on utilising technologies and data to give us a competitive advantage. It helps us drive efficiencies by ensuring that we understand and operate all our assets to their maximum potential, automating key processes and activities where possible.

As we continue to embed greater digitalisation into the DP World strategy, we continue to realise significant advantages concerning customer experience, revenue and cost. This will enable DP World to achieve growth targets in an evolving landscape.

Migration to the cloud and centralising technologies has significant commercial and operational advantages, however it places greater reliance on ensuring a strong, robust cybersecurity environment.

The sophistication of cyber threats continues to evolve at a fast pace leading to corporations being targeting for malicious and unauthorised attempts to access their IT systems for information and intelligence. Our Group could be compromised by an incident that breaches our IT security. This could result in business disruption, liabilities, claims, loss of revenue, litigation and harm to the Group's reputation.

TREND

Increasing

The sophistication and frequency at which cyber-attacks and information security incidents are occurring within global organisations continue to increase. Phishing, ransomware and distributed denial-of-service (DDoS) attacks are prevalent and, as such, we must remain vigilant and be prepared.

HOW WE MANAGE OUR RISK

- We have developed technology strategies that are aligned with business objectives.
- We conduct periodic IT maturity assessment of our business units and implement necessary controls to improve the maturity year-on-year.
- Our information security policies, procedures and frameworks are frequently reviewed to mitigate risks and ensure compliance. These are based on international industry standards, such as ISO27001, NIST and CIS.
- Our Group Technology Governance framework is based on COBIT-2019, ISO 27001, PMI and ITIL frameworks.
- Our infrastructure is monitored 24/7 by third-party Security Operations Centre providers and we also perform threat hunting activities as part of our incident management process.
- We conduct cyber-attack simulations to assess awareness of our employees. We provide regular training and awareness courses to ensure employees remain vigilant on cybersecurity when using our computer systems.
- We have in-house cyber incident response and forensic investigation capabilities. All business units have cyber incident response plans developed and regularly tested.
- All software and systems are upgraded or patched regularly to ensure that we minimise our vulnerabilities.
- Strong authentication mechanisms are implemented to maintain confidentiality, integrity, and availability.
- We follow a "Zero Trust Model" before granting access and use the principle of least privileged access level.
- Our security approach protects confidentiality, integrity, and availability of information in all 6 layers of IT infrastructure & application.
- Data backup and periodic restoration practices are in place across business units to ensure data availability during unforeseen events.
- Each of our business units has IT disaster recovery plans to support business continuity and conduct regular disaster recovery drills to verify effectiveness.
- Our IT infrastructure is regularly updated or refreshed to keep pace with changing and growing threats and support business applications.

STRATEGIC OBJECTIVES

Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations

STRATEGIC REPORT

OUR PRINCIPAL RISKS

HEALTH AND SAFETY

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

The industry we operate in has a considerable interaction between people and heavy equipment, loads and falls from heights, which expose us to a range of health and safety hazards. The potential impacts include harm to our people, regulatory action, legal liability, increased costs and damage to our reputation. Our ultimate goal is zero harm to our employees, communities in which we work and stakeholder partners.

The continued expansion into the wider supply chain presents new health and safety threats. Safety measures at our ports and terminals are largely under our control. However, once we leave the gate, external factors are beyond our control and this requires continued focus and attention to ensure that we protect our people and minimise the risk of threats to others.

These impacts are compounded in emerging markets where fundamental safety cultures may not exist or where regulations are not consistently enforced.

TREND

Increasing

As we continue to diversify and grow our business, both into new markets as well as new sectors across the supply chain, this increases our potential health and safety risk exposure. The health and safety culture of a business does not change overnight, and as we acquire businesses there is a transition time to bring them up to our standards. Risk typically will continue to increase and requires a significant amount of priority, focus and attention from all our staff to achieve our "zero harm" target.

HOW WE MANAGE OUR RISK

- Our Board of Directors is fully committed to creating a safe culture throughout the Group. We regularly monitor the implementation of our safety strategy within our business units, which includes employee training, regular audits and management objectives concerning the safety of our people.
- Ongoing activities and controls to help protect our people during the pandemic. These have included the development of an occupational health programme that details specific controls to reduce health risks and improve the pandemic response.
- We maintain up-to-date Health, Safety and Environment (HSE) standards, guidelines and targeted field-based risk programmes, along with extensive safety promotion activities.
- We have in place a comprehensive five-year HSE strategy backed by robust annual plans for all levels of the organisation. We have implemented the HSE Pillars covering Leadership and Engagement, Risk Reduction and Improvement, and Commitments We Live By, which provide the framework to support and influence our work culture and reduce risk. The pillars encompass our vision to eliminate serious injuries and fatalities (SIFs) from our businesses. The pillars also seek a culture of zero harm to sure everyone goes home safe.
- We continue to record and report on all safety impacts within our businesses to the Board and senior management.
- Annual HSE profiling to identify and rate high, medium and low-risk entities across the portfolio.
- Centralised and integrated online HSE management system for live HSE performance tracking and real-time management notifications, including PowerBi dashboards and predictive analytics.
- We investigate all incidents and have a working group in place to highlight trends, reduce risk factors and identify and implement measures aimed at eliminating future incidents.
- Business unit management is responsible for on-site safety risks and is supported by safety guidelines, procedures and oversight from our local, regional and global safety teams, which coordinate consistent approaches to safety risks.
- A Vendor Code of Conduct has been established to ensure contractor selection criteria are aligned with our safety policies before commencing work at our business units.

STRATEGIC OBJECTIVES

Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations

STRATEGIC REPORT

ENVIRONMENT AND CLIMATE CHANGE

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Climate change continues to be a big focus area, from a legal and operational perspective.

The nature of our operations leaves us susceptible to causing harm to the environment, including land, water, and air. Major incidents, such as the release of harmful substances, may result in the Group being held liable for financial compensation, clean-up costs and potentially have our corporate image permanently damaged.

DP World, as well as our key stakeholders, including investors, customers and regulators, continues to place high priority and focus on how we are minimising negative environmental incidents, as well as how we are improving our environmental footprint. Without proactive action and steps taken towards prevention and recovery, this could result in damage to the surrounding ecosystems, significant reputation damage, as well as the potential for loss of customers and access to funding.

The introduction of legislation and regulation aimed at tackling climate change continues to build momentum. Breaches can result in considerable financial penalties, disruption to business, personal and corporate liability, and damage to our reputation. In addition, with climate change causing sea levels to rise, increased temperatures and more extreme weather changes, this could have an impact on our physical assets, equipment and infrastructure, resulting in operational disruptions if left untreated.

TREND

Increasing

We have seen our carbon intensity reduce for our ports and terminals businesses through equipment electrification, supply of renewable electricity and operational efficiencies.

However, we are continuing to bring onboard new businesses, with environmental practices that are not necessarily up to our standards, increasing our environmental footprint. In addition, we have continued to see new emissions regulations, including the IMO2020 Regulation for sulphur, impacting our ferries and feedering vessels. As such, improvements to our environment and carbon emissions footprint will continue to be a focus and priority for DP World.

Further details can be seen on page 56.

HOW WE MANAGE OUR RISK

- Group Environmental Standards are in place and implemented across all of our operating entities. We take into account any local legal requirements, to ensure environmental impacts are identified, assessed and escalated as required.
- We have a dedicated team responsible for reviewing environmental regulatory risks. We actively engage various external stakeholders to manage and mitigate any risks associated with regulatory changes.
- We regularly review and update our guidelines to align with good international industry practice.
- We have in place and are continuing to develop, short- and long-term decarbonisation and environmental impact management strategies.
- We are committed to the Science-Based Targets initiative, a collaboration between CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature to set emission reduction targets in line with climate science and Paris Agreement goals.
- An asset resilience working group is in place to establish mitigations and solutions for minimising the impact that climate change will have on our assets, equipment and infrastructure.
- Operational terminals, executives, managers and technical leaders play an important role in developing strategies and actions to combat the adverse potential effects of climate change through planning, modification of infrastructure and retrofitting.
- We continue to monitor and report our carbon emissions to the Board, senior management, and globally to stakeholders.
- Our carbon emissions are certified by an external party on an annualised basis.
- We actively procure new equipment that is electrified or has increased operational efficiency to drive lower carbon emissions. Our business strategy is to purchase electrified equipment wherever feasible.
- We proactively review cargo and hazardous materials that we handle and ensure proper handling, care and storage.
- We have developed targeted controls, guidance and training to prepare our terminals for response to any spill or release that may occur during operations.
- We, on a regular basis, develop statistics to identify positive and negative trends with a focus on reducing risk factors by implementing measures to minimise and/or eliminating future incidents.
- Further information on our environmental initiatives and performance can be found in the Sustainability section of this report, commencing on page 56.

OUR PRINCIPAL RISKS

COMPLIANCE

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT
DP World demonstrates high standards of business integrity and is committed to compliance with applicable laws and regulations, including but not limited to, anti-bribery and corruption, fraud, data protection, trade sanctions and competition law.

As our business spreads geographically, we are increasingly operating in a network of national and international regulatory requirements that are increasing in scope and complexity. Failure to comply with these regulations could result in substantial penalties, prosecution and significant damage to our reputation and may negatively impact relationships with our customers and other stakeholders. This could, in turn, impact our future revenue and cash flow. In addition, a mere allegation of non-compliance could also lead to reputation and brand damage with investors, regulators and customers.

TREND
Steady
Compliance-related regulatory requirements are increasing in scope and complexity, specifically within areas such as trade sanctions and data privacy (e.g., GDPR), and we continue to grow our operations and expand into new areas. However, we have continued to enforce our high standards of business integrity, our compliance framework remains robust and aligned with the growth and development of the Group's operations globally and communicating to enhance awareness of relevant issues and internal procedures to manage the associated risk is a priority. These factors directly support how we effectively manage our compliance risks and maintain a steady risk profile.

HOW WE MANAGE OUR RISK

- DP World has a Code of Ethics and associated policies and procedures in place to address areas such as anti-bribery, data protection, modern slavery and human rights, and adopts a zero-tolerance approach to these areas of risk.
- Group compliance oversees data privacy risks globally and in conjunction with other functions in the organisation, undertakes the implementation of appropriate systems, standards and controls. Global training to understand personal data, privacy laws, and their implications is conducted with the relevant teams.
- Our internal training programme, policies and procedures are designed to help ensure compliance with applicable laws and regulations and our code of ethics.
- We have an Anti-Fraud Policy and framework in place for preventing, detecting and responding to fraud to meet the stringent requirements of applicable anti-bribery regulations, including the UK Bribery Act. This is particularly focused on higher-risk regions to ensure the Group's policies are understood and enforced.
- Fraud risk awareness workshops have been rolled out across the Group to raise awareness and promote compliance.
- We have an externally administered whistleblowing hotline for reporting any concerns. These are investigated and reported to the Audit and Risk Committee every quarter.
- We provide new starters and existing employees with training on anti-bribery and corruption as part of the induction process.
- Our Group Compliance function focuses on ensuring that we understand and comply with the applicable laws and regulations, including anti-bribery, data protection, trade sanctions and competition law.
- We have a Vendor Code of Conduct to ensure vendors comply with our ethical standards and values. We will only engage vendors who agree to adopt and adhere to the Code.
- All business units submit an annual self-assessment to confirm compliance with global policies. Policy compliance is independently assessed by Internal Audit during planned business audits undertaken as part of a risk-based approach. Results are reported to the Audit and Risk Committee.

LEADERSHIP AND TALENT

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT
Leadership and talent risks are inherent to all businesses. Failure to effectively attract, develop and retain talent in key areas could impact our ability to achieve growth ambitions and operate effectively.

To achieve our goal of becoming a data-driven logistics solutions provider, it is essential to have the right leadership and capabilities in place, across all levels and businesses within the Group.

DP World's People strategy strives to mitigate these risks by creating an environment where people can thrive and grow as part of a dynamic business.

TREND
Steady
The ongoing economic uncertainties, increased costs of living and increased costs of debts have increased staff attrition and challenges in attracting talent for many organisations across the world.

However, the continued efforts that we have placed on developing our people have mitigated this risk for DP World.

HOW WE MANAGE OUR RISK

- Attraction and retention strategies are in place for identified scarce skills.
- We promote a safe working environment for our employees and operate a global health and wellbeing programme.
- We continuously monitor and benchmark our remuneration packages to attract and retain employees of a suitable calibre and skill set.
- The DP World Hub develops and delivers training programmes across all levels, focused on improving operational and managerial competencies.
- We partner with some of the most reputable learning institutions, such as London Business School, Harvard, Erasmus and Massachusetts Institute of Technology (MIT) for the development of our leaders.
- We have entered into agreements with leading global recruitment and executive search firms to support us when needed and are continuing to enhance our social media sourcing channels as well as ensuring meaningful content is shared with various communities across the globe.
- Effective performance management remains a high priority. Our global approach and tools are evolving to drive optimal performance, from aligning strategic goals to recognising and developing our talent.
- We have in place a succession planning strategy for critical roles in the business, which forms part of our talent management process.

STRATEGIC OBJECTIVES

Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations

OUR PRINCIPAL RISKS

LABOUR UNREST

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Labour strikes and unrest, or other industrial disputes, pose a risk to our operational and financial results.

Some of our Group's employees are represented by labour unions under collective labour agreements. The Group may not be able to renegotiate agreements satisfactorily when they expire and may face industrial action. In addition, labour agreements may not be able to prevent a strike or work stoppage, and labour disputes may arise even in circumstances where the Group's employees are not represented by labour unions.

Unions are now communicating trans-nationally and coordinating actions against multi-national companies.

The economic downturn, high price inflation as well as increased fuel, electricity and living costs is starting to impact the workforce of many organisations across the globe. Additional in-country factors such as elections and populism may result in labour destabilisation.

TREND

Steady

Despite the labour disruption across the world our careful management and quick responses in protecting our employees, and our positive relationships with unions and employees have minimised the threat of disruptions.

HOW WE MANAGE OUR RISK

- We have an engagement strategy with unions and employees in those areas most affected by disputes. This includes multi-year agreements and assigned responsibilities for maintaining close relationships with unions locally, nationally and internationally.
- We are proactive and timely in our responses to the needs of the unions. A senior management representative holds a membership role on the European Works Council, which provides a forum to interact directly with union representatives on a timely and continuous basis.
- We continue to monitor operational downtime arising from local disputes.
- We conduct employee engagement surveys with a formal process for following up on employee concerns.
- We continue to develop a response capability to address and offset the impact of work stoppages as a result of labour disputes within the local regulatory and legal framework we operate under.

LEGAL AND REGULATORY

LINKED STRATEGIC OBJECTIVES:

NATURE AND IMPACT

Our Group is subject to local, regional and global laws and regulations across different jurisdictions. These laws and regulations are becoming more complex and increasingly stringent and, as such, we are subject to various legal and regulatory obligations. We are expanding geographically, and therefore, we are exposed to an increasing number of laws and regulations when operating our businesses. New legislation and other evolving practices (e.g. data protection, competition law and merger control rules) could impact our operations and increase the cost of compliance.

We must fully comply with all these rules, both within our existing operations as well as in our business development opportunities. This is even more critical in our industry which has few players, competitors and customers. Regulators across the world exchange data and scrutinise companies on a global level. Failure to comply with legislation could lead to substantial financial penalties, disruption to business, personal and corporate liability, and loss of reputation.

TREND

Steady

This risk has remained stable as we continue to monitor and comply with our legal and regulatory requirements in the countries in which we operate.

HOW WE MANAGE OUR RISK

- The Group monitors changes to regulations across its portfolio to ensure that the effect of any changes is minimised, and compliance is continually managed.
- Comprehensive policies, procedures and training are in place to promote legal and regulatory compliance.
- Our legal team has an ongoing dialogue with external lawyers to maintain knowledge of relevant legal developments in the markets where we operate.
- There are regular discussions with regions and businesses to proactively be aware of changes in the legal and regulatory environment and be in a position to advise accordingly.
- A dedicated Group compliance function is in place to oversee and consolidate compliance with laws and regulations.
- A compliance roadmap is in place to better support our evolving business and improve our overall control environment.

STRATEGIC OBJECTIVES

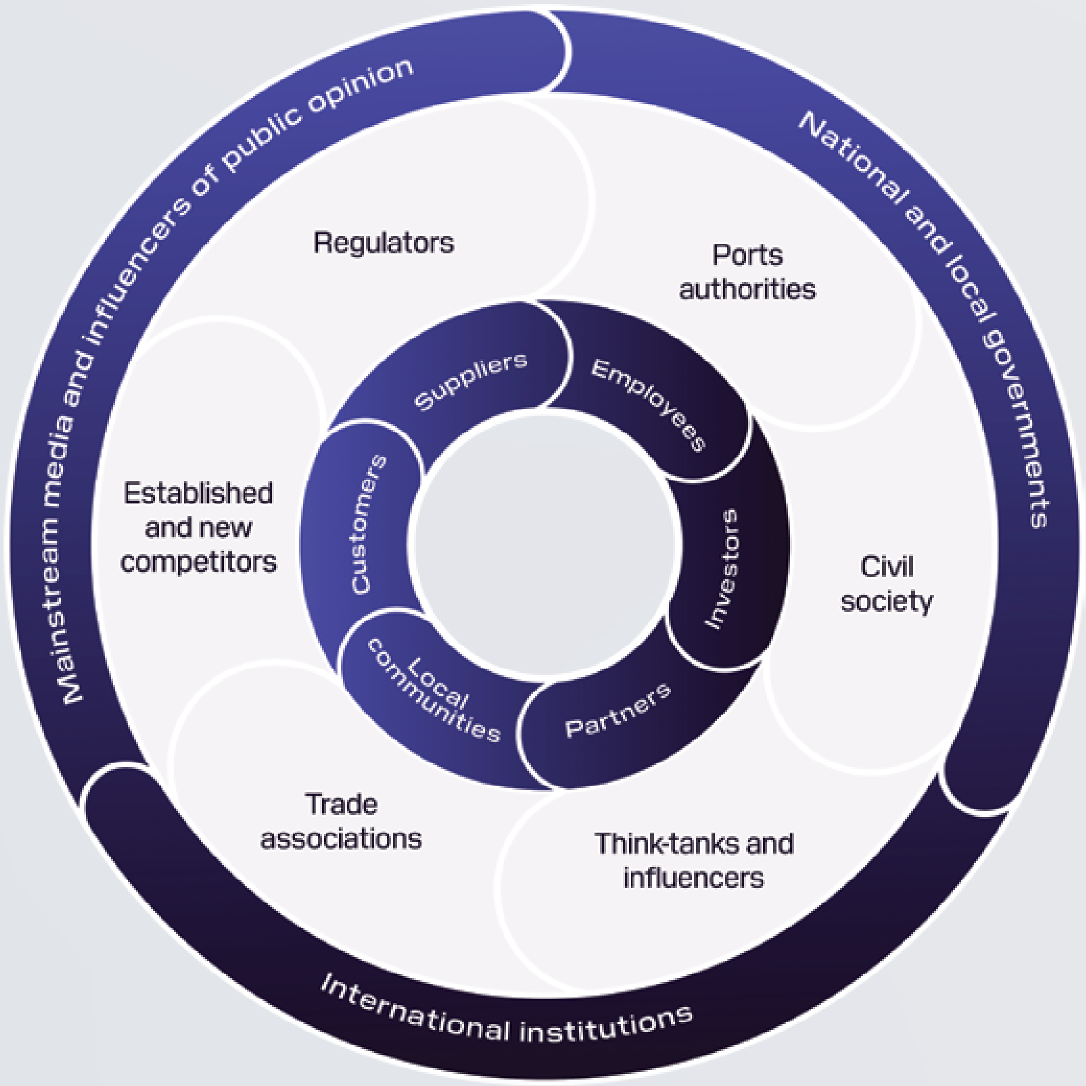
Offer end-to-end supply chain solutions to cargo owners

Broaden capabilities and offer supply chain solutions to a wider audience

Continue to invest in origin-destination focused port locations

ENGAGING WITH OUR STAKEHOLDERS

In 2022, we strengthened our relationships with key stakeholders and further established DP World as a trusted leading and global end-to-end smart logistics solutions provider.



Our executive team continued to leverage opportunities created by the extensive stakeholder engagement in the DP World Flow Pavilion during Expo 2020 Dubai, which aimed at continuing to build partnerships and inspiring ideas that forge the world of tomorrow. The aim, then and now, is to foster partnerships, build trust, expand business operations and gather support in delivering the best services possible.

From achieving our business objectives to progressing on our sustainability goals, we have deepened engagement on topics that most impact our operations and reputation. We have conveyed how we aim to drive business profitability while benefiting individuals, communities and society wherever we operate, including our natural environment.

Meanwhile, we attended key international platforms and engaged with non-governmental organisations and events such as the World Economic Forum (WEF), the United Nations General Assembly (UNGA) but also the 27th Conference of the Parties on Climate Change (COP 27). We contributed to discussions on the decarbonisation of the shipping industry, global trade and logistics governance.

Teams across our global organisation have collaborated and engaged with each other to understand better the issues affecting our Company, our stakeholders, and the broader geopolitical landscape at a global and regional level. This enhanced coordination has enabled us to anticipate and react adequately to geopolitical developments impacting our global and regional operations while gaining credibility and formulating a competitive and compelling value proposition.

Stakeholder management lies within the Government Relations and Public Affairs (GRPA) Centre of Excellence (CoE), whose function is to preserve DP World's licence to operate, protect its corporate reputation and create shareholder value. Our stakeholder management approach is grounded in our strategic insights, which consider our priority countries, the issues impacting operations and our reputation, and assessing the impact of geopolitical trends. Using this methodology, we can categorise our stakeholders depending on their relevance, alignment, authority, influence, and reach.

Our strategic approach enables us to adopt a tailored and personalised way of creating long-lasting trust-based relationships – to become the partner of choice for critical decision-makers, political leaders and other relevant stakeholders.

The work achieved by the CoE and the stakeholders' management approach is led by DP World's Vice-President for External Relations – which encompasses Government Relations and Public Affairs – reporting to the Group's Chief Communications Officer.

STRATEGIC REPORT

PEOPLE, CULTURE AND VALUES

PEOPLE

2022 was a year of significant change at DP World, nearly doubling our workforce as a result of new acquisitions. In anticipation and in response to this, we have worked diligently to ensure we continue to support our people to deliver on our strategic objectives.

We have also been reviewing and updating our processes that support how we attract digital talent, connect with our people, while standardising our approaches and rolling out our strategic transformation.

ATTRACTING DIGITAL TALENT

Our drive to ensure world-class digital capabilities is delivered through our Technology Development Centres in India and the United States, where recruitment has been a key focus.

A total of 317 employees were onboarded throughout the year, an increase of 52% from the previous year – of which 12% were management-level positions. We focused on diversified recruitment and used specialised technology recruiters to help us find the level of talent we needed.

In the broader Group technology function, an additional 60 employees joined the organisation; areas of significant growth include security and governance, data analytics and IT commercial functions. We welcomed our first batch of DPendables (Campus hires) with 91 % successful job offer acceptance from premium campuses in India.

In order to strengthen the quality of this recruitment process, we introduced psychometric assessments in the Oracle Recruitment Cloud (ORC) system to give our recruitment teams an objective way of measuring the potential ability of candidates. This has proved to be very successful, with hiring teams using the data to support their onboarding programmes. Further developments on the ORC platform include one-way video interviewing, which provides a structured interview process that is objective, fair and minimises bias. The software includes diversity, equity and inclusion features that help us attract and build a more diverse workforce.

Our efforts to create a seamless onboarding process has been well received by new employees across the business.

"It has been an absolute pleasure to go through the onboarding process at DP World. From the outset, it felt personal and highly informative. In a short space of time, I had all the information I needed to get to work and understand my role. Between interactions with the Chief Technology Officer, colleagues, Talent Team and the wider Group including a townhall meeting, I already feel valued and heard.

Career goals and aspirations were core topics discussed during this process and it was refreshing to have these take place so early into the job. DP World already feels like home!"

CHAKRAPANI SAKHUMALLA
DIRECTOR OF PROGRAMME MANAGEMENT

GIVING YOUTH A VOICE

We launched "The Big Tech Project" inviting students of all ages from 12 universities (six from India and six from the UAE) to share their ideas on how DP World can leverage metaverse for its businesses and help trade flow. We received a total of 53 entries – they were explorative and delved into multiple directions including cargo tracking, remote assistance and virtual docking assistance.

The top four selected teams were given seven weeks to create a prototype of their idea under the mentorship of the DP World team. The final was held on 28 November at DP World Pavilion, Expo City, where the student team from Mohamed bin Zayed University of Artificial Intelligence (MBZUAI) in Abu Dhabi, UAE, were declared the first-ever student innovators by DP World. The runners-up were a team from The International Institute of Information Technology, Bangalore, India.

CONNECTING WITH OUR TALENT

One of our key objectives has been to connect with more employees through digital channels, and during 2022, we launched our ONE app – a global mobile app designed and developed by our employees, for our employees.

The app, with its 12 key features, has been rolled out to more than 17,0000 employees across the world and is available in 12 languages. It provides intuitive peer feedback on "Our Principles", corporate newsfeeds, a policies and employee directory, and direct access to our performance, learn, innovation and skills portals, as well as a range of self-service solutions that integrate into our people management system.

We also launched "My Skills" to get to know our people better and maximise the talent we have across our organisation. It is a simple and efficient solution designed for all employees to record their skills and levels – allowing us to identify talent for agile squads and international and cross-functional projects. It provides greater targeted learning and development programmes, fostering career development opportunities. More than 70,000 skills were recorded in the first three months.

SETTING GLOBAL STANDARDS

In our sustained efforts towards building consistency in how we manage our people across our business, we launched nine new global people policies and standards.

These are:

- a Welcome Guide that sets the framework for people activities within the Group;
- a Global Recruitment Policy that establishes high global standards in our recruitment methodology and processes;
- Global People Security Standards, setting clear guidelines and protocols to process people-related information in full compliance with data privacy laws;
- our talent management framework and tools are used to identify, assess and develop talent;
- a Global Learning & Development (L&D) Policy defines the guidelines and standards to enable our people to learn and develop competencies and capabilities;
- a Global Mobility Policy outlines processes and approvals associated with planning all international assignments for our employees;
- a Global Separation of Employment Policy establishes the principles and processes for a seamless separation of employment;
- Global Inclusion & Diversity Policy; and
- Global Travel Policy and portal.

CREATING EFFICIENCIES

A highly efficient and configurable rostering solution has been developed and deployed across some of our ports and terminals as well as our DryDocks shipyard. The system allows fast and reliable labour planning with optimal allocation of tasks to meet demand with the right worker at the right time, based on all specific local requirements. More than 30 million people hours per year are managed through Cargoes Rostering in various operations across four continents and we have an ambitious deployment roadmap for 2023, including external commercialisation of the solution to ports and terminals as well as for shipyards.

STRATEGIC TRANSFORMATION

On our journey to create end-to-end global supply chain solutions from the factory floor to the customer door, we're focusing on integrating Imperial and syncreon businesses under DP World Logistics.

This is part of a broader strategic shift and involves the integration of the logistics businesses and the existing DP World regions (Europe, the Americas and Sub-Saharan Africa) into a single organisation based on agile working. This includes establishing customer-facing squads and collaborative ways of working to deliver beneficial cargo owners (BCOs) and customer-facing supply chain solutions. This includes our new ability to offer supply chain solutions unconstrained by our asset network, while also leveraging it where it is advantageous, deploying more than 30 agile squads, to enable smarter trade and deliver the right end-to-end logistics solutions to new and existing customers through efficient collaboration across Pillars, regions and functions.

We established an Agile Transformation Office and hired our six regional leads to oversee agile methodologies, three of which were hired from within the organisation and who have solid knowledge and understanding of their regions. This supports our ongoing mission to retain top talent and inhouse expertise, while also ensuring this is balanced with bringing in external talent with a fresh approach and insights into best practices from other industries.

STRATEGIC REPORT

PEOPLE, CULTURE AND VALUES

Photo: A counsellor visits the crew on Aburri in Northern Australia

RETAINING TALENT

WELLBEING

During the pandemic, P&O Maritime Logistics Australia and Papua New Guinea recognised the increased impact of these challenges on our peoples' mental health and wellbeing – and we have undertaken to follow its example and do more about this. In 2022, a range of initiatives were promoted, including education and awareness material, and we provided subscriptions to online wellness services to reduce anxiety. We also provided counselling and support services.

We recognised that face-to-face interactions on board our vessels had the most impact, which presented a challenge given the remoteness of our fleet. However, through careful planning, mental wellness experts were able to visit all vessels, spending time with crew talking about issues such as anxiety, depression, stress, being away from family and mental wellness.

In Papua New Guinea, a counselling service conducted rotating visits through the entire fleet and offices. During these sessions, the counsellors explained what counselling is and the benefits of discussing thoughts and emotions in an effort to reduce stigma around mental health.

The sessions were well received in both Australia and Papua New Guinea, and anonymous feedback included:

"I was the first person to speak to the counsellor. She has really helped me and it was so nice to meet her in person because I have only seen her on Teams."

"I can see how this is a good way to help you come to the right decision."

"I am happy that P&O Maritime Logistics have this service."

"I didn't want to come to this training but now I understand what counselling is and how it can help me and my family."

SUSTAINABILITY

KEY ESG HIGHLIGHTS AND ACHIEVEMENTS IN 2022:

3,091*
TOTAL GREENHOUSE GAS EMISSIONS (SCOPE 1 AND 2, KILO-TONNES OF CO_2 EQUIVALENT)

-6%
PROGRESS AGAINST 2019 ROLLING BASELINE (NOTE: 2030 DECARBONISATION TARGET IS -28%)

13.3
GREENHOUSE GAS EMISSIONS INTENSITY IN THE PORTS AND TERMINALS DIVISION ($KGCO_2E$/MODTEU)

256,152
RENEWABLE ELECTRICITY CONSUMED FROM OUR INSTALLATION AND THROUGH GREEN ELECTRICITY TARIFFS (MWH)

19%
RENEWABLE ELECTRICITY SHARE OF TOTAL ELECTRICITY

Leadership A-
CARBON DISCLOSURE PROJECT (CDP) CLIMATE CHANGE RESPONSE SCORE

3.3
REPORTABLE INJURY FREQUENCY RATE (RIFR)

16,657
GROUP HSE TRAINING PARTICIPANTS

255,828
WOMEN AND GIRLS SUPPORTED THROUGH OUR COMMUNITY PROJECTS

257 women
MENTORED AS PART OF DP WORLD'S MENTORHER PROGRAMME

US$11.8m
SPEND ON PEOPLE TRAINING AND DEVELOPMENT

219,028
LEARNING HOURS DELIVERED TO 55,215 EMPLOYEES

59%
% OF RECLAIMED WASTE FROM TOTAL GENERATED WASTE

0
SERIOUS ENVIRONMENTAL INCIDENTS

US$8.7m
INVESTED IN GLOBAL EDUCATION PROJECTS

US$17.5m
INVESTED IN COMMUNITIES

* A portion of the drop in carbon emissions attributed to audit findings due to reclassification of Scope 1 reporting boundaries in the maritime service division.

"As a global logistics leader, DP World aims to enable smarter trade to create a better future for everyone. Our sustainability strategy "Our World, Our Future" guides us in everything we do. It creates economic, environmental and social value for future generations. It is a core part of the benefits we deliver to our stakeholders, reinforcing DP World's global licence to operate."

MAHA ALQATTAN,
GROUP CHIEF PEOPLE AND SUSTAINABILITY OFFICER

"OUR WORLD, OUR FUTURE" SUSTAINABILITY STRATEGY

"OUR WORLD, OUR FUTURE" STRATEGY

Our sustainability strategy, "Our World, Our Future" ensures that we work responsibly, prioritising sustainability and impact on people, the environment and the communities in which we operate to achieve a better, more socially equitable and sustainable future for generations to come.

The strategy, which was developed in 2019, is based on a Group-wide materiality analysis conducted in line with global best practices and encompasses ten material topics, which are reviewed regularly to ensure they remain relevant to our business.

The first part of the strategy, "Our World", includes ambitious commitments across seven priority areas to be achieved by 2030. The second part of the strategy, "Our Future", looks at the lasting legacy we will leave on our industry and society. It focuses on three areas where we can make a positive difference for future generations: education, women and water.

The strategy is aligned with the United Nations Sustainable Development Goals (SDGs) across safety, climate change, security, community engagement, people development, ethics and well-being, as well as our chosen three legacy areas of focus. We leverage various United Nations memberships and frameworks to ensure our strategy is translated into concrete action supporting our ambition of operating as a responsible business.

We have adopted the ESG framework (Environmental, Social and Governance) to measure the impact of our sustainability accomplishments. We measure impact using several internationally recognised reporting frameworks from GRI, World Economic Forum's Stakeholder Capitalism Metrics and CDP. We are also rated by independent rating agencies such as MSCI, Sustainalytics and Moody's. In 2022, we received an ESG Risk Rating of 8.5 from Sustainalytics indicating a negligible level of risk in our ESG practices. This rating recognises the strong systems and processes in place to manage and mitigate ESG risks.

PROGRESS IN 2022:

Strengthened ESG governance and risk management

- appointed Maha AlQattan as Group Chief People & Sustainability Officer;
- launched the Executive Sustainability Council;
- published inaugural stand-alone ESG Report;
- signed up to the WEF Stakeholder Capitalism Metrics and United Nations Global Compact's (UNGC) Sustainable Ocean Principles to enhance our sustainability reporting;
- evolved the Oceans legacy pillar to encompass water; and
- integrated ESG as a risk into the corporate enterprise risk register.

DEEPENED TIES WITH UNITED NATIONS MEMBERSHIPS AND FRAMEWORKS

- joined the UN Global Compact Ocean Stewardship Coalition;
- Chairman announced as the Middle East's first HeForShe champion by UN Women; and
- joined UN Global Compact's Think Lab on Just Transition.

CONTINUED DECARBONISING OUR OPERATIONS

- committed up to US$500 million to cut CO_2 emissions by nearly 700,000 tonnes in the next five years;
- joined the Green Shipping Challenge (GSC); and
- entered a strategic partnership with the Maersk McKinney Moller Center for Zero Carbon Shipping.

ENHANCED ESG RATINGS

- recognised as the top ESG risk performer by Sustainalytics out of more than 4,000 companies;
- awarded a Sustainalytics 2022 Industry and Regional Top-Rated Badge; and
- achieved A- (Leadership) rating in the CDP Climate Change submission.

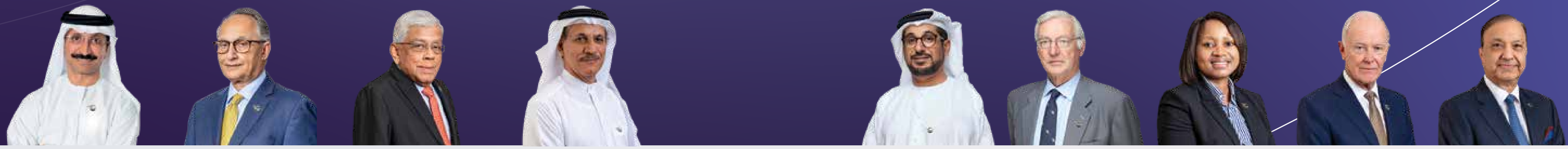
DROVE SOCIO-ECONOMIC DEVELOPMENT IN COMMUNITIES IN WHICH WE OPERATE

- launched the DP World Foundation on Zayed Humanitarian Day;
- donated over US$2.2 million to UNICEF and pledged logistics support to Pakistan for flood relief;
- expanded UNICEF partnership, to include education projects in Ethiopia, Bosnia and Herzegovina;
- partnered with Barefoot College International (BCI) to train the first batch of female solar energy and maintenance technicians in northern Senegal;
- launched a three-year partnership with WaterAid to deliver water, sanitation and hygiene (WASH) infrastructure in Mozambique; and
- supported United for Wildlife to establish a chapter in MENA and continued to lead the transport task force to disrupt the illegal wildlife trade.

For a full breakdown of all sustainability activity at DP World please refer to the latest version of our Environmental, Social and Governance Report available on our **website**.

PARTNERSHIPS & MEMBERSHIPS:

BOARD OF DIRECTORS



SULTAN AHMED BIN SULAYEM
Group Chairman and Chief Executive Officer

Skills and experience

Recently celebrating 40 years with the company, Sultan has led the dramatic growth and global expansion of DP World Group business, during a period which has seen Dubai become one of the world's premier hubs for trade and commerce.

Decades ago, his visionary leadership saw the establishment of Jebel Ali as the global flagship of DP World's growing international network of Ports and Terminals. Today, his relentless commitment to innovation is rapidly transforming DP World from simply a world-class port operator to a provider of smart logistics solutions right across the end-to-end supply chain. With digital technology revolutionising the industry, the Technology division is providing leading edge applications. Marine Services now offers short sea feedering around major ports. In 2022, the significant acquisitions of syncreon and Imperial have enabled the creation of a new global logistics division.

Beyond the core business of enabling trade, Sultan brings considerable diversity of experience, including his establishment of Nakheel in real estate and tourism property development; Istithmar World, a major global private equity investment house; and the Dubai Multi Communities Centre, a market for precious metals, diamonds, energy and other commodities.

He holds a BSc in Economics from Temple University, USA.

Date appointed

Appointed to the Board as Chairman on 30 May 2007.

Appointed as Group Chairman and Chief Executive Officer on 8 February 2016.

External appointments

Member of the Executive Council of Dubai, Member of the UAE Federal Tax Authority Board, Member of the Dubai Free Zones Council, Chairman of Ports, Customs and Free Zone Corporation (PCFC), Non-Executive Chairman of Hyperloop One, Board member of Nakheel PJSC.

YUVRAJ NARAYAN
Group Deputy Chief Executive Officer and Chief Financial Officer

Skills and experience

As Group Deputy Chief Executive Officer and Chief Financial Officer, Mr Narayan has overseen many of DP World's major strategic and transformative initiatives. With increasing emphasis on cross-business collaboration, he works closely with the leadership of the Group and acquired companies to ensure effective integration and alignment with Group Vision and Business Strategy.

Mr Narayan brings almost three decades of experience in the international banking and ports management sectors. Prior to joining DP World, he held executive positions with ANZ Group as Head of Corporate and Project Finance for South Asia; and as Chief Financial Officer at Salalah Port Services in Oman. He has also served as Non-Executive Director of Istithmar World and IDFC Securities.

He continues to hold a number of external executive directorships and is a qualified Chartered Accountant.

Date appointed

Served as Group Chief Financial Officer since 2005 and was appointed to the Board as an Executive Director on 9 August 2006.

Appointed as Group Chief Financial, Strategy and Business Officer in February 2020.

Appointed as Group Deputy Chief Executive Officer and Chief Financial Officer in November 2021.

External appointments

Non-Executive Director of HDFC International Life and Re Company Limited, Director of Hyperloop One, Director of Through Transport Mutual Insurance Association Ltd, Audit Committee Chairman of the International Cricket Council and Board member of the Dubai Financial Market.

DEEPAK PAREKH
Senior Independent Non-Executive Director

Skills and experience

Mr Parekh has an extensive and highly commended executive career, including serving on the boards of several Indian and international corporations. He was a member of Indian Government-appointed advisory committees and task forces on matters ranging from infrastructure reform to capital markets and financial services for over two decades.

His contributions to business have been recognised on numerous occasions and he is the recipient of Padma Bhushan from the Government of India.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 22 March 2011.

Appointed to the Board as a Senior Independent Non-Executive Director on 1 July 2015.

External appointments

Non-Executive Chairman of HDFC Ltd and its group companies, i.e., HDFC Life Insurance Co Ltd, HDFC Asset Management Company Ltd, Non-Executive Chairman of Siemens India, Director of National Investment and Infrastructure Fund (NIIF) and Fairfax India Holdings Corporation, Canada.

Committee memberships

Nominations and Remuneration Committee Chair

Audit and Risk Committee member

H.E. SULTAN BIN SAEED AL MANSOORI
Independent Non-Executive Director

Skills and experience

H.E. Al Mansoori was the Minister of Economy in the UAE from 2008 to 2020. Prior to his position as the Minister of Economy, H.E. Al Mansoori was the Minister of Government Sector Development in the UAE during the period of 2006-2008 and the Minister of Transport and Communications in the UAE during the period of 2004-2006.

H.E. Al Mansoori was the Chairman of the General Civil Aviation Authority, Chairman of the Securities and Commodities Authority, Chairman of the Insurance Authority and Chairman of the Emirates Authority for Standardization and Metrology. H.E. Al Mansoori holds a bachelor's degree in Industrial Engineering and Management Systems from Arizona State University, USA, and a Diploma in Computer System Analysis from the Institute of Computer Technology, Los Angeles, California, USA.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 5 August 2020.

External appointments

Board member of Investment Corporation of Dubai (ICD), Board member of EMAAR, Board member of Commercial Bank of Dubai and Chair of Emirati Human Resources Development Council.

Committee memberships

Governance and Sustainability Committee member

H.E. MOHAMED SAIF AL SUWAIDI
Independent Non-Executive Director

Skills and experience

H.E. Al Suwaidi has extensive experience working in finance, business management, infrastructure development and administration of institutional activities. H.E. Al Suwaidi holds several Executive and Non-Executive positions across the United Arab Emirates. H.E. Al Suwaidi holds a BSc in Business Administration from California Baptist University.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 28 April 2016.

External appointments

Director General of the Abu Dhabi Fund for Development, Vice Chairman of Arab Bank for Investment and Foreign Trade, Vice Chairman of Emirates Steel Industries Company, Board member of First Abu Dhabi Bank, Raysut Cement (SAOG), Al Jazira Sport & Cultural Club and Emirates Development Bank.

Committee memberships

Governance and Sustainability Committee Chair

Audit and Risk Committee and Nominations and Remuneration Committee member

ROBERT WOODS
Independent Non-Executive Director

Skills and experience

Mr Woods has over 50 years of experience in the shipping and port industry. He is the Chairman of the UK boards comprising DP World Southampton and DP World London Gateway.

He has held many senior positions within notable companies and was formerly the Chairman of P&O Ferries, the Chief Executive of The Peninsular and Oriental Steam Navigation Company and a Non-Executive Director of Cathay Pacific Airways, Tilbury Container Services Limited and John Swire & Sons. He was also a past President of the UK Chamber of Shipping, Chairman of the Mission to Seafarers and a Director at the Chamber of Shipping of the UK.

In 2012, he was appointed President of the Chartered Institute of Shipbrokers and he is an Honorary Captain of the Royal Naval Reserve.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 1 January 2014.

External appointments

Member of the Greenham Common Trust, St. George's House Trust (Windsor Castle), Chairman of the Navy League and Chairman of the Sea Cadet Association.

PHUMZILE LANGENI
Independent Non-Executive Director

Skills and experience

Mrs Langeni, a stockbroker by training, is the co-founder and executive Chairman of Afropulse Group Proprietary Limited. She serves as Non-Executive Chairman of Imperial Logistics Limited, Delta Property Fund and Metrofile Limited. She is the Non-Executive Director of Nedbank Group Limited and Nedbank Limited.

Mrs Langeni also serves as President Ramaphosa's Special Investment Envoys.

In 2021, she was appointed Deputy Chairman of the Presidential Advisory Council on Investment (PACI), which is chaired by President Ramaphosa. She has a BCom from The University of KwaZulu-Natal, BCom (Hons) from Unisa, and MCom from The University of Pretoria.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 1 June 2022.

External appointments

Co-founder and Executive Chairman of Afropulse Group Proprietary Limited, Non-Executive Chairman of Delta Property Fund and Metrofile Limited, Non-Executive Director of Nedbank Group Limited and Nedbank Limited, and Deputy Chairman of the Presidential Advisory Council on Investment (PACI). Serves as President Ramaphosa's Special Investment Envoys.

Committee memberships

Nominations and Remuneration Committee member

SIR TIM CLARK
Independent Non-Executive Director

Skills and experience

Sir Tim was the Managing Director of Sri Lankan Airlines until 2008 and has been in the civil aviation business for his whole professional career, having joined British Caledonian in 1972.

In the 2014 Queen's New Year's Honours list, he was invested as a Knight of the Most Excellent Order of the British Empire (KBE) for services to British prosperity and to the aviation industry.

In November 2009, Sir Tim was conferred an "Officier de la Legion d'Honneur" by the French Government for services to transport and aviation, and he holds the 2009 Gold Award from the Royal Aeronautical Society for his contribution to civil aerospace.

At the 2011 Airline Business and Flightglobal Achievement Awards, he was recognised as "Leader of the year", and in 2013, he received the Center for Aviation (CAPA) Legends Award and was inducted into the CAPA Hall of Fame.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 1 June 2022.

External appointments

President of Emirates Airlines and Chairman of the Emirates Airline Foundation.

Committee memberships

Governance and Sustainability Committee member

VIJAY MALHOTRA
Independent Non-Executive Director

Skills and experience

Mr Malhotra has served as Executive Chairman and CEO of KPMG Lower Gulf network until 2016 and as Chairman until 2019. During his tenure at KMPG as Executive Chairman, Mr. Malhotra has held the Chairman's position for KPMG – Middle East and South Asia (MESA), Executive Chairman - KPMG India, Board Member KPMG Europe Middle East Africa, Member of KMPG International Human Resources Executive Committee, among other leadership roles. He is the Non- Executive Chairman of DP World Financial Services Limited.

Throughout his professional career, Mr. Malhotra has been involved in some of the most prominent cross- border transactions, financial restructuring exercises, and strategic reviews of companies in the Middle East region.

A Fellow of the Institute of Chartered Accountants in England and Wales, Mr. Malhotra was named as one of the top 10 Indian Executives in the Arab World by Forbes in 2017.

Date appointed

Appointed to the Board as an Independent Non-Executive Director on 1 June 2022.

External appointments

Member of the Board of Governors of Indian Business and Professional Council (IBPC), Dubai, and a member of the Group Excom and Group Audit and Risk Committee of Jashanmal Group.

Committee memberships

Audit and Risk Committee Chair

CORPORATE GOVERNANCE

REPORT OF THE DIRECTORS

The Directors present their report and accounts for the year ended 31 December 2022.

The Corporate Governance section, commencing on page 60, and the Audit and Risk Committee Report, commencing on page 75, form part of this Directors' Report. Disclosures elsewhere in the Annual Report and Accounts are cross-referenced where appropriate. Taken together, they fulfil disclosure requirements as discussed in the Corporate Governance section, commencing on page 60.

The Strategic Report, commencing on page 1, describes the principal activities, operations, performance and financial position of DP World Limited (the "Company") and its subsidiaries (collectively, the "Group"). The results of the Group are set out in detail in the Consolidated Financial Statements and accompanying notes, commencing on page 86.

The principal subsidiaries, joint ventures and associates are listed on pages 139 to 143.

DIRECTORS

The Directors of the Company as at 31 December 2022 are detailed on pages 60 to 61. These pages contain their biographical details, along with the details of their Board Committee memberships.

The Corporate Governance Report, which commences on page 60, includes details of the Board and Committee membership changes that occurred during the financial year ending 31 December 2022.

FINANCIAL INSTRUMENTS

Details regarding the use of financial instruments and financial risk management are included in the Notes to the Consolidated Financial Statements, commencing on page 95.

RESULTS

The Group's Consolidated Financial Statements for the year ending 31 December 2022 are shown on pages 90 to 94.

EVENTS AFTER THE REPORTING PERIOD

No events have occurred after the reporting date that require disclosure for the purposes of these consolidated financial statements.

SUSTAINABILITY

The Group is committed to integrating responsible business practices in all aspects of our operations. Further information regarding our approach to sustainability is contained in the Sustainability section of this report, commencing on page 56. This section of the report outlines our commitment to invest in our people, protect our environment, ensure the highest safety standards and build a vibrant, secure and resilient society.

BOARD DIVERSITY

The Company recognises and embraces the benefits of having a diverse Board and seeks to increase diversity at Board level, which it sees as an essential element in maintaining the Company's competitive advantage. A Diversity Policy was developed for the Board, which recognises that a truly diverse board includes and makes good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences are considered in determining the optimum composition of the Board. The Board considered its diversity as part of the annual evaluation of the performance and effectiveness of the Board and Board Committees.

The Nominations and Remuneration Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. In reviewing Board composition, the Nominations and Remuneration Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, to maintain an appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the Nominations and Remuneration Committee considers candidates on merit against objective criteria and with due regard to the benefits of maintaining a balanced and diverse Board.

SUBSTANTIAL SHAREHOLDINGS

As at the date of this report, the Company has been notified that the following entity has an interest in the Company's shares amounting to 5% or more.

	Class	Shares	Percentage of class
Port & Free Zone World FZE	Ordinary	830,000,000	100.00%

GOING CONCERN

The Directors, having made enquiries, consider that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, and therefore they consider it appropriate to adopt the going concern basis in preparing the accounts. Further details can be found under note 2 to the Consolidated Financial Statements.

AUDIT INFORMATION

Having made the required enquiries, so far as the Directors in office at the date of signing this report are aware, there is no relevant audit information of which the auditors are unaware, and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ARTICLES OF ASSOCIATION

The Articles set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment and removal of Directors and the conduct of the Board and general meetings. Subject to DIFC (Dubai International Finance Centre) Companies Law and the Articles, the Directors may exercise all the powers of the Company and may delegate authorities to Committees and day-to-day management and decision making to individual Executive Directors. Details of the main Board Committees can be found on pages 75 to 81.

INDEMNITY

All Directors are entitled to indemnification from the Company to the extent permitted by the law, against claims and legal expenses incurred in the course of their duties.

AUDITORS

The auditor, KPMG LLP, has indicated its willingness to continue in office. A resolution to re-appoint it as auditor has been approved by the Board of Directors.

SHARE CAPITAL

As at 31 December 2022, the Company's issued share capital was US$1,660,000,000 comprising 830,000,000 ordinary shares of US$2.00 each.

By order of the Board.

FAISAL AREKAT
VICE PRESIDENT, GROUP LEGAL, GOVERNANCE AND GROUP COMPANY SECRETARY

21 March 2023

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S INTRODUCTION

Good governance and risk management are core to our business achieving its objectives. The DP World business model integrates best practice and is the blueprint to achieving our vision as a Group: To lead the future of world trade.

The implementation of good governance practices adds value to our performance, improves our strategic thinking, and allows us to run our business more effectively and better monitor the risks we face.

The Corporate Governance Report has been structured to align with the principles set out in the Corporate Governance Best Practice Standards, as detailed in the Dubai Financial Services Authority (the "DFSA") Markets Rules. It sets out the actions that we have taken in 2022 to implement these practices.

LEADERSHIP

A balanced board with the necessary skills, knowledge and industry experience to lead our Group is key to achieving our strategic objectives and long-term goals. Details of the role of the Board, the Directors' responsibilities, the Board composition and activities during the year are given in the Corporate Governance section on pages 66 to 70. The membership and work of the Board Committees are included on pages 75 to 81.

The Board remains committed to effectively leading the Company, ensuring that our business is managed prudently and soundly to drive sustained long-term value for our shareholders. The balance of skills and expertise on our Board will allow us to continue creating value as we expand our horizons and lead the future of world trade.

ACCOUNTABILITY

Our corporate governance practices lay down the framework for creating long-term trust between us and all our stakeholders – our shareholders, customers, employees, suppliers, governments and communities. We will continue to engage with our stakeholders and encourage effective dialogue with our shareholders.

As a Board, we are ultimately responsible for determining the Group's risk appetite and its willingness to accept certain risks in pursuit of achieving the Group's strategic objectives. The Board is also responsible for maintaining appropriate risk management and internal control systems. During 2022, we continued to review the Group's principal risks that could have material effects on our business, financial condition and reputation. The principal risks and our approach to managing them are discussed on pages 36 to 49 of the Strategic Report and an outline of our internal controls and compliance procedures is contained on pages 71 to 73 in this Corporate Governance section.

We also report on the remuneration structures and their alignment with the long-term interests of the Group on pages 82 to 83 in the Nominations and Remuneration Committee Report.

We look forward to another prosperous year as we strive to be leaders in world trade by undertaking our business with the highest standards of good governance.

SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

21 March 2023

OVERVIEW

DP World Limited (the "Company") is incorporated in the Dubai International Financial Center (the "DIFC") and was admitted in 2007 to the official list of securities on Nasdaq Dubai.

The Company must comply with the regulatory obligations of the DIFC Markets Law and the various rules made by the DFSA thereunder (together with DIFC Markets Law, the "Nasdaq Dubai Rules"). The Board reviewed and monitored the policies and procedures in place during the year to ensure compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules, as briefly summarised on the right.

The Directors believe that these rules, including the mandatory corporate governance principles enshrined in them and the best practice standards which support the principles, provide a robust basis on which to maintain corporate governance best practice for the benefit of the Company's shareholders.

BOARD COMMITTEES' REPORTS

A separate section of a company's Annual Report should, under the Nasdaq Dubai Rules, describe the work carried out by each of the Audit and Risk Committee, the Nominations and Remuneration Committee and the Governance and Sustainability Committee in discharging their responsibilities.

See **page 75** for the
Audit and Risk Committee report →

See **page 79** for the
Governance and Sustainability Committee report →

See **page 80** for the
Nominations and Remuneration Committee report →

LEADERSHIP

PRINCIPLE 1
Requires an effective Board of Directors that is collectively accountable for ensuring that the reporting entity's business is managed prudently and soundly.

PRINCIPLE 2
Requires a clear division between the responsibilities of the Board and senior management.

PRINCIPLE 3
The Board and its Committees must have an appropriate balance of knowledge, experience and adequate resources.

To read more about our Board's Leadership, see page 66 →

ACCOUNTABILITY

PRINCIPLE 4
The Board must ensure that there is an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework.

PRINCIPLE 5
The Board must ensure that the rights of shareholders are properly safeguarded and that there is effective dialogue between the Board and the Company's shareholders.

To read more about our internal controls and compliance framework, see pages 71 to 73 →

To read more about relations with capital markets, see page 74 →

PRINCIPLE 6
The Board must ensure that any reports present an accurate, balanced and understandable assessment of the Company's financial position and prospects.

To read more, see our Statement of Directors' Responsibilities on page 84 →

REMUNERATION

PRINCIPLE 7
The Board must ensure that the Company's remuneration structures and strategies are well aligned with the long-term interests of the Company.

To read more, see our Nominations and Remuneration Committee report on page 80 →

LEADERSHIP

The Company's Board of Directors ensures that the business of the Company and its subsidiaries (the "Group") is managed prudently and soundly. The Board's primary responsibility is to foster the long-term success of the Group.

Effective Board leadership requires a clear division between the Board's responsibilities and those responsibilities the Board has delegated to management.

Matters reserved for Board decision include:
- setting the strategic objectives of the Group;
- declaring dividends;
- approving major transactions;
- setting the annual budget for the Group;
- approving safety and environment policies; and
- insurance, risk management and internal controls.

The Board has delegated the following responsibilities to management:
- the development and recommendation of strategic plans for consideration by the Board that reflect the long-term objectives and priorities established by the Board;
- implementation of the Group's strategies and policies as determined by the Board;
- monitoring the operating and financial results against plans and budgets;
- monitoring the quality of the investment process against objectives, prioritising the allocation of capital and technical resources; and
- developing and implementing risk management systems, subject to the continued oversight of the Board and the Audit and Risk Committee as set out on page 75.

Details of the **Directors of the Company** are given on **pages 60 to 61** →

ROLES AND RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Group Chairman and Chief Executive Officer are held by the same individual. The Group Chairman and Chief Executive Officer is responsible for the leadership of the Board, in conjunction with the Senior Independent Non-Executive Director. As the leader of the executive team, he is also responsible for the day-to-day management of the Group and the execution of its strategy as approved by the Board, and facilitates the flow of information to and from the Board and the management committees of the Group. He is also Chairman of the Executive Committee.

When acting as Chairman of the Board, the Group Chairman and Chief Executive Officer ensure, with the support of the Senior Independent Non-Executive Director and the Vice President, Group Legal, Governance and Group Company Secretary: that the agendas are forward-looking; that relevant business is brought to the Board for consideration in accordance with the schedule of matters reserved for the Board; and that each Director has the opportunity to consider the matters brought to the meeting and to contribute accordingly.

GROUP DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Group Deputy Chief Executive Officer and Chief Financial Officer is responsible for ensuring that objective financial, statutory and management information is provided to the Board and that the accounts and accounting principles of the Company are of the highest standards and integrity. Reporting responsibilities also include updating the Board on the progress made by the Company in achieving its financial objectives.

The Group Deputy Chief Executive Officer and Chief Financial Officer's operational responsibilities include working closely with the Company's auditors, financial advisers and banks to manage the financial planning and risks of the Company.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The Senior Independent Non-Executive Director (the "SID") is a Non-Executive Director appointed by the Board to provide support for the Chairman in leading the Board and serves as an intermediary for the other Directors where this is required to help them challenge and contribute effectively.

In addition, the SID is required to work closely with the Chairman to ensure effective communication with shareholders and meet with the Independent Non-Executive Directors at least once a year to appraise the Chairman's performance. Together with the Chairman, Deepak Parekh leads the Board on governance matters and the annual performance review of the Board and its Committees. The Board believes that the support of the SID ensures that robust governance is maintained and that appropriate challenge to the Executive Directors is in place.

INDEPENDENT NON-EXECUTIVE DIRECTOR

An Independent Non-Executive Director is a member of the Board who is not an employee of the Company or affiliated with it such that they bring to the Board qualities of independence and impartiality. They are often appointed due to their wide executive and industry experience, specialist knowledge and personal attributes that add value to the effectiveness of the Board.

In compliance with the Corporate Governance Best Practice Standards in the Nasdaq Dubai Rules, at least one-third of the Board comprised Non-Executive Directors and more than the required minimum of two were considered by the Company to be independent. The independence of the Independent Non-Executive Directors is considered annually, and the Board believes that they have retained their independent character and judgement. The Board considers that the varied and relevant experience of all the Independent Non-Executive Directors provides an exceptional balance of skills and knowledge, which is of great benefit to the Group.

The Board increased the number of Independent Non-Executive Directors during 2016. It believes that the Group continues to benefit from the breadth of experience represented by its existing balance of Independent and Non-Independent Directors. The Company will continue to review the composition of the Board from time to time to ensure that an appropriate balance of Independent and Non-Independent Directors is maintained.

VICE PRESIDENT, GROUP LEGAL, GOVERNANCE AND GROUP COMPANY SECRETARY

The Vice President, Group Legal, Governance and Group Company Secretary advises the Board, through the Group Chairman and Chief Executive Officer and Senior Independent Non-Executive Director, on all governance matters affecting the Company. He is responsible for supporting the Group Chairman and Chief Executive Officer with the setting of the Board's agenda and facilitating the flow of information to and from the Board. He is also responsible for the efficient administration of the Company, particularly with regards to ensuring compliance with statutory and regulatory requirements, and for ensuring that decisions of the Board are implemented.

All Directors have access to the Vice President, Group Legal, Governance and Group Company Secretary, and independent professional advice at the Company's expense, if required.

LEADERSHIP

CORPORATE GOVERNANCE FRAMEWORK

The Board is at the centre of our corporate governance framework.

It is supported by a number of Committees to which certain Board responsibilities are delegated. These Committees, in turn, formally report to the Board following each meeting to ensure that the Board remains fully updated on their activities. The Board Committees include the Audit and Risk Committee, Nominations and Remuneration Committee and Governance and Sustainability Committee, with formally delegated duties and responsibilities and written terms of reference. From time to time, the Board may set up additional committees to consider specific issues when the need arises. Reports on the activities of the Board Committees can be found on the following pages of this report and their terms of reference are available on the Company's website, **www.dpworld.com**. The Vice President, Group Legal, Governance and Group Company Secretary provides support as the secretary for the Board Committees.

The Board considers that the corporate governance framework promotes the prudent and sound management of the Company in the long-term interest of the Company and its shareholders, and it is effective in promoting compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules.

BOARD OF DIRECTORS

OWNERS/SHAREHOLDERS
Provide oversight by appointing the Board of Directors to oversee the management of the Company and approving major transactions in accordance with the Nasdaq Dubai Rules.

AUDIT AND RISK COMMITTEE
Assists the Board in discharging its responsibilities with regards to financial reporting, external and internal audits, internal controls and risk management.

DISCLOSURE PANEL
Assists the Board in reviewing its disclosure obligations with regards to inside information and providing recommendations on announcements when required.

NOMINATIONS AND REMUNERATION COMMITTEE
Assists the Board in reviewing the Board structure, identifying candidate Directors when the need arises and determining the framework and Board policy for the remuneration of the Executive Directors and other members of senior management.

GOVERNANCE AND SUSTAINABILITY COMMITTEE
Assists the Board in reviewing the Company's corporate governance framework, reviewing and approving the Company's sustainability strategy, policies, programmes, targets and performance.

GROUP EXECUTIVE SAFETY AND ENVIRONMENT COMMITTEE
Ensures the accountability, effectiveness and continual development of the Company's health, safety and environment programmes to ensure a culture of zero harm.

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ENTERPRISE RISK MANAGEMENT COMMITTEE
Assists the Board in fulfilling its oversight responsibilities in relation to the principal risks faced by the Group.

EXECUTIVE COMMITTEE
Primarily responsible for the day-to-day management of DP World's operations and strategic policy implementation, such policies being established and approved by the Board.

CHARITY COMMITTEE
Primarily responsible for overseeing and endorsing requests, proposals and the process for DP World's charitable donations and partnerships.

WOMEN'S COUNCIL
Oversees the implementation of the DP World women's empowerment vision and strategy to drive gender equality across all aspects of the Company's portfolio.

TENDER COMMITTEE
Primarily responsible for reviewing and endorsing tender award recommendations.

VENDOR SELECTION COMMITTEE
Primarily responsible for reviewing and endorsing the vendor selection process.

EXECUTIVE SUSTAINABILITY COUNCIL
Primarily responsible for providing strategic oversight of the Group's "Our World, Our Future" sustainability strategy, ensuring alignment with the overall business strategy, and identifying and managing Environmental, Social, and Governance (ESG) risks and opportunities.

BOARD MEETINGS

Although there is a prescribed pattern of presentation to the Board, including matters specifically reserved for the Board's decision, all Board meetings tend to have further subjects for discussion and decision making. Board papers, including an agenda, are sent out in advance of the meetings. Board meetings are discursive in style and all Directors are encouraged to offer their opinions.

The Board met five times during the year, either in person, via telephone or video conference. In addition, written resolutions (as permitted by the Company's Articles of Association) were used as required for the approval of decisions that exceeded the delegated authorities provided to Executive Directors and Committees.

The Board has considered its current structure and composition of its existing Board Committees in line with the best practices and the Company's strategic vision. The table below sets out the attendance of the Directors at the Board and Committee meetings during the year.

Director	Board	Audit and Risk[7]	Governance and Sustainability[7]	Nominations and Remuneration[7]
Sultan Ahmed Bin Sulayem	5(5)	–	–	–
Yuvraj Narayan	5(5)	–	–	–
Deepak Parekh	5(5)	3(3)	–	2(2)
Robert Woods[1]	5(5)	–	1(2)	1(2)
Mark Russell[2]	1(5)	1(3)	–	–
Mohamed Al Suwaidi	5(5)	3(3)	2(2)	2(2)
Patrice Trovoada[3]	4(5)	–	–	–
Sultan Bin Saeed Al Mansoori	4(5)	–	2(2)	–
Sir Tim Clark[4]	3(5)	–	1(2)	–
Vijay Malhotra[5]	4(5)	2(3)	–	–
Phumzile Langeni[6]	4(5)	–	–	1(2)

1 Robert Woods attended one meeting of each of the Governance and Sustainability Committee and the Nominations and Remuneration Committee before the re-structuring of the Board Committees on 09 June 2022.
2 Mark Russell attended one meeting of the Audit and Risk Committee before his retirement on 18 March 2022.
3 Patrice Trovoada resigned from the Board as an Independent Non-Executive Director on 13 October 2022.
4 Sir Tim Clark was appointed to the Board as an Independent Non-Executive Director on 01 June 2022, and as a member of the Governance and Sustainability Committee on 09 June 2022.
5 Vijay Malhotra was appointed to the Board as an Independent Non-Executive Director on 01 June 2022, and as a Chair of the Audit and Risk Committee on 09 June 2022.
6 Phumzile Langeni was appointed to the Board as an Independent Non-Executive Director on 01 June 2022, and as a member of the Nominations and Remuneration Committee on 09 June 2022.
7 The attendance and figures in brackets shown in the table above for the Board Committees are based on the current structure of the Board Committees with effect from 09 June 2022.

Figures in brackets denote the total number of meetings held during the year.

2022 BOARD ACTIVITIES

MATTERS CONSIDERED AT ALL BOARD MEETINGS

- report on safety and environment performance and developments;
- report on strategic and business developments from the Group Chairman and Chief Executive Officer;
- report on the financial performance of the Group, including budgeting and financing updates; and
- report on corporate governance, including governance developments across the Group and regulatory updates.

MATTERS CONSIDERED DURING THE YEAR

LEADERSHIP

- reviewed and approved the re-structuring, size and composition of the Board's Committees; and
- reviewed and approved the appointment of three new Independent Non-Executive Directors.

FINANCIAL REPORTING AND CONTROLS

- considered results and declared dividends;
- approved Group budget; and
- considered and approved major capital projects, including new acquisitions and increases in the Company's holdings. The new acquisitions mainly included: 100% controlling stake in Imperial Logistics, South Africa; 51% controlling stake in Africa FMCG Distribution Ltd and J&J Group both located in Africa.

STRATEGY AND MANAGEMENT

- received detailed regional presentations on performance against strategic objectives and key performance; and
- received reports outlining projects under current consideration of the Group.

RISK MANAGEMENT

- received the risk reviews, as considered by the Audit and Risk Committee;
- monitored the status of legal claims; and
- received updates on insurance matters and approved the renewal of the Directors' and Officers' insurance.

CORPORATE GOVERNANCE

- reviewed and approved the terms of reference of the Board Committees; and
- approved a revised Modern Slavery and Human Trafficking Statement.

STAKEHOLDERS

- reviewed and approved throughput announcements released during the year;
- reviewed and approved preliminary, full and half-year results announcements; and
- approved the Company's Annual Report and Accounts.

LEADERSHIP

BOARD PERFORMANCE EVALUATION

The Board undertakes a formal and rigorous annual evaluation of its performance and that of its Committees and individual Directors. The evaluation of the Board and its Committees is a key component of effective corporate governance. It is a vital tool to ensure that the Board discharges its responsibilities effectively and assists in identifying possible ways for improving the performance of the Board. For the financial year ended 31 December 2022, the Board evaluation was facilitated internally by the Vice President, Group Legal, Governance and Group Company Secretary in accordance with the opposite process.

The evaluation process covered a wide range of issues including leadership, Board meeting dynamics, competency of Board members, succession planning, information quality and flow, relationship with senior management, quality of Board supervision and decision making with emphasis on the Board's role in strategic decisions.

The Committee evaluations focused on the following areas:

- assessing the balance and skills within each Committee;
- identifying attributes required for any new appointments;
- reviewing practice and process to improve efficiency and effectiveness;
- considering the effectiveness of each Committee's decision-making processes; and
- recognising each Committee's outputs and achievements.

EVALUATION PROCESS

STEP 1
Self-evaluation.
Questionnaire completed by each Director to review Board and Committee performance.

STEP 2
Interview with Senior Independent Non-Executive Director and Group Chairman and Chief Executive Officer.
Individual meetings held with Group Chairman and Chief Executive Officer and Senior Independent Non-Executive Director to review responses.

STEP 3
Consolidate and report.
Vice President, Group Legal, Governance and Group Company Secretary consolidates responses and presents results to the Board for its consideration.

STEP 4
Review and plan.
The Board reviews the evaluation results and prepares an action plan for the following year.

TRACKING FROM PREVIOUS EVALUATION AND ACTION FOR 2022

As a result of the evaluation of the Board's performance for the year and the action plan that was subsequently developed, the Company reviewed the Board composition to ensure that it included the optimum balance of skills, experience and diversity and reviewed the succession planning and Board training programme.

The table below illustrates the findings from the 2021 performance review, the actions taken by the Board and principal Committees during 2022, and the actions identified for 2023 as a result of the 2022 performance review.

FINDINGS IN 2021	The following were identified during the review as areas for potential improvement: • review the Board composition to ensure the Board has the optimum balance of skills, experience and diversity; • review the Company's succession planning and improve the Board's interaction with members of senior management; • continue to focus on the Company's strategy, and enhance the strategic discussions, to ensure a clear strategic direction for implementation; and • continue to focus on communication with institutional investors.
PROGRESS IN 2022	• the structure and composition of the Board and the Committees was reviewed and three new Independent Non-Executive Directors were appointed bringing additional diverse skills, experience and knowledge to the Board; • the Board attended the Global Leadership meeting in March 2022; • increased focus on the Company's strategy; and • the Company has an ongoing commitment to open communications with institutional investors – see "Relations With Capital Markets" section starting on page 74.
ACTIONS FOR 2023	• continue to increase the Board's exposure to and familiarity with senior management; • rotate the location of Board meetings to give the Directors the opportunity to visit DP World's global operations and meet with local senior management; and • continue to optimise the strategic and market review to gain further competitive advantage.

During the year, and as part of the performance evaluation cycle, the composition of each of the Board's main Committees was reviewed. For further details about the membership and activities of each Committee please refer to the Committees' reports.

See **page 75** for the **Audit and Risk Committee report** →
See **page 79** for the **Governance and Sustainability Committee report** →
See **page 80** for the **Nominations and Remuneration Committee report** →

CORPORATE GOVERNANCE

ACCOUNTABILITY

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk management is the responsibility of the Board and is integral to the achievement of DP World's strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite of the Group and for maintaining a sound internal control system. Certain elements of this responsibility are overseen on behalf of the Board by the Audit and Risk Committee and the Enterprise Risk Management Committee.

The Group's risk management and internal control processes, which have been in place throughout the period under review, identify, measure, manage, monitor and report the key risks facing the Group. The risks that are considered to be material are reviewed by the Audit and Risk Committee and Enterprise Risk Management Committee then, together with their associated controls, are summarised in the risk profile and presented to the Board for review.

At the year-end, Executive, Divisional and Regional management certifies that the risk management process is in place, that an assessment has been conducted throughout their businesses, and that appropriate internal control procedures are in place or in hand to manage the risks identified.

During the year, the Enterprise Risk Management Committee met to provide a greater degree of oversight on the principal risks that may impact our Group. Recommendations arising from these meetings are presented to the Audit and Risk Committee for their review and consideration. A description of the process for managing enterprise risk, together with a summary of risks that could have a material impact on the Group and actions in place to mitigate those risks, are given on pages 36 to 49.

INTERNAL CONTROLS

The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved. The Audit and Risk Committee has reviewed the effectiveness of the system of internal controls and the risk management framework in accordance with its remit.

COMPLIANCE STATEMENT

DP World Limited (the "Company") is incorporated in the Dubai International Financial Centre (DIFC) and was admitted in 2007 to the official list of securities on Nasdaq Dubai. During the financial year, the Company was subject to the regulatory obligations of the DIFC Markets Law, and the various rules made by the Dubai Financial Services Authority thereunder (together with DIFC Markets Law, the "Nasdaq Dubai Rules"). The Board reviewed and monitored the policies and procedures that were in place during the year to ensure compliance with the Corporate Governance Principles of the Nasdaq Dubai Rules.

For the year ended 31 December 2022, the Company complied with the provisions of the Nasdaq Dubai Rules other than:

- paragraph 16 of App 4 to the Nasdaq Dubai Rules (App 4) – the roles of Chairman and Chief Executive Officer were held by the same individual. The appointment of the Chairman, Sultan Ahmed Bin Sulayem, as Chief Executive Officer was approved by the shareholders at the Company's Annual General Meeting in April 2016. Furthermore, in accordance with paragraph 17 of App 4, the Board has established measures to ensure that it can properly discharge its function of providing effective oversight of the management of the Company:
  - the Board comprises a majority of Independent Non-Executive Directors; and
  - the Executive Directors and senior managers have objectives and their performance against these objectives is reviewed by the Nominations and Remuneration Committee, which entirely comprises Independent Non-Executive Directors.

ACCOUNTABILITY

The risk management process and the system of internal controls are subject to continuous improvement.

ORGANISATIONAL STRUCTURE
A clearly defined organisational structure that provides clear roles, responsibilities and delegated levels of authority to enable effective decision making across the Group.
CODE OF ETHICS
DP World maintains the highest standards of business integrity, which are formalised in its Code of Ethics. This is published on the Company's website, covering topics such as anti-bribery, anti-fraud, conflicts of interest, gifts and hospitality, and confidentiality, and outlines the process for reporting suspected infractions. The Code of Ethics applies to all Group employees and entities globally. Any non-compliance with the Code of Ethics and all applicable policies may lead to disciplinary action.
WHISTLEBLOWING POLICY
A whistleblowing programme for stakeholders to report complaints and concerns about conduct that is considered to be contrary to DP World's values. The programme is monitored by the Audit and Risk Committee.
ANTI-BRIBERY POLICY
An Anti-Bribery Policy implemented by DP World, supported by online training that is directed and proportionate to the identified areas of risk.
STRATEGY AND FINANCIAL MANAGEMENT
Clear financial management and strategy are consistent throughout the organisation which can be actively translated into practical measures. Comprehensive reporting systems include monthly results, annual budgets and periodic forecasts. These are monitored by the Board, with key performance indicators produced to summarise and monitor business activity. Annual budgeting and strategic planning processes are in place, along with evaluation and approval procedures for major capital expenditure and significant treasury transactions.
POLICIES AND PROCEDURES
Documented policies and procedures that are communicated to all Group functions and business units.
MANAGEMENT REPORTING AND SELF-CERTIFICATION
The Board receives regular management reporting and annual management self-certification, which provides a balanced assessment of key risks and controls and is an important component of the Board's assurance.
RISK MANAGEMENT AND PERFORMANCE
Risk-profiling is completed for all business units and the Group to identify, monitor and manage significant risks which could affect the achievement of the Group's objectives.
INFORMATION AND COMMUNICATION
Board meetings take place regularly throughout the year and include a review of Group performance against budget and Group strategy and a review of monthly management accounts and financial reports. Financial forecasts are prepared every quarter. Actual performance is compared with budget, latest forecast and prior year, every month. Significant variances are investigated and explained through normal monthly reporting channels.
ASSURANCE
The Group's assurance activities cover key business risks and contribute to the overall assurance framework. They include an independent Group Internal Audit function responsible for reporting to the Audit and Risk Committee on the evaluation of the adequacy of the internal control systems in place. The Board receives updates from the Audit and Risk Committee, based on regular information provided by both internal and external audit reports on the Group's risks and internal controls. Other assurance functions include Safety, Security, Operations, Legal, Compliance and Company Secretariat.

GUIDELINES REGARDING INSIDER TRADING

The Group takes all reasonable steps to avoid the risk of insider trading. It has adopted processes to keep all members of staff informed about their duties with respect to the handling of inside information, as well as dealings in the Company's securities.

The Group has a Securities Dealing Code that sets out the restrictions and "close" periods applicable to trading in securities. Memoranda and guidelines regarding dealings in securities (either selling or buying) have been circulated within the Group.

ANTI-FRAUD

DP World has a zero-tolerance approach to all forms of corruption. The Company has a Fraud Policy and has a comprehensive Fraud Management framework, which includes a dedicated Fraud Risk Services (FRS) team and a Fraud Advisory Panel with members from executive management. The Panel has been set up to advise FRS in fulfilling its duties in handling and reporting fraud incidents that may cause loss to DP World. Fraud Risk Assessments are conducted across various business units and functions across the Group to identify potential fraud risk scenarios in core business processes and to monitor the internal controls in place to mitigate such risks.

DP World is committed to educating and training its employees (including part-time employees and contractors) in multiple ways. These include face-to-face seminars in local languages conducted by specialists in the FRS team, by Fraud Risk Champions making presentations either in person or virtually at the local level, and through online interactive training modules, available in different languages. These training sessions are conducted annually and as required on an ad hoc basis.

In 2022, DP World continued to enhance its capability to tackle fraud through the appointment and training of additional Fraud Risk Champions in many business units across multiple regions. DP World will continue its efforts to emphasise its zero-tolerance approach to all forms of corruption and to encourage a collective willingness to report incidents without fear of retribution.

ANTI-BRIBERY

DP World has an Anti-Bribery Policy with supporting processes and procedures that implement the requirements of the UK Bribery Act 2010 and other related laws and regulations globally which underpin its commitment to preventing, detecting and responding to fraud, bribery and all other corrupt practices. The Group promotes and expects from its team the highest standards of personal and professional ethical behaviour.

To strengthen the Group's zero tolerance to fraud, bribery and corrupt practices, an online anti-bribery and corruption training course (available in multiple languages) has been rolled out to targeted employees, Directors and new joiners. The course provides an overview of the Group's anti-corruption policies and procedures; the importance of having an anti-bribery culture and its place in the Group's business practice; the consequences of breaching anti-bribery legislation; and how employees can report any suspicions of fraud and breaches of anti-bribery legislation.

DP World will continue to review its policies, processes and procedures, and is networking with other international businesses to share best practices in this area.

WHISTLEBLOWING

DP World's Whistleblowing Policy applies globally and is supplemented by country-specific policies wherever local law requires. Protection of whistleblowers is of paramount importance and DP World's framework and policies guarantee this within the limits of local laws.

DP World actively encourages its stakeholders to report any ethics violations or incidents to their supervisors, or via the whistleblowing hotline, accessible through a web-based reporting app or phone number. The Company also encourages grievance reporting to line managers, people departments or the whistleblowing hotline. Confidentiality for employees is assured. The hotline is independently administered and globally available, and therefore supports multiple languages. All reports are thoroughly investigated to their conclusion and securely documented, together with any corrective actions taken.

The Audit and Risk Committee receives an update at each meeting on all reported allegations. The Audit and Risk Committee has reviewed the Group's whistleblowing procedures to ensure that arrangements are in place to enable employees to confidentially raise concerns about possible improprieties.

MODERN SLAVERY ACT

DP World does not tolerate modern slavery or human trafficking in any part of our business. The Board has approved a Modern Slavery Act Transparency Statement in compliance with section 54 of the UK's Modern Slavery Act 2015, which is available to view on the Company's website, **www.dpworld.com**

CORPORATE GOVERNANCE
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RELATIONS WITH CAPITAL MARKETS

INVESTOR ENGAGEMENT CALENDAR FOR 2022

The Board is committed to communicating its strategy and activities clearly to its investors and maintains an active dialogue with investors through a planned programme of investor relations activities. Contact with investors is largely managed by the Group Deputy Chief Executive Officer and Chief Financial Officer, Deputy Chief Financial Officer and the Investor Relations team.

In 2022, we continued to proactively engage with the investor community and held more than 100 meetings, met over 150 institutions, and attended nine conferences and three roadshows held in London, Singapore and Malaysia. Investor queries continued to be focused around progress on DP World strategy, the uncertainty of COVID-19 pandemic, rising demand for trade, supply chain disruptions and increasing freight rates.

JANUARY TO MARCH
- DP World Full-Year 2021 Throughput Announcement with Investor Call (Dubai, UAE).
- DP World Full-Year 2021 Results Announcement with Investor Call (Dubai, UAE).

APRIL TO JUNE
- DP World Q1 2022 Throughput Announcement (Dubai, UAE).
- BofA Securities 2022 Emerging Markets Debt and Equity Conference (Miami, USA).
- Bonds, Loans & Sukuk Middle East 2022 (Dubai, UAE).
- DFM/HSBC London Conference (London, UK).
- Barclays ESG Credit Conference (Virtual).

JULY TO SEPTEMBER
- DP World 2022 Half-Year Throughput Announcement (Dubai, UAE).
- DP World 2022 Half-Year Results Announcement with Investor Call (Dubai, UAE).
- Moody's GCC Summit (Dubai, UAE).
- Citi MENA Conference 2022 (Virtual).
- Standard Chartered Bank – Non-deal Roadshow (Singapore and Malaysia).

OCTOBER TO DECEMBER
- 2022 MEIRA Annual Conference and Award (Hybrid).
- DP World 9M 2022 Throughput Announcement (Dubai, UAE).
- BofA MENA Conference 2022 (Dubai, UAE).

The Board receives regular updates on investor views through briefings from the Group Chairman and Chief Executive Officer and Group Deputy Chief Executive Officer and Chief Financial Officer, as well as reports from the Investor Relations team.

Visit our dedicated Investors page on our corporate website, **www.dpworld.com/investors**

CONTACT OUR INVESTOR RELATIONS TEAM:

Redwan Ahmed, VP – Investor Relations
Email: Investor.Relations@dpworld.com
Phone: +971 (0)4 881 1110

AUDIT AND RISK COMMITTEE

During 2022, the Audit and Risk Committee comprised three members, all of whom are Independent Non-Executive Directors. The Secretary to the Audit and Risk Committee is Faisal Arekat, Vice President, Group Legal, Governance and Group Company Secretary.

COMMITTEE MEETINGS

The Audit and Risk Committee meets formally at appropriate times in the reporting and audit cycle during the year, and as otherwise required. Attendance at the Audit and Risk Committee meetings is set out in the table on page 69.

2022 ACTIVITIES

See page 76 for detailed activities of the Audit and Risk Committee during the year.

ROLE OF THE COMMITTEE

The primary role of the Audit and Risk Committee is to ensure the integrity of the financial reporting and audit process, and to oversee the maintenance of sound internal control and risk management systems. This includes the responsibility to:
- make recommendations to the Board on the appointment and remuneration of the external auditors, review and monitor the external auditors' performance, expertise, independence and objectivity along with the effectiveness of the audit process and its scope;
- review and monitor the integrity of the Group's financial statements and the significant reporting judgements contained in them;
- monitor the appropriateness of accounting policies and practices;
- review the adequacy and effectiveness of financial reporting and internal control policies, procedures and risk management systems;
- monitor and review the activities and effectiveness of the Internal Audit function;
- review the effectiveness of the Group's Whistleblowing Policy; and
- monitor risks and compliance procedures across the Group.

External and internal auditors are invited to attend the Audit and Risk Committee meetings, along with any other Director or member of staff considered necessary by the Committee to complete its work. The Committee meets with external auditors and internal auditors without Executive Directors or members of staff present at least once a year, and additionally as it considers appropriate.

The full terms of reference of the Audit and Risk Committee can be found on DP World's website, **www.dpworld.com**

MEMBERS:

Vijay Malhotra (Committee Chair)
Deepak Parekh
Mohamed Al Suwaidi

MEETINGS ATTENDED[1]:

Vijay Malhotra (Committee Chair)	
Deepak Parekh	
Mohamed Al Suwaidi	

1 The attendance shown above is based on the current structure of the Board Committees with effect from 09 June 2022.

AUDIT AND RISK COMMITTEE

SIGNIFICANT ISSUES

We identified the issues below as significant in the context of the 2022 financial statements. We consider these areas to be significant, taking into account the level of materiality and the degree of judgement exercised by management. We debated the issues in detail to ensure that the approaches taken were appropriate.

IMPAIRMENT TESTING (SEE NOTE 15 TO THE FINANCIAL STATEMENTS)

AREA OF FOCUS

An impairment review is carried out annually by management to identify cash-generating units (CGUs) (the smallest group of assets that generates cash inflows from continuing use) in which the recoverable amount of the CGU is less than the value of the assets carried in the Group's accounts. Impairment results in a charge to the Group income statement.

Key judgements and assumptions need to be made when valuing the assets of the CGUs and the quantum of potential future cash flows arising from those assets.

COMMITTEE ACTION

We considered the significant judgements, assumptions and estimates made by management in preparing the impairment review to ensure that they were appropriate. In particular, the cash flow projections, budgeted margins, discount rates, inflation, perpetuity growth rates and sensitivity analysis were reviewed. We obtained the external auditors' view concerning the appropriateness of the approach, the key sensitivities in determining the recoverable amount and the outcome of the review. Taking this into account, together with the documentation presented and the explanations given by management, we were satisfied with the thoroughness of the approach and judgements taken. The review did not result in any significant impairment of goodwill during the year.

BUSINESS ACQUISITIONS & DISPOSALS ACCOUNTING

AREA OF FOCUS

During the year, the Group acquired the following entities which are consolidated in the Group's financial statements:

- on 14 March 2022, the Group acquired 100% controlling stake in Imperial Logistics Limited, South Africa;
- on 12 July 2022, the Group acquired 51% controlling stake in Africa FMCG Distribution Ltd, Africa;
- on 18 July 2022, the Group acquired 51% controlling stake in J&J Group Africa; and
- on 4 August 2022, the Group acquired controlling interest in Eurofos and sold its entire shares in Le Havre.

The Group also disposed of a minority stake in following entities without loss of control:

- on 1 January 2022, the Group divested 30% equity interest in DP World Dakar;
- on 31 March 2022, the Group divested minority equity stakes ranging from 6% – 10% in DP World Dakar, Senegal, DP World Sokhna, Egypt and DP World Berbera, Somaliland; and
- on 30 June 2022, the Group monetised 21.89% in three of its flagship UAE businesses, comprising Jebel Ali Port, Jebel Ali Free Zone and National Industries Park. On 19 December 2022, the Group monetised an additional 10.20% in these three entities.

COMMITTEE ACTION

Acquisition and disposal accounting involves estimating the fair value of assets, liabilities and purchase consideration at the acquisition/disposal date, including the identification and valuation of intangible assets and goodwill (in case of acquisition) and calculating the profit/loss on disposal. The Group engages independent third-party specialists to prepare valuation reports, which are then subject to external auditors' review.

Disposal of a non-controlling stake in a business without loss of control involves identification of appropriate carrying values (including related fair value adjustment and goodwill) of the business to be divested, ensuring all transaction costs, related taxes and resultant capital gain are appropriately accounted within equity.

We reviewed the assumptions and judgements made by management in the valuation and purchase price allocation process. We ensured that there is a robust review process set by the management to ensure appropriate accounting for disposal of non-controlling interests.

TAX PROVISION

AREA OF FOCUS

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes.

COMMITTEE ACTION

We reviewed the updates from the Head of Group Tax and reports from the external auditors. We considered the appropriateness of tax provisions in relation to the updates and reports received and concluded that the treatment adopted was fair and reasonable.

POST-EMPLOYMENT OBLIGATIONS (PENSIONS)

AREA OF FOCUS

Determining the current value of the Group's future pension obligations requires several assumptions. These assumptions relate principally to life expectancy, discount rates applied to future cash flows and rates of inflation and future salary increases.

COMMITTEE ACTION

Valuation assumptions, prepared by external actuaries and adopted by management, were considered in light of prevailing economic indicators and the view of the external auditors. These were accepted as appropriate.

FINANCIAL REPORTING

The Audit and Risk Committee reviewed the annual update to the Group's Accounting Policy. The significant accounting judgements and policies adopted in respect of the Group's financial statements were agreed upon and considered appropriate. The appropriateness of the transactions separately identified as Separately Disclosed Items (SDI) in the financial statements to highlight the underlying performance for the period was discussed and approved. The Committee also reviewed external auditors' reports and documentation prepared to support the going concern judgement.

INTERNAL AUDIT

The scope of activity of Group Internal Audit (GIA) is monitored and reviewed at each Audit and Risk Committee meeting. An annual plan was agreed by the Audit and Risk Committee in December 2021 which covers the activities performed by the function during the year ended 31 December 2022.

During the year, the Group Chief Internal Auditor attended all Audit and Risk Committee meetings and provided the Committee with a detailed report on internal audit activities, which the Committee reviewed and discussed in detail. The Audit and Risk Committee considered the matters raised and the adequacy of management's response to them, including the time taken to resolve any such matters. The Chair of the Audit and Risk Committee met with the Group Chief Internal Auditor periodically to discuss progress and received reports on the function's work every month.

The Audit and Risk Committee discussed and reviewed the Group Chief Internal Auditor's progress in improving the effectiveness of the function. During 2022, beyond completing the approved audit plan, key highlights included:

- building automated dynamic risk assessment tool to help develop audit plan;
- rolled out Group-wide fraud awareness activities and tools to employees to support International Fraud Awareness Week in November 2022;
- conducting OT Security audits and independent maturity assessment across the Group as part of our enhanced Cyber Assurance Programme;
- rolling out user-friendly "GIA Collaborates" intranet portal for the department's data assets enabling easy collaboration and knowledge-sharing; building digital "in/out" board to increase team connectedness, efficient communications and empowerment whilst on the move;
- rolling out Centres of Excellence programme focusing on pillars covering: ESG, Digitalisation and Inland Logistics to build knowledge across the audit team;
- creating second edition of our collaboration series "AuditConnect" to highlight strong governance and internal control initiatives implemented across the business during the pandemic;
- rolling out Guest Auditor Programme offering carefully selected DP World employees with subject-matter expertise to support internal audits remotely;
- creating a self-service internal audit academy portal with curated training mapped against internal audit core competencies; and
- placing continuous IT/data science graduate interns within the Digital Assurance Solutions team to build analytics and digital capability.

Based on its ongoing review, the Committee was satisfied with the effectiveness of the Group's Internal Audit function.

RISK MANAGEMENT

The Enterprise Risk Management (ERM) framework is designed to identify, measure, manage, monitor and report the principal risks to the Group in achieving its business objectives and is embedded throughout the Group.

During 2022, we continued to monitor and review the principal risks relating to the Group's business performance that could materially affect our business, financial performance and reputation. A summary of our principal risks can be found on pages 38 to 49. The principal Committees that oversee risk management are the Enterprise Risk Management Committee and the Audit and Risk Committee. The Audit and Risk Committee works closely with the Enterprise Risk Management Committee and is responsible for assisting the Board in its oversight of risk and risk management across the Group.

Risk management reports, prepared by the Group Head of Enterprise Risk & Resilience, were submitted to the Audit and Risk Committee in March 2022, August 2022 and December 2022. These reports summarise submissions from all areas of the Group and were also reviewed by Executive management. The reports highlight the risk mitigation strategies that are employed to reduce potential risk exposure to the acceptable risk tolerance levels.

AUDIT AND RISK COMMITTEE

In December 2022, the Audit and Risk Committee reviewed the effectiveness of the Group's overall ERM Policy and framework, including the Group-wide approach to the identification, assessment, mitigation, monitoring and reporting of risks for the year ended 31 December 2022.

INTERNAL CONTROLS

During the year, the Audit and Risk Committee monitored and reviewed the effectiveness of the Group's internal control systems, accounting policies and practices, standards of risk management and risk management procedures and compliance controls, as well as the Company's statements on internal controls, before they were agreed by the Board for this Annual Report.

The Group's internal control systems are designed to manage rather than eliminate business risk. They provide reasonable but not absolute assurance against material misstatement or loss. Such systems are necessary to safeguard shareholders' investment and the Company's assets and depend on a regular evaluation of the extent of the risks to which the Company is exposed.

The Audit and Risk Committee can confirm that the Company's systems and their effectiveness have been in place for the full financial year and up to the date on which the financial statements were approved, and are regularly reviewed by the Board. The Audit and Risk Committee is of the view that the Company has a well-designed system of internal control. The Chair of the Audit and Risk Committee reports any matters arising from the Audit and Risk Committee's review to the Board following each meeting. This update covers how the risk management and internal control processes are applied and details any breakdowns in, or exceptions to, these processes. There were no significant failings or weaknesses identified. These processes have been in place throughout the year ended 31 December 2022 and have continued to the date of this report.

WHISTLEBLOWING AND FRAUD

DP World's Whistleblowing Policy, which supports the Group-wide Code of Ethics, is monitored by the Audit and Risk Committee. A copy of the Group's Code of Ethics is available on DP World's website, **www.dpworld.com**

The Audit and Risk Committee received and considered, at each Audit and Risk Committee meeting, all matters reported through the Group's global confidential whistleblowing reporting mechanism (telephone and web application), which is operated on its behalf by an independent third party. All fraud matters reported are investigated by DP World's Fraud Risk Services team and, where appropriate, reported to the Committee, together with details of any corrective action taken. The Committee also received reports at each meeting providing details of fraud known losses in each quarter.

EXTERNAL AUDIT

Throughout the year, the Audit and Risk Committee monitored the cost and nature of non-audit work undertaken by the auditors and was in a position to take action if it believed that there was a threat to the auditors' independence through the award of this work.

KPMG LLP is the Company's external auditor. The Audit and Risk Committee's Chair meets the lead audit partner before each meeting and the whole Audit and Risk Committee meets with KPMG at least once a year.

The Audit and Risk Committee has undertaken an annual review of the independence and objectivity of the auditors and an assessment of the effectiveness of the audit process, which included a report from the external auditor of its internal quality procedures. It also received assurances from the auditors regarding their independence. Based on this review, the Audit and Risk Committee recommended to the Board that it supports the re-appointment of the auditors.

GOVERNANCE AND SUSTAINABILITY COMMITTEE

During 2022, the Governance and Sustainability Committee comprised three members, all of whom are Independent Non-Executive Directors. The Secretary to the Committee is Faisal Arekat, Vice President, Group Legal, Governance and Group Company Secretary.

COMMITTEE MEETINGS

The Governance and Sustainability Committee meets formally during the year as required for the purpose of discharging its duties. Attendance at the Governance and Sustainability Committee meetings is set out in the table on page 69.

2022 ACTIVITIES

During the year, the Governance and Sustainability Committee:

- reviewed the Company's corporate governance framework; and
- reviewed the Company's sustainability policies and strategy.

ROLE OF THE COMMITTEE

The Governance and Sustainability Committee is responsible for:

- making recommendations to the Board with regards to any adjustments that the Committee considers necessary;
- ensuring that the Company's corporate governance structure complies with the applicable corporate governance principles and the best governance practices, to ensure that the Company implements the highest governance standards;
- setting, reviewing, approving and overseeing the Company's sustainability strategy and management of environmental, social and governance matters;
- reviewing and approving the Company's sustainability policies, programmes, targets and performance;
- receiving reports on the progress and effectiveness of the Company's sustainability approach, initiatives and activities, including but not limited to, reporting from management committees such as the Health & Safety Committee, Women's Council, Charity Committee and the Human Rights Working Group;
- guiding sustainability reporting that prioritises the needs of stakeholders and aligns sustainability to business strategy, to ensure meaningful disclosure and strong corporate reputation; and
- reviewing and approving the budget for the Company's sustainability activities.

The full terms of reference of the Governance and Sustainability Committee can be found on DP World's website, **www.dpworld.com**

MEMBERS:

Mohamed Al Suwaidi (Committee Chair)
Sultan Bin Saeed Al Mansoori
Sir Tim Clark

MEETINGS ATTENDED[1]:

Mohamed Al Suwaidi (Committee Chair)

Sultan Bin Saeed Al Mansoori

Sir Tim Clark

1 The attendance shown above is based on the current structure of the Board Committees with effect from 09 June 2022.

NOMINATIONS AND REMUNERATION COMMITTEE

During 2022, the Nominations and Remuneration Committee comprised three members, all of whom are Independent Non-Executive Directors. The Secretary to the Committee is Faisal Arekat, Vice President, Group Legal, Governance and Group Company Secretary.

COMMITTEE MEETINGS

The Nominations and Remuneration Committee meets formally during the year as required for the purpose of discharging its duties. Attendance at the Nominations and Remuneration Committee meetings is set out in the table on page 69.

2022 ACTIVITIES

During the year, the Nominations and Remuneration Committee:

- considered the current composition of the Board and the mix of skills, knowledge and experience;
- reviewed the cash allowances, salary structures and total remuneration competitiveness of DP World's Executive Directors and senior management;
- reviewed the Company's Performance Delivery Plan and Long Term Incentive Plan design and rules; and
- reviewed the performance against objectives of Executive Directors and senior managers.

ROLE OF THE COMMITTEE

The Nominations and Remuneration Committee is responsible for evaluating the balance of skills, knowledge, experience and diversity of the Board and, in particular:

- recommending individuals to be considered to fill vacancies; and
- preparing a description of the role and capabilities required for a particular appointment.

The Nominations and Remuneration Committee is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors.

As an initial stage in the Director appointment process, the Company collects and reviews potential candidates' CVs against an established set of appointment criteria, following which the chosen candidate meets with the Company's Senior Independent Non-Executive Director, the Chair of the Nominations and Remuneration Committee, as well as with other Board members as appropriate. Alongside this, the Company collects detailed background information regarding the chosen candidate, including their professional experience and qualifications, through the completion of a pre-appointment questionnaire.

Following the completion of this process, the candidate is put forward to the Nominations and Remuneration Committee for consideration. If the Nominations and Remuneration Committee recommends the candidate's appointment, the appointment is put to the Board for consideration and, if appropriate, approved.

The Nominations and Remuneration Committee's responsibilities include:

- reviewing and providing the Board with a recommendation for a suitable remuneration framework for the Company;
- monitoring the level and structure of remuneration for senior management and recommending adjustments where appropriate;
- keeping under review its own performance, constitution and terms of reference; and
- considering other matters as referred to it by the Board.

The Nominations and Remuneration Committee also determines and agrees with the Board the framework and broad policy for the remuneration of the Group Chairman and Chief Executive Officer, Group Deputy Chief Executive Officer and Chief Financial Officer, and other members of senior management.

The Nominations and Remuneration Committee's policy is to review remuneration based on independent assessment and market practice.

The remuneration of Independent Non-Executive Directors is a matter for the Chairman and executive members of the Board. No Director is involved in any decisions as to their own remuneration.

The full terms of reference of the Nominations and Remuneration Committee can be found on DP World's website, **www.dpworld.com**

MEMBERS:
Deepak Parekh (Committee Chair)
Mohamed Al Suwaidi
Phumzile Langeni

MEETINGS ATTENDED[1]:

Deepak Parekh (Committee Chair)	
Mohamed Al Suwaidi	
Phumzile Langeni	

1 The attendance shown above is based on the current structure of the Board Committees with effect from 09 June 2022.

REMUNERATION

EXECUTIVE REWARD POLICY

The reward policy for Executive Directors and senior management (Executive Committee and other experienced managers) is guided by the following key principles:

- business strategy support: aligned with our business strategy with a focus on both short-term goals and the creation of long-term value, ensuring alignment to shareholders' interests;
- competitive pay: ensures competitiveness against our target market;
- fair pay: ensures consistent, equitable and fair treatment within the organisation; and
- performance-related pay: linked to performance targets via short and long-term incentive plans and the pay review process.

The reward policy for Executive Directors and senior management consists of the following key components:

1. MARKET BENCHMARK:

- the target market position is between median and upper quartile on a total remuneration basis;
- for Executive Directors and senior management based in Dubai, practice and policy reflect the structure of the Dubai pay market, whilst at the same time ensuring competitiveness on an international basis. Variable pay is also reviewed and balanced against the total remuneration package; and
- DP World engages the services of Korn Ferry Hay Group as the main provider of market information and as advisers on particular remuneration matters. This is subject to periodic review.

2. BASE SALARY:

- fixed cash compensation based on level of responsibility as determined by applying a formal job evaluation methodology;
- reflects local practice in each of the geographies in which DP World operates, but is also set against common market policy positions; and
- reviewed annually on 1 April to take into account market pay movements, individual performance, relativity to market on an individual basis and DP World's ability to pay.

ALLOWANCES AND BENEFITS

- can either be cash or non-cash elements based on the level of responsibility as determined by applying a formal job evaluation methodology;
- reflect local practice in each of the geographies in which DP World operates, but are also set against common market policy positions;
- for Executive Directors and senior management based in Dubai, cash allowances are a normal component of the package and typically cover accommodation, utility, transport and club elements in line with Dubai market practice. Benefits include providing children's education assistance, travel assistance, medical and dental insurance and post-retirement benefits; and
- reviewed annually to ensure that DP World remains competitive within the marketplace and that it continues to provide the reward mechanisms to aid retention in line with its ability to pay.

INCENTIVE PLANS

The Company has adopted a short-term Performance Delivery Plan and a Long Term Incentive Plan for its Executive Directors and senior managers. Details of these plans are outlined on the next page.

DESCRIPTION	2022 IMPLEMENTATION
PERFORMANCE DELIVERY PLAN (PDP)	
Cash-based incentive plan to motivate, drive and reward performance over an operating cycle of one year. The PDP combines business financial performance and individual performance objectives. Levels of awards, financial and personal measures and weightings will vary depending on the individual's role, geography and level of responsibility. For individuals outside the Executive Directors and senior management category, the principle is then typically cascaded throughout the terminals' organisational levels in line with local policies. Appropriateness of the levels of awards, financial and personal measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy. Payment is in cash and is expected to be made in April each year for performance over the previous financial year, subject to review and sign-off by the Nominations and Remuneration Committee.	The PDP for the financial year ended 2022 (award to be paid in 2023) and 2021 (award paid in 2022) is worth a maximum of 150% of annual base salary. It is made up of two components: a financial component worth 70% of the overall award value and a personal component worth 30% of the overall award value. The financial component is based on performance assessed against a budgeted Profit After Tax (PAT) measure. Payout on the financial component is triggered if the Company achieves 95% of its target. Maximum payout on the financial component will occur if the Company achieves 105% of its target. The payout for performance between 95% and 105% of target is on a straight-line basis. The personal component is based on performance assessed against Specific, Measurable, Attainable, Relevant and Timebound (SMART) objectives for 70% of the personal award and against Our Principles for 30% of the personal award. The objectives are particular to each individual role and can include financial-based objectives and more qualitative ones.
LONG TERM INCENTIVE PLAN (LTIP)	
Cash-based rolling incentive plan to motivate, drive and reward sustained performance over the long-term operating cycle of three years. The LTIP reflects business financial performance only. Levels of awards, financial measures and weightings will vary depending on the individual's role, geography and levels of responsibility. In addition to the Executive Directors and senior managers, employees performing the top 100 jobs (as determined by job size) are also eligible to participate in the LTIP in line with the same financial metrics as described for Executive Directors and senior managers with varying levels of award in line with their job size. Appropriateness of the levels of awards, financial measures and weightings are reviewed on an annual basis to ensure they continue to support our business strategy. Payment is in cash and is expected to be made in April each year for performance over the previous three financial years, subject to review and sign-off by the Nominations and Remuneration Committee.	The LTIP for the 2020-2022 (award to be paid in 2023), 2021-2023 (award to be paid in 2024) and 2022-2024 (award to be paid in 2025) performance cycles is based on performance over three years assessed against two budgeted measures, with 70% of the award linked to a Return On Capital Employed measure and 30% linked to an Earnings Per Share measure. The LTIP for the cycles described above is worth a maximum of 125% of average annual base salary for the Executive Directors and a maximum of 100% of average annual base salary for other senior managers.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the auditors' responsibility section of the independent auditors' report, is made to distinguish the respective responsibilities of the Directors and the auditors in relation to the Consolidated Financial Statements.

The Directors are required to prepare Consolidated Financial Statements for each financial year, which present fairly the state of affairs of DP World Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at the end of the financial year and of the profit and loss for the financial year.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable provisions of the DIFC Companies Law. In preparing the Consolidated Financial Statements, the Directors are required to select appropriate accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, and state whether all accounting standards which they consider to be applicable have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements. The Directors also use a going concern basis in preparing the Consolidated Financial Statements unless this is inappropriate.

The Directors have responsibility for ensuring that the Company keeps accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company and which enable them to ensure that the Consolidated Financial Statements comply with the applicable laws in the relevant jurisdiction.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' report and corporate governance statement in accordance with applicable law and regulations.

The Directors consider the Annual Report and the Consolidated Financial Statements, taken as a whole, to be fair, balanced and understandable, and provide necessary information for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

FAISAL AREKAT
VICE PRESIDENT, GROUP LEGAL, GOVERNANCE AND GROUP COMPANY SECRETARY

21 March 2023

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 2022, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant 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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS 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 that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC") 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 judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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

Refer to notes 3 and 15 of the consolidated financial statements.

The Group has significant goodwill and intangible assets arising from the acquisition of businesses. The Group's annual impairment testing of 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 projection 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, these are one of the key areas that our audit concentrated on.

OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their mathematical accuracy. To challenge the reasonableness of those cash flow estimates, we assessed the historical accuracy of the Group's forecasting activities and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We also challenged other key inputs, such as the projected and terminal value growth rates.

In respect of the discount rates: We compared the Group's assumptions to externally derived data (for example, bond yields and inflation statistics) where appropriate. We involved our valuation specialists to assist us in assessing the reasonableness of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We assessed the impact to the calculated recoverable amount of the cash generating units by changing discount rates and forecast future cash flows.

We assessed the adequacy of the Group's disclosure in these respects.

KPMG LLP, a limited liability partnership incorporated and licensed in the Dubai International Financial Center, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG LLP is registered with the Dubai Financial Services Authority.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

KEY AUDIT MATTERS CONTINUED

ACCOUNTING FOR BUSINESS ACQUISITIONS AND MONETISATION

Refer to notes 3, 25(b) and 26 of the consolidated financial statements.

During the year, the Group undertook a number of acquisitions and disposals (monetisation).

In accordance with IFRS 3 – *Business Combinations* and IFRS 10 – *Consolidated Financial Statements*, the accounting involves identification of assets, including intangible assets, and liabilities and estimating their fair value at the date of acquisition. Significant judgement is involved in relation to the assumptions used in the valuation (using discounted future cash flows) and the purchase price allocation process. Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate.

An assessment is required to be made as to the classification of each acquisition as a subsidiary, joint venture, associate or investment based on whether the Group has determined to have control, joint control or significant influence. Such an assessment is also required following the Group's disposal/monetisation of a proportion of its existing investments as this determines the manner of accounting for its remaining stake and the recognition of any resulting gain or loss.

OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

We have reviewed the assessment performed by the Group to conclude if the acquisition meets the criteria of a business or an asset acquisition. We challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the assumptions used in the fair value and purchase price allocation process as determined by the Group. We reviewed the resulting adjustments for reasonableness.

We inspected the key terms in the share purchase/sale agreements to assess the control classification of the investments as per IFRS 10 – *Consolidated Financial Statements*. We have tested that the consideration is in accordance with the signed share purchase/sale agreement. We agreed the consideration by comparing relevant amounts to bank records and considered the appropriateness of the treatment of costs associated with business acquisition and monetisation.

We have assessed the valuation of contingent consideration for reasonableness and we reviewed the calculation of the present value of any deferred consideration for reasonableness.

We assessed the adequacy of the Group's disclosure in these respects.

TAXATION PROVISIONS

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby it has to estimate the tax effect of applying local legislation in light of the practices of the respective tax authorities, including the impact of cross border transactions and transfer pricing arrangements, which can be complex and uncertain and, therefore, involve significant judgement.

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.

OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

We have considered any large and/or unusual items affecting the effective tax rate and whether any current year items would result in an increased or reduced provision. We tested the Group's deferred tax provisions including the tax rates applied, for reasonableness.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. 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 and disclosure within the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT
CONTINUED
TO THE SHAREHOLDER OF DP WORLD LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
KEY AUDIT MATTERS CONTINUED

PENSIONS

Refer to notes 3 and 23 of the consolidated financial statements.

The Group has a number of defined benefit pension schemes. In accordance with IAS 19 – *Employee Benefits*, the valuation of the pension deficit requires significant judgement and technical expertise in making appropriate assumptions. Changes in a number of the key assumptions including estimated salary increases, inflation, discount rates and mortality 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.

OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

The Group engages independent external actuaries to assist it in calculating the appropriate pension scheme position. We obtained the actuaries' reports and, with the assistance of our pension specialists, assessed the estimated salary increases, discount and inflation rates used in calculating the pension scheme obligations 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 that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

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 do 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 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 and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 year 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 comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

KPMG LLP

RICHARD ACKLAND
DFSA reference Number: I012468
Dubai, United Arab Emirates

Date: 16 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER

	Note	2022 Before separately disclosed items USD'000	2022 Separately disclosed items (Note 9) USD'000	2022 Total USD'000	2021 Before separately disclosed items USD'000	2021 Separately disclosed items (Note 9) USD'000	2021 Total USD'000
Revenue	5	**17,127,248**	**–**	**17,127,248**	10,777,988	–	10,777,988
Cost of sales		**(11,935,746)**	**(53,500)**	**(11,989,246)**	(6,899,159)	(92,240)	(6,991,399)
Gross profit		**5,191,502**	**(53,500)**	**5,138,002**	3,878,829	(92,240)	3,786,589
General and administrative expenses		**(2,388,324)**	**(337,561)**	**(2,725,885)**	(1,759,439)	(44,847)	(1,804,286)
Other income		**64,996**	**–**	**64,996**	66,868	–	66,868
Gain/(loss) on disposal and change in ownership	9	**–**	**193,353**	**193,353**	–	(9,908)	(9,908)
Share of profit/(loss) from equity-accounted investees (net of tax)	17	**165,975**	**(45,962)**	**120,013**	152,017	(86,077)	65,940
Results from operating activities		**3,034,149**	**(243,670)**	**2,790,479**	2,338,275	(233,072)	2,105,203
Finance income	7	**293,993**	**31,527**	**325,520**	193,972	8,425	202,397
Finance costs	7	**(1,094,107)**	**(14,274)**	**(1,108,381)**	(941,284)	(20,746)	(962,030)
Net finance costs		**(800,114)**	**17,253**	**(782,861)**	(747,312)	(12,321)	(759,633)
Profit before tax		**2,234,035**	**(226,417)**	**2,007,618**	1,590,963	(245,393)	1,345,570
Income tax expense	8	**(394,974)**	**15,216**	**(379,758)**	(237,682)	53,706	(183,976)
Profit for the year	6	**1,839,061**	**(211,201)**	**1,627,860**	1,353,281	(191,687)	1,161,594
Profit attributable to:							
Owners of the Company		**1,438,401**	**(211,073)**	**1,227,328**	1,103,270	(207,270)	896,000
Non-controlling interests	25	**400,660**	**(128)**	**400,532**	250,011	15,583	265,594
		1,839,061	**(211,201)**	**1,627,860**	1,353,281	(191,687)	1,161,594

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Note	2022 USD'000	2021 USD'000
Profit for the year		**1,627,860**	1,161,594
Other comprehensive income (OCI)			
Items that are or may be reclassified to profit or loss:			
Foreign exchange translation differences – foreign operations*		**(743,010)**	(188,743)
Foreign exchange translation differences recycled to profit or loss		**21,341**	–
Share of other comprehensive loss of equity-accounted investees	17	**(136,524)**	(41,463)
Cash flow hedges – effective portion of changes in fair value		**143,431**	54,980
Cash flow hedges – reclassified to profit or loss		**11,546**	919
Related tax		**(19,468)**	(12,478)
Items that will never be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations and employees' end of service benefits		**75,421**	59,833
Related tax		**9,339**	(4,524)
Other comprehensive expense for the year		**(637,924)**	(131,476)
Total comprehensive income for the year		**989,936**	1,030,118
Total comprehensive income attributable to:			
Owners of the Company		**653,340**	772,345
Non-controlling interests		**336,596**	257,773

* 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. A significant portion of movement during 2022 is on account of weakening of the EUR and GBP against USD. There are no differences on translation from the Company's functional (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.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER

	Note	2022 USD'000	2021 USD'000
Assets			
Non-current assets			
Property, plant and equipment	11	**13,439,148**	13,052,932
Right-of-use assets	12	**3,445,847**	2,966,682
Investment properties	13	**1,869,814**	1,702,802
Intangible assets and goodwill	14	**13,180,684**	12,447,145
Investment in equity-accounted investees	17	**1,788,833**	2,249,442
Other investments		**40,742**	20,911
Deferred tax assets	8	**163,697**	115,149
Due from Parent Company	19	**1,748,227**	1,643,747
Receivables and other assets	20	**1,171,853**	892,627
Total non-current assets		**36,848,845**	35,091,437
Current assets			
Inventories	18	**569,605**	225,049
Properties held for development and sale	16	**116,249**	117,135
Due from Parent Company	19	**1,882,190**	3,295
Receivables and other assets	20	**4,123,726**	2,829,358
Cash and cash equivalents	21	**3,441,780**	3,917,739
Total current assets		**10,133,550**	7,092,576
Total assets		**46,982,395**	42,184,013
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	31	**11,659,394**	9,230,010
Translation reserve	31	**(2,558,058)**	(1,819,594)
Other reserves	31	**(408,544)**	(593,152)
Equity attributable to owners of the Company		**14,825,447**	12,949,919
Hybrid equity instrument	32	**1,476,686**	1,476,686
Non-controlling interests	25	**2,737,959**	1,676,973
Total equity		**19,040,092**	16,103,578
Liabilities			
Non-current liabilities			
Loans and borrowings	33	**11,168,994**	14,834,941
Lease and service concession liabilities	34	**3,677,938**	3,376,165
Loans from non-controlling shareholders	35	**1,467,726**	739,624
Payables and other liabilities	24	**564,595**	406,748
Deferred tax liabilities	8	**1,257,426**	1,107,172
Provision for employees' end of service benefits	22	**205,719**	213,833
Pension and post-employment benefits	23	**251,222**	258,184
Total non-current liabilities		**18,593,620**	20,936,667
Current liabilities			
Loans and borrowings	33	**3,063,636**	366,148
Lease and service concession liabilities	34	**691,579**	502,670
Loans from non-controlling shareholders	35	**315,650**	1,067
Payables and other liabilities	24	**4,970,507**	4,026,887
Income tax liabilities	8	**200,912**	138,270
Pension and post-employment benefits	23	**106,399**	108,726
Total current liabilities		**9,348,683**	5,143,768
Total liabilities		**27,942,303**	26,080,435
Total equity and liabilities		**46,982,395**	42,184,013

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

The consolidated financial statements were authorised for issue on 16 March 2023.

SULTAN AHMED BIN SULAYEM
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

YUVRAJ NARAYAN
GROUP DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to equity holders of the Company								
	Share capital and premium USD'000	Share-holders' 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	Total equity USD'000
Balance at 1 January 2021	4,132,655	2,000,000	8,691,836	(1,614,333)	(674,758)	12,535,400	1,476,686	1,388,423	15,400,509
Profit for the year	–	–	896,000	–	–	896,000	–	265,594	1,161,594
Other comprehensive income	–	–	–	(205,261)	81,606	(123,655)	–	(7,821)	(131,476)
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	–	–	(219,700)	–	–	(219,700)	–	–	(219,700)
Transactions with NCI, recognised directly in equity									
Dividends paid to NCI	–	–	–	–	–	–	–	(70,214)	(70,214)
Change in ownership of subsidiaries without loss of control	–	–	(6,303)	–	–	(6,303)	–	6,303	–
Contributions by NCI	–	–	–	–	–	–	–	11,045	11,045
NCI created on acquisition of subsidiaries	–	–	–	–	–	–	–	83,643	83,643
NCI put option arrangements recognised	–	–	(39,271)	–	–	(39,271)	–	–	(39,271)
Change in fair value of NCI put options	–	–	(2,552)	–	–	(2,552)	–	–	(2,552)
Hybrid equity instruments									
Distribution to hybrid equity instrument holders	–	–	(90,000)	–	–	(90,000)	–	–	(90,000)
Balance at 31 December 2021	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
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	**–**	**–**	**–**	**(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)**
Change 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 recognised	**–**	**–**	**(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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

	Note	2022 USD'000	2021 USD'000
Cash flows from operating activities			
Profit for the year		**1,627,860**	1,161,594
Adjustments for:			
Depreciation and amortisation	6	**1,979,979**	1,489,282
Impairment losses	6	**253,047**	107,842
Share of profit from equity-accounted investees (net of tax)	17	**(120,013)**	(65,940)
Finance costs	7	**1,108,381**	962,030
Gain on sale of property, plant and equipment		**(10,663)**	(22,852)
(Gain)/loss on disposal and change in ownership of equity accounted investees	9	**(193,353)**	9,908
Finance income	7	**(325,520)**	(202,397)
Income tax expense	8	**379,758**	183,976
Gross cash flows from operations		**4,699,476**	3,623,443
Changes in:			
Inventories		**(103,183)**	(25,799)
Receivables and other assets		**(472,321)**	(412,247)
Payables and other liabilities		**350,676**	514,993
Properties held for development and sale		**886**	122
Provisions, pensions and post-employment benefits		**(25,023)**	(8,679)
Cash generated from operating activities		**4,450,511**	3,691,833
Income taxes paid		**(413,122)**	(245,859)
Net cash from operating activities		**4,037,389**	3,445,974
Cash flows from investing activities			
Additions to property, plant and equipment	11	**(1,335,811)**	(1,092,024)
Additions to investment properties	13	**(120,881)**	(23,949)
Additions to intangible assets	14	**(258,338)**	(276,858)
Proceeds from disposal of property, plant and equipment		**47,213**	222,351
Proceeds from disposal of shares in subsidiary		**–**	3,350
Proceeds from disposal of equity accounted investment		**329,368**	–
Net cash outflow on acquisition of subsidiaries		**(850,977)**	(1,000,856)
Advance proceeds from sale of non-controlling interest in a subsidiary		**–**	204,481
Net cash outflow on acquisition of group of assets from related parties		**–**	(199,192)
Interest received		**94,269**	37,427
Dividends received from equity-accounted investees	17	**91,684**	122,600
Additional investment in equity-accounted investees	17	**(76,310)**	(94,027)
Loans (given to)/repaid by equity-accounted investees		**(15,630)**	10,418
Decrease/(increase) in restricted cash		**836,937**	(858,202)
Net cash used in investing activities		**(1,258,476)**	(2,944,481)
Cash flows from financing activities			
Repayment of loans and borrowings	33	**(1,782,616)**	(828,016)
Drawdown of loans and borrowings	33	**295,309**	2,742,542
Repayment of loan from non-controlling shareholders		**(181,793)**	(58,574)
Drawdown of loan from non-controlling shareholders		**1,243,218**	16,986
Distribution to hybrid equity instrument holders		**(90,000)**	(90,000)
Advance given to Parent Company		**(1,881,852)**	–
Payment of lease liabilities	34(a)	**(925,765)**	(539,098)
Interest paid		**(771,574)**	(678,114)
Dividends paid to the owners of the Company	10	**(4,628,400)**	(44,100)
Proceeds from monetisation activities		**6,537,002**	–
Net cash outflow on acquisition of additional interest in subsidiaries		**(14,614)**	–
Contribution by non-controlling interests		**13,584**	11,045
Dividend paid to non-controlling interests		**(245,764)**	(70,214)
Net cash (used in)/from financing activities		**(2,433,265)**	462,457
Net increase in cash and cash equivalents		**345,648**	963,950
Cash and cash equivalents at 1 January		**3,009,193**	2,091,766
Effect of exchange rate fluctuations on cash held		**(93,481)**	(46,523)
Cash and cash equivalents at 31 December	21	**3,261,360**	3,009,193

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

DP World Limited ("the Company", formerly DP World PLC) 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 for the year ended 31 December 2022 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 worldwide smart end-to-end supply chain logistics, 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 maritime and inland terminals to marine services and industrial parks as well as technology-driven customer solutions. These services are delivered through an interconnected global network of 300 business units in 75 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 Ultimate Parent Company"), holds 100% of the Company's issued and outstanding share capital.

The Company's registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

A) COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND 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 Companies Law.

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 numbers reported in these consolidated financial statements. The significant estimates and judgements are listed below:

i. Estimate of expected future cash flows and discount rates for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
ii. Estimate 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.
iii. Estimates of cost to complete the projects for the purpose of valuation of the properties held for development and sale and investment properties under construction.
iv. Estimate 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.
v. Estimate to measure expected credit losses for financial assets.
vi. Estimate required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rates used for computation of defined benefit liability.
vii. Judgement in calculating the appropriate discount rate and lease term.
viii. Judgement is required to determine whether a contract contains a lease or not.
ix. Judgement is required on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition.
x. Determination of useful life of property, plant and equipment & investment properties
xi. Determination of net realisable value of inventories
xii. Judgement is required in determining the worldwide provision for income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS 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.

Management has also reassessed significant judgements, estimates and assumptions due to the current economic uncertainties arising from the ongoing Russia-Ukraine war and concluded that there is no significant direct impact on the Group's operations or financial position.

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 AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods 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:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to 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.

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 on 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 a fair value through other comprehensive income (FVOCI) equity investment depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

A) BASIS OF CONSOLIDATION CONTINUED

V. NON-CONTROLLING INTERESTS

For each business combination, the Group elects to measure any 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 retain 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 the impairment losses 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

B) FOREIGN CURRENCY TRANSLATION CONTINUED

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 de-recognition 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

C) FINANCIAL INSTRUMENTS CONTINUED

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 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 a net investment in a foreign operation.

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 hedged item, including whether the changes in cash flows of the hedged item and 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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

C) FINANCIAL INSTRUMENTS CONTINUED

III. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING CONTINUED

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 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(l) (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.

Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes 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 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

D) PROPERTY, PLANT AND EQUIPMENT CONTINUED

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 property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is 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 property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

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.

F) LAND USE RIGHTS

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

G) 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(l)(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.

H) PORT CONCESSION RIGHTS AND OTHER INTANGIBLE ASSETS

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees).

I. PORT CONCESSION RIGHTS:

a. Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note *3(l)(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 assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

H) PORT CONCESSION RIGHTS AND OTHER INTANGIBLE ASSETS CONTINUED

I. PORT CONCESSION RIGHTS: CONTINUED

a. Port concession rights arising on business combinations continued

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 the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is 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.

b. Port concession rights arising on entering into concession contracts

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

The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions.

II. ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS (IFRIC 12)

The Group recognises 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 such as property, plant and equipment, existing infrastructure of the grantor, the infrastructure constructed or purchased by the Group as part of the service concession arrangement. Nine of the Group's seaport terminals in emerging markets are accounted as service concession arrangements.

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

Service concession assets also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 *'Service Concession Arrangements'*. These assets are amortised based on the lower of their useful lives or concession period.

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 are recognized at fair value in business combinations at the date of acquisition. Customer relationships are amortised on a straight-line basis over the useful economic life and assessed for impairment, whenever there is an indication for impairment. The amortisation period and amortisation method are reviewed at least once every financial year.

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

I) 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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

J) INVENTORIES

Inventories mainly consist of 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 merchandise. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

K) 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 statement of profit or loss in the period in which the condition that triggers those payments occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

K) 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.

L) IMPAIRMENT

I. NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed 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, the assets are grouped together into smallest group of assets (cash generating unit or 'CGU') that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed 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 cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing 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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

M) EMPLOYEE BENEFITS

I. PENSION AND POST-EMPLOYMENT BENEFITS

Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the Company pays the 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 the present value, and the fair value of any plan asset is deducted 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 comprise 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.

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.

N) 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.

O) 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

P) 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, maritime services, logistics services (contract logistics, market access, freight forwarding and freight management) 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, general cargo, and marine services) 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 constitute a separate distinct performance obligation. Revenue from container storage services is recognised over a period of storage days and are usually payable within 30 to 45 days.

For revenue recognition, 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.

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

These consists of contract logistics, market access and freight management services.

Contract logistics includes revenue from warehousing management, synchronisation 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 recognised 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.

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 capitalised 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.

Market access revenue 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 the third-party products. Revenue from market access is recognised at a point in time when the control over the product is transferred to the customer.

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 stage of completion method based on the services performed to date as a percentage of total services to be performed.

III. REVENUE FROM MARITIME SERVICES

Revenue represents the amounts derived from the operation of ferry services, voyage freight income, freight forwarding income, road transport services, warehousing revenue, marine charter revenue and income from mobilisation or demobilisation of marine vessels.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

P) REVENUE CONTINUED

III. REVENUE FROM MARITIME SERVICES CONTINUED

Revenue from ferrying tourists and ferry freight traffic is recognised on disembarkment of the relevant sailing. Road transport revenue is recognised at the point of delivery of the load.

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.

Freight forwarding revenue is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date.

Road transport services and warehousing revenue are recognized over a period of time as the performance obligation is satisfied, percentage completion method is used to determine the progress of asset being transferred to the customer.

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.

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

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

A lease rental is recognised on a straight-line basis over the lease term. Where the consideration for the lease is received 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 the control is transferred to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

Q) FINANCE INCOME AND COSTS

Finance income comprises interest income on cash and cash equivalents 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, 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.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3 (b)*(ii)*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

R) 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 realised.

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

S) 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 Company's Board of Directors ("Chief Operating Decision Maker") to assess performance.

T) 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 geographic areas as its basis of segmentation.

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

In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker.

The Group measures 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 Chief Operating Decision Maker 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.

The Group is reassessing its current operating segments to be more aligned to the Group's new focus on the following main pillars: Ports and Terminals, Logistics, Parks and Economic Zones and Marine Services. This will result in new reportable segments in the 2023 financial statements.

4. SEGMENT INFORMATION CONTINUED

The following table presents certain results, assets and liabilities information regarding the Group's segments.

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Revenue	2,598,881	1,920,817	2,928,841	2,215,346	11,599,526	6,641,825	–	–	17,127,248	10,777,988
Adjusted EBITDA	1,000,588	728,668	1,005,247	806,818	3,447,754	2,739,647	(439,461)	(447,576)	5,014,128	3,827,557
Finance income*	–	–	–	–	–	–	293,993	193,972	293,993	193,972
Finance costs*	–	–	–	–	–	–	(1,094,107)	(941,284)	(1,094,107)	(941,284)
Tax expense*	–	–	–	–	–	–	(394,974)	(237,682)	(394,974)	(237,682)
Depreciation and amortisation	(322,322)	(219,380)	(350,541)	(297,751)	(1,293,956)	(962,318)	(13,160)	(9,833)	(1,979,979)	(1,489,282)
Adjusted net profit/(loss) before separately disclosed items	678,266	509,288	654,706	509,067	2,153,798	1,777,329	(1,647,709)	(1,442,403)	1,839,061	1,353,281
Adjusted for separately disclosed items	16,648	(6,122)	(245,614)	(106,795)	(16,352)	(120,155)	34,117	41,385	(211,201)	(191,687)
Profit/(loss) for the year	694,914	503,166	409,092	402,272	2,137,446	1,657,174	(1,613,592)	(1,401,018)	1,627,860	1,161,594

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

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	
	2022 USD'000	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000
Segment assets	**5,355,745**	5,357,164	**9,390,372**	9,106,039	**31,934,368**	25,419,756	**24,439,758**	22,418,393	**(24,137,848)**	(20,117,339)	**46,982,395**	42,184,013
Segment liabilities	**1,205,536**	1,183,298	**3,426,450**	3,472,570	**15,157,766**	12,761,353	**20,300,429**	17,003,481	**(13,606,216)**	(9,585,709)	**26,483,965**	24,834,993
Tax liabilities*	**–**	–	**–**	–	**–**	–	**1,458,338**	1,245,442	**–**	–	**1,458,338**	1,245,442
Total liabilities	**1,205,536**	1,183,298	**3,426,450**	3,472,570	**15,157,766**	12,761,353	**21,758,767**	18,248,923	**(13,606,216)**	(9,585,709)	**27,942,303**	26,080,435
Capital expenditure	**162,747**	136,788	**445,858**	228,326	**1,104,010**	944,945	**2,415**	82,772	**–**	–	**1,715,030**	1,392,831
Share of profit of equity-accounted investees before separately disclosed items	**95,860**	92,279	**14,447**	7,293	**55,668**	52,445	**–**	–	**–**	–	**165,975**	152,017
Revenue from:												
Ports and terminals	**575,749**	577,191	**2,142,912**	1,907,267	**3,339,508**	3,058,475	**–**	–	**–**	–	**6,058,169**	5,542,933
Logistics services	**952,365**	761,280	**785,929**	308,079	**4,907,602**	622,563	**–**	–	**–**	–	**6,645,896**	1,691,922
Maritime services	**1,070,767**	582,346	**–**	–	**2,147,769**	1,868,171	**–**	–	**–**	–	**3,218,536**	2,450,517
Drydocking services	**–**	–	**–**	–	**533,548**	477,934	**–**	–	**–**	–	**533,548**	477,934
Lease rentals and services from economic zones	**–**	–	**–**	–	**657,367**	569,757	**–**	–	**–**	–	**657,367**	569,757
Sale of plots of land	**–**	–	**–**	–	**13,732**	44,925	**–**	–	**–**	–	**13,732**	44,925
Total revenue	**2,598,881**	1,920,817	**2,928,841**	2,215,346	**11,599,526**	6,641,825	**–**	–	**–**	–	**17,127,248**	10,777,988
Timing of revenue recognition												
At a point in time	**519,942**	543,166	**1,745,956**	1,748,709	**4,070,112**	2,897,167	**–**	–	**–**	–	**6,336,010**	5,189,042
Over time	**2,078,922**	1,377,651	**1,182,885**	466,637	**6,755,766**	3,062,374	**–**	–	**–**	–	**10,017,573**	4,906,662
Total revenue	**2,598,864**	1,920,817	**2,928,841**	2,215,346	**10,825,878**	5,959,541	**–**	–	**–**	–	**16,353,583**	10,095,704

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

4. SEGMENT INFORMATION CONTINUED

GEOGRAPHIC INFORMATION

	2022 USD'000	2021 USD'000
Revenue:		
UAE	**3,216,074**	3,049,208
Other countries	**13,911,174**	7,728,780
Total	**17,127,248**	10,777,988
*Non-current assets**		
UAE	**10,825,221**	10,880,620
Other countries	**25,772,590**	24,066,659
Total	**36,597,811**	34,947,279

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

5. REVENUE

	2022 USD'000	2021 USD'000
Revenue from contracts with customers		
Ports and terminals	**6,058,169**	5,542,932
Logistics services	**6,645,896**	1,691,922
Maritime services	**2,967,789**	2,228,926
Drydocking services	**533,548**	477,934
Parks and economic zones	**134,449**	109,065
Sale of plots of land	**13,732**	44,925
Total	**16,353,583**	10,095,704
Revenue from leasing activities		
Maritime services	**250,747**	221,592
Parks and economic zones	**522,918**	460,692
Total	**773,665**	682,284
Total revenue	**17,127,248**	10,777,988

For geographical segmentation and information on disaggregated revenue, refer to note 4.

19.8% (2021: 26.8%) of the Group's total revenue is derived from the top ten customers.

6. PROFIT FOR THE YEAR

	2022 USD'000	2021 USD'000
Profit for the year is stated after charging the following costs:		
Staff costs	**3,384,031**	2,137,381
Depreciation and amortisation	**1,979,979**	1,489,282
Impairment loss (refer to note 9)	**253,047**	107,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7. FINANCE INCOME AND COSTS

	2022 USD'000	2021 USD'000
Finance income		
Interest income*	227,217	153,824
Exchange gains	66,776	40,148
Finance income before separately disclosed items	293,993	193,972
Separately disclosed items (refer to note 9)	31,527	8,425
Finance income after separately disclosed items	325,520	202,397
Finance costs		
Interest expense on loans and borrowings**	(789,380)	(685,675)
Interest expense on lease liabilities	(204,130)	(186,816)
Exchange losses	(89,947)	(64,107)
Other net financing expense in respect of pension plans	(10,650)	(4,686)
Finance costs before separately disclosed items	(1,094,107)	(941,284)
Separately disclosed items (refer to note 9)	(14,274)	(20,746)
Finance costs after separately disclosed items	(1,108,381)	(962,030)
Net finance costs before separately disclosed items	(800,114)	(747,312)
Separately disclosed items	17,253	(12,321)
Net finance costs after separately disclosed items	(782,861)	(759,633)

* This includes interest income of USD 104,497 thousand (2021: USD 98,252 thousand) on loan given to Parent Company.
** This includes interest expense of USD 65,043 thousand (2021: USD 30,837 thousand) on loans from non-controlling shareholders.

8. INCOME TAX

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

	2022 USD'000	2021 USD'000
Current tax expense		
Current year	348,416	271,696
Change in estimates related to prior years	10,239	1,217
	358,655	272,913
Deferred tax expense/(credit)	21,103	(88,937)
Income tax expense	379,758	183,976
Share of income tax of equity-accounted investees	52,977	51,646
Total tax expense	432,735	235,622
Tax recognised in statement of other comprehensive income and retained earnings		
Current tax in OCI	4,583	832
Deferred tax in OCI	(14,712)	(17,834)
Total	(10,129)	(17,002)
Income tax balances included in the consolidated statement of financial position:		
Income tax receivable (included within accounts receivable and prepayments)	70,875	25,387
Income tax liabilities	200,912	138,270

8. INCOME TAX CONTINUED

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

		2022 USD'000	2021 USD'000
Net profit before tax		2,007,618	1,345,570
Tax at the Company's domestic rate of 0% (2021: 0%)		–	–
Effect of tax rates in foreign jurisdictions		373,492	280,720
Net tax losses incurred/(utilised), on which deferred tax is not recognised		21,010	(66,788)
Tax charge of equity-accounted investees		52,977	51,646
Effect of tax rate changes on deferred tax		330	74,982
Deferred tax in respect of fair value adjustments		(22,534)	(64,671)
Others		5,173	9,056
Tax expense before prior year adjustments		430,448	284,945
Change in estimates related to prior years:			
– current tax		10,239	1,217
– deferred tax		(7,952)	(50,540)
Total tax expense	(A)	432,735	235,622
Adjustment for separately disclosed items (refer to note 9)		15,216	53,706
Total tax expense from operations before separately disclosed items	(B)	447,951	289,328
Net profit before tax		2,007,618	1,345,570
Adjustment for share of income tax of equity-accounted investees		52,977	51,646
Adjusted profit before tax	(C)	2,060,595	1,397,216
Adjustment for separately disclosed items		226,417	245,393
Adjusted profit before tax and before separately disclosed items	(D)	2,287,012	1,642,609
Effective tax rate	(A/C)	21.00%	16.86%
Effective tax rate before separately disclosed items	(B/D)	19.59%	17.61%

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 (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for DPW UAE entities for accounting period beginning 1 January 2024.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold. The 0% rate will also apply to the qualifying income of Free Zone entities. There are several other provisions that are yet to be finalised by way of a Cabinet Decisions that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, it is considered that the law is not substantively enacted as at 31 December 2022 from the perspective of IAS 12 – Income Taxes.

The Group is currently monitoring the legislative developments in order to assess the possible impact on the consolidated financial statements of the Group and necessary disclosures will be published in the future accounting periods once the Law is substantively enacted.

PILLAR 2

In December 2021, the Organisation for Economic Cooperation and Development (OECD) released the Pillar 2 model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') that will apply to multinational groups with a consolidated turnover exceeding EUR 750 million. DP World Limited and its subsidiaries would be subject to GloBe rules.

The Group is closely monitoring developments in the jurisdictions it operates to understand the timing of implementation and will provide the necessary disclosures after further announcements (i.e. substantive enactment).

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. INCOME TAX CONTINUED

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:

Geographical segments	Applicable corporate tax rate
Asia Pacific and India	2.5% to 34.9%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 33.33%

Movement in temporary differences during the year:

	1 January 2022 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2022 USD'000
Deferred tax liabilities					
Property, plant and equipment	277,782	12,708	111,214	13,747	415,451
Interests in equity-accounted investees	28,423	14,520	-	(3,213)	39,730
Fair value of acquired intangibles	683,567	(24,163)	86,728	(76,915)	669,217
Financial instruments	6,870	(41,275)	(562)	37,695	2,728
Others	239,595	26,890	(11,668)	(26,945)	227,872
Total before set-off	1,236,237	(11,320)	185,712	(55,631)	1,354,998
Set-off of deferred tax asset against liabilities	(129,065)				(97,572)
Net deferred tax liabilities	1,107,172				1,257,426
Deferred tax assets					
Pension and post-employment benefits	28,151	(2,576)	10,571	991	37,137
Provisions	20,059	31	12,850	(2,700)	30,240
Tax value of losses carried forward recognised	196,004	(29,877)	59,072	(31,307)	193,892
Total before set-off	244,214	(32,422)	82,493	(33,016)	261,269
Set-off of deferred tax asset against liabilities	(129,065)				(97,572)
Net deferred tax assets	115,149				163,697

Deferred tax liabilities have been offset if certain criteria are met.

UNRECOGNISED TAX LOSSES

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where there is insufficient certainty as to their utilisation, either because they have not been agreed with tax authorities, or uncertainties of 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.

	2022			2021		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses – expire	84,941	16,519	2023-2028	76,546	12,896	2022 – 2027
	59,875	8,571	2029-2041	90,924	15,336	2028 – 2041
Trading losses – never expire	1,310,634	352,551		1,144,117	302,532	
Capital losses – never expire	261,868	67,032		278,423	53,944	

UNRECOGNISED TAX CREDITS AND OTHER TIMING DIFFERENCES

In addition to the above, the Group also carries forward USD 7,046 thousand of unrecognised tax credits and USD 138,766 thousand of deductible temporary differences. No deferred tax liability has been recognised in respect of undistributed earnings of the Group's subsidiaries.

9. SEPARATELY DISCLOSED ITEMS

	2022 USD'000	2021 USD'000
Cost of sales		
Impairment of property, plant and equipment	(53,500)	(92,240)
General and administrative expenses		
Restructuring costs	(67,084)	(2,497)
Acquisition costs	(25,570)	(26,748)
Impairment of assets	(199,547)	(15,602)
Pension costs	(39,464)	–
Remeasurements of contingent consideration	(5,896)	–
	(337,561)	(44,847)
Share of loss from equity-accounted investees	(45,962)	(86,077)
Gain/(loss) on disposal and change in ownership	193,353	(9,908)
Finance income		
Ineffective interest rate swap gain	4,859	8,425
Gain on early settlement of a financial liability at discount	26,668	–
	31,527	8,425
Finance costs		
Loss on termination of financial instruments and unamortised transaction costs	(7,812)	(14,163)
Loss on fair valuation of financial instruments	(6,462)	(6,583)
	(14,274)	(20,746)
Income tax	15,216	53,706
Total	(211,201)	(191,687)

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 due to under performance of assets (2021: USD 92,240 thousand in a subsidiary in the 'Middle East, Europe and Africa' region, mainly relating to port equipment due to change in the business model).

GENERAL AND ADMINISTRATIVE EXPENSES:

- **Restructuring costs** mainly relate to severance pay associated with redundancies in subsidiaries in 'Middle East, Europe and Africa' region (2021: mainly relate to severance pay associated with redundancies in a subsidiary in 'Australia and Americas' region).
- **Acquisition costs** amounting to USD 25,570 thousand represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group. (2021: USD 26,748 thousand).
- **Impairment of assets** mainly relates to impairment of a technology venture, accounted for as equity accounted investee, of USD 186,689 thousand in 'Australia and Americas' region based on management's decision to cease funding for the project and USD 12,858 thousand impairment mainly in subsidiaries in the 'Middle East, Europe and Africa' region (2021: USD 15,602 thousand in subsidiaries in the 'Middle East, Europe and Africa' region).
- **Pension costs** relates to additional benefits provided to scheme members covered under ill health early retirement in the 'Middle East, Europe and Africa' region (2021: Nil).
- **Remeasurements of contingent consideration** relates to change in fair value of contingent consideration relating to various business acquisitions in the 'Middle East, Europe and Africa'.

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

Gain/(loss) on disposal and change in ownership mainly relates to the 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 (2021: relates to the loss on sale of a subsidiary in the 'Australia and Americas' region).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9. SEPARATELY DISCLOSED ITEMS CONTINUED

GENERAL AND ADMINISTRATIVE EXPENSES: CONTINUED

Finance income:

- **Ineffective interest rate swap gain** relates to ineffective element of cashflow hedge in subsidiaries in the 'Asia Pacific and India' region and 'Middle East, Europe and Africa' region (2021: USD 8,425 thousand in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region).
- **Gain on early settlement of a financial liability at discount** in a subsidiary in the 'Asia Pacific and India' region (2021: Nil).

Finance costs:

- **Ineffective interest rate swap loss** of USD Nil (2021: Nil).
- **Loss on termination of financial instruments** of USD 7,812 thousand in the 'Middle East, Europe and Africa' region (2021: 14,163 thousand loss on termination of swaps and unamortised transaction costs written off on termination of loans in the 'Australia and Americas' region).
- **Loss on fair valuation of financial instruments** of USD 6,462 thousand in the 'Asia Pacific and India' region (2021: 6,583 thousand).

Income tax mainly relates to tax impact on above separately disclosed items (2021: mainly relates to deferred tax liability reversal arising from tax restructuring undertaken in a subsidiary in the 'Australia and Americas' region).

10. DIVIDENDS

	2022 USD'000	2021 USD'000
Dividend declared and paid		
Final ordinary dividend for 2021: USD 0.33 per share (2020: USD 0.05 per share)	275,800	44,100
Interim special dividend for 2022: USD 5.03 per share (2021: Nil)	4,177,000	–
Dividend declared but not paid		
Final ordinary dividend for 2021: Nil (2020: USD 0.21 per share)	–	175,600
	4,452,800	219,700
Proposed for approval at the annual general meeting		
(not recognised as a liability as at 31 December):		
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	–

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD'000	Plant and equipment USD'000	Vessels and transport fleet USD'000	Capital work-in-progress USD'000	Total USD'000
Cost					
As at 1 January 2021	6,775,290	7,171,625	2,280,169	1,210,834	17,437,918
Acquired through business combination	949	87,307	–	8,365	96,621
Additions	20,887	230,891	96,908	743,338	1,092,024
Transfers	255,314	490,386	11,055	(756,755)	–
Transfer to intangible assets (refer to note 14)	–	(14,225)	–	(103,860)	(118,085)
Transfer from investment properties (refer to note 13)	16,721	1,530	–	–	18,251
Transfer from right-of-use assets (refer to note 12)	487	–	–	–	487
Disposal of subsidiary	(2,716)	(5,732)	(7,916)	–	(16,364)
Disposals	(81,235)	(81,234)	(12,216)	(21,450)	(196,135)
Translation adjustments	(51,318)	(125,821)	(32,284)	(9,509)	(218,932)
As at 31 December 2021	6,934,379	7,754,727	2,335,716	1,070,963	18,095,785
As at 1 January 2022	**6,934,379**	**7,754,727**	**2,335,716**	**1,070,963**	**18,095,785**
Acquired through business combination	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)
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**
Accumulated depreciation and impairment					
As at 1 January 2021	1,484,464	2,747,577	135,224	7,000	4,374,265
Charges	189,012	433,263	182,710	–	804,985
Impairment loss	–	91,458	–	–	91,458
Transfer to intangible assets (refer to note 14)	–	(21,608)	–	–	(21,608)
Disposal of subsidiary	(524)	(3,717)	(4,183)	–	(8,424)
Disposals	(8,216)	(72,340)	(11,925)	–	(92,481)
Translation adjustments	(19,280)	(66,096)	(19,966)	–	(105,342)
As at 31 December 2021	1,645,456	3,108,537	281,860	7,000	5,042,853
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)
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**
Net book value					
At 31 December 2021	5,288,923	4,646,190	2,053,856	1,063,963	13,052,932
At 31 December 2022	**5,878,668**	**4,110,405**	**2,189,655**	**1,260,420**	**13,439,148**

At 31 December 2022, property, plant and equipment with a total carrying amount of USD 2,121,042 thousand (2021: USD 2,308,149 thousand) are pledged as security for bank loans (refer to note 33).

During 2022, depreciation of USD 739,586 thousand (2021: USD 671,442 thousand) was included in cost of sales and USD 137,769 thousand (2021: USD 133,543 thousand) was included in general and administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

12. RIGHT-OF-USE ASSETS

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

	Port concession rights USD'000	Plant equipment and vehicles USD'000	Vessels USD'000	Land and buildings USD'000	Total USD'000
Cost					
As at 1 January 2021	1,675,644	582,202	225,671	93,936	2,577,453
Acquired through business combinations	–	40,299	48,857	116,821	205,977
Additions	70,054	29,169	764,089	18,352	881,664
Lease modifications	(5,612)	552	854	4,613	407
Transfers	13,942	(3,895)	–	(10,047)	–
Transfers to property, plant and equipment (refer to note 11)	–	–	–	(487)	(487)
Derecognition	(221)	(21,241)	(8,215)	(1,889)	(31,566)
Translation adjustments	(42,524)	(2,335)	(11,992)	(6,152)	(63,003)
As at 31 December 2021	1,711,283	624,751	1,019,264	215,147	3,570,445
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	**3,680**	**(11,178)**	**–**	**(11,812)**	**(19,310)**
Transfers	**460**	**(645)**	**57**	**128**	**–**
Derecognition	**(445)**	**(15,130)**	**–**	**(86)**	**(15,661)**
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**
Depreciation					
As at 1 January 2021	100,509	40,513	130,159	18,958	290,139
Charges	69,744	34,972	219,971	16,786	341,473
Lease modifications	8,734	(1,338)	(166)	1,665	8,895
Derecognition	(221)	(20,311)	(8,215)	(1,889)	(30,636)
Translation adjustments	(4,135)	(862)	(75)	(1,036)	(6,108)
As at 31 December 2021	174,631	52,974	341,674	34,484	603,763
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	**–**	**(4,524)**	**–**	**2,150**	**(2,374)**
Derecognition	**(445)**	**(13,408)**	**–**	**(86)**	**(13,939)**
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**
Net book value					
At 31 December 2021	1,536,652	571,777	677,590	180,663	2,966,682
At 31 December 2022	**1,535,402**	**569,270**	**811,506**	**529,669**	**3,445,847**

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

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

	2022 USD'000	2021 USD'000
Amount recognised in consolidated statement of profit or loss		
Depreciation included in cost of sales	**653,502**	320,462
Depreciation included in general & administrative expenses	**45,454**	21,011
Interest on lease liabilities	**204,130**	187,425
Expense relating to short-term leases, leases of low value assets and variable leases	**315,258**	285,748
Amount recognised in consolidated statement of cash flows		
Lease payments made during the year (included under financing activities)	**925,765**	539,098

13. INVESTMENT PROPERTIES

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
Cost				
As at 1 January 2021	211,266	1,639,821	75,051	1,926,138
Additions	–	252	23,697	23,949
Acquisition of group of assets (i)	–	165,129	28,114	193,243
Transfers to property, plant and equipment (refer to note 11)	(16,721)	–	(1,530)	(18,251)
Transfers from under development	–	15,004	(15,004)	–
Disposals	(65)	(100,430)	–	(100,495)
Translation adjustments	(1,446)	1,277	(911)	(1,080)
As at 31 December 2021	193,034	1,721,053	109,417	2,023,504
As at 1 January 2022	**193,034**	**1,721,053**	**109,417**	**2,023,504**
Additions	**–**	**202**	**120,679**	**120,881**
Transfers from/(to) 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)**
Translation adjustments	**(1,299)**	**(1,973)**	**(186)**	**(3,458)**
As at 31 December 2022	**179,158**	**1,841,616**	**214,350**	**2,235,124**
Depreciation and impairment				
As at 1 January 2021	–	269,692	–	269,692
Depreciation charge	–	56,144	–	56,144
Disposals	–	(6,374)	–	(6,374)
Translation adjustments	–	1,240	–	1,240
As at 31 December 2021	–	320,702	–	320,702
As at 1 January 2022	**–**	**320,702**	**–**	**320,702**
Depreciation charge	**–**	**60,900**	**–**	**60,900**
Impairment loss	**–**	**–**	**6,607**	**6,607**
Transfers to property, plant and equipment (refer note 11)	**–**	**(21,273)**	**–**	**(21,273)**
Transfers	**–**	**6,607**	**(6,607)**	**–**
Disposals	**–**	**(542)**	**–**	**(542)**
Translation adjustments	**–**	**(1,084)**	**–**	**(1,084)**
As at 31 December 2022	**–**	**365,310**	**–**	**365,310**
Net book value				
As at 31 December 2021	193,034	1,400,351	109,417	1,702,802
As at 31 December 2022	**179,158**	**1,476,306**	**214,350**	**1,869,814**

(i) On 30 September 2021, the Group acquired a group of assets from a related party including certain completed and under construction buildings and infrastructure classified as investment properties (refer to note 28(a)).

(ii) Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 545,787 thousand (2021: USD 485,487 thousand) while associated costs related to these investment properties amounted to USD 57,264 thousand (2021: USD 57,323 thousand).

LAND

At 31 December 2022, the fair value of land was estimated to be USD 200,762 thousand (2021: USD 193,181 thousand) compared to the carrying value of USD 179,158 thousand (2021: USD 193,034 thousand).

BUILDINGS AND INFRASTRUCTURE

At 31 December 2022, the fair value of buildings and infrastructure was estimated to be USD 2,890,769 thousand (2021: USD 2,476,589 thousand) compared to the carrying value of USD 1,476,306 thousand (2021: USD 1,400,351 thousand).

During 2022, depreciation of USD 60,642 thousand (2021: USD 55,756 thousand) was included in cost of sales and USD 258 thousand (2021: USD 388 thousand) was included in general and administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. INVESTMENT PROPERTIES CONTINUED

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Investment properties under development mainly include infrastructure development, staff accommodation and office buildings in Jebel Ali Free Zone 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 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 1,500 per square metre per annum (2021: USD 10 to USD 1,000 per square metre per annum).
- Rent growth per annum in the range of 0% to 2% (2021: 0% to 1.5%).
- Historical and estimated long-term occupancy rate in the range of 71% to 91% (2021: 70% to 90%).
- Yields rates in the range of 6.5% to 13.75% per annum (2021: 6.5% to 13.5% per annum).

The fair value of investment properties is categorised under level 3 of 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.

14. INTANGIBLE ASSETS AND GOODWILL

	Goodwill USD'000	Land use rights USD'000	Port concession rights and other intangible assets USD'000	Service concession assets (IFRIC12)* USD'000	Customer relationships USD'000	Total USD'000
Cost						
As at 1 January 2021	2,928,823	2,683,563	6,148,460	1,337,810	266,265	13,364,921
Acquired through business combinations	731,799	–	10,024	–	562,411	1,304,234
Acquisition of group of assets#	–	–	13,615	–	–	13,615
Additions	–	–	7,509	292,631	–	300,140
Transfer from/(to) property, plant and equipment (refer to note 11)	–	76,631	(267,255)	308,709	–	118,085
Disposals	–	–	(28)	(7,286)	–	(7,314)
Disposal of subsidiary	(1,185)	–	–	–	–	(1,185)
Translation adjustments	(71,416)	(569)	(145,483)	(35,914)	(16,113)	(269,495)
As at 31 December 2021	3,588,021	2,759,625	5,766,842	1,895,950	812,563	14,823,001
As at 1 January 2022	**3,588,021**	**2,759,625**	**5,766,842**	**1,895,950**	**812,563**	**14,823,001**
Acquired through business combinations	**790,734**	–	**111,803**	–	**402,364**	**1,304,901**
Additions	–	**2,030**	**24,638**	**234,276**	–	**260,944**
Transfer from property, plant and equipment (refer to note 11)	–	–	**6,939**	**49,088**	–	**56,027**
Disposals	–	–	**(839)**	**(19,505)**	–	**(20,344)**
Translation adjustments	**(241,755)**	**(8,336)**	**(282,756)**	**(68,106)**	**(42,231)**	**(643,184)**
As at 31 December 2022	**4,137,000**	**2,753,319**	**5,626,627**	**2,091,703**	**1,172,696**	**15,781,345**
Amortisation and impairment						
As at 1 January 2021	–	169,171	1,416,576	511,682	54,004	2,151,433
Charges	–	31,069	127,483	84,010	23,166	265,728
Transfer (to)/from property, plant and equipment (refer to note 11)	–	–	(89,201)	110,809	–	21,608
Disposals	–	–	(26)	(5,564)	–	(5,590)
Translation adjustments	–	(12)	(37,421)	(17,297)	(2,593)	(57,323)
As at 31 December 2021	–	200,228	1,417,411	683,640	74,577	2,375,856
As at 1 January 2022	–	**200,228**	**1,417,411**	**683,640**	**74,577**	**2,375,856**
Charges	–	**30,905**	**134,660**	**90,965**	**86,238**	**342,768**
Impairment charge for the year	–	–	**638**	–	–	**638**
Transfer from property, plant and equipment (refer to note 11)	–	–	**5,951**	**10,387**	–	**16,338**
Disposals	–	–	**(839)**	**(19,467)**	–	**(20,306)**
Translation adjustments	–	**(275)**	**(67,884)**	**(36,959)**	**(9,515)**	**(114,633)**
As at 31 December 2022	–	**230,858**	**1,489,937**	**728,566**	**151,300**	**2,600,661**
Net book value:						
As at 31 December 2021	3,588,021	2,559,397	4,349,431	1,212,310	737,986	12,447,145
As at 31 December 2022	**4,137,000**	**2,522,461**	**4,136,690**	**1,363,137**	**1,021,396**	**13,180,684**

* Service concession asset include non-cash additions of USD 2,606 thousand (2021: USD 23,282 thousand) refer to note 34.

\# On 30 September 2021, the Group acquired a group of assets from a related party. This includes purchase of concession fee of USD 13,615 thousand (refer to note 28(a)).

During 2022, the amortisation of USD 331,595 thousand (2021: USD 261,287 thousand) was included in cost of sales and USD 11,173 thousand (2021: USD 4,441 thousand) was included in general and administrative expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

15. GOODWILL IMPAIRMENT TESTING

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have 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 by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life			
	2022 USD'000	2021 USD'000	**2022 USD'000**	2021 USD'000	Discount rates	Terminal value growth rate
CGUs aggregated by operating segment						
Asia Pacific and India	**457,502**	485,429	**–**	–	8.3% –11.5%	2.5%–4.5%
Australia and Americas	**1,331,694**	1,374,729	**137,171**	128,253	8.3% –21.4%	2.5%–3.0%
Middle East, Europe and Africa	**2,347,804**	1,727,863	**733,073**	843,063	7.9% – 22.0%	1.0%–4.5%
Total	**4,137,000**	3,588,021	**870,244**	971,316		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three-year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held 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 margins – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

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 10 years default free US treasury bonds adjusted for country-specific risks.

Cost inflation – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating which has been sourced from International Monetary Fund (IMF).

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 the management.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The calculation of value in use for the 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 of three years from the reporting date would not result in impairment. An increase of up to 0.20% in discount rate and decrease of up to 0.20% in terminal value growth rate would not result in impairment.

16. PROPERTIES HELD FOR DEVELOPMENT AND SALE

	2022 USD'000	2021 USD'000
As at 1 January	**117,135**	138,210
Cost of properties sold charged to profit or loss	**(2,800)**	(27,839)
Additions	**1,914**	6,764
As at 31 December	**116,249**	117,135

Properties held for development and sale consist of cost of land and related improvements in commercial precincts.

The Group has future commitments towards infrastructure development of USD 155,946 thousand (2021: USD 159,580 thousand) to be incurred over a period of 16 years in respect of these properties.

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

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	
	2022 USD'000	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000	**2022 USD'000**	2021 USD'000
Cash and cash equivalents	**569,680**	485,576	**84,052**	56,501	**284,844**	306,202	**938,576**	848,279
Other current assets	**345,911**	203,863	**84,633**	89,110	**267,155**	363,237	**697,699**	656,210
Non-current assets	**5,486,568**	6,054,496	**384,949**	375,602	**2,753,602**	3,774,586	**8,625,119**	10,204,684
Total assets	**6,402,159**	6,743,935	**553,634**	521,213	**3,305,601**	4,444,025	**10,261,394**	11,709,173
Current financial liabilities	**20,005**	19,099	**20,759**	22,009	**92,635**	112,408	**133,399**	153,516
Other current liabilities	**628,590**	356,047	**48,067**	47,445	**277,581**	360,496	**954,238**	763,988
Non-current financial liabilities	**715,787**	965,074	**148,535**	144,792	**1,333,647**	1,658,253	**2,197,969**	2,768,119
Other non-current liabilities	**262,524**	397,279	**35,675**	39,937	**279,923**	391,929	**578,122**	829,145
Total liabilities	**1,626,906**	1,737,499	**253,036**	254,183	**1,983,786**	2,523,086	**3,863,728**	4,514,768
Net assets (100%)	**4,775,253**	5,006,436	**300,598**	267,030	**1,321,815**	1,920,939	**6,397,666**	7,194,405
Group's share of net assets in equity-accounted investees							**1,788,833**	2,249,442
Revenue	**1,401,160**	1,314,370	**210,738**	158,646	**1,065,000**	1,115,126	**2,676,898**	2,588,142
Depreciation and amortisation	**(298,865)**	(304,693)	**(41,306)**	(34,092)	**(171,717)**	(187,901)	**(511,888)**	(526,686)
Other expenses	**(577,732)**	(514,475)	**(165,773)**	(183,185)	**(632,867)**	(660,287)	**(1,376,372)**	(1,357,947)
Finance cost	**(68,759)**	(78,930)	**(26,122)**	(24,341)	**(75,602)**	(81,161)	**(170,483)**	(184,432)
Finance income	**18,994**	12,318	**4,452**	1,473	**2,859**	1,967	**26,305**	15,758
Income tax expense	**(96,822)**	(92,651)	**(8,996)**	(10,926)	**(44,844)**	(40,151)	**(150,662)**	(143,728)
Net profit/(loss) (100%)	**377,976**	335,939	**(27,007)**	(92,425)	**142,829**	147,593	**493,798**	391,107
Group's share of profit (before separately disclosed items)	**95,860**	92,279	**14,448**	7,293	**55,667**	52,445	**165,975**	152,017
Group's share of dividends received							**91,684**	122,600
Group's share of other comprehensive income							**(136,524)**	(41,463)

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 3,717,826 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 (2021: The material equity-accounted investees included in 'Asia pacific and India region', individually had total assets of USD 3,782,083 thousand and USD 663,445 thousand, net assets of USD 2,762,811 thousand and USD 446,432 thousand, revenue of USD 872,259 thousand and USD 226,961 thousand and profit of USD 202,656 thousand and USD 46,520 thousand, respectively).

Included in "Middle East, Europe and Africa" is 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 profit of USD 11,968 thousand. (2021: Included in "Middle East, Europe and Africa" was an equity accounted investee having total assets of USD 1,125,364 thousand, net assets of USD 650,992 thousand, revenue of USD 169,802 thousand and profit of USD 6,897 thousand.)

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

	2022 USD'000	2021 USD'000
Interest in joint ventures	1,129,954	1,406,356
Interests in associates	658,879	843,086
Balance as at 31 December	1,788,833	2,249,442

	2022 USD'000	2021 USD'000
As at 1 January	2,249,442	2,253,538
Additional investments	76,310	94,027
Acquired through business combination	12,975	–
Disposals	(255,010)	–
Share of profit or loss (net of tax)	120,013	65,940
Dividends received	(91,684)	(122,600)
Impaired during the year (refer to note 9)	(186,689)	–
Share of other comprehensive income	(136,524)	(41,463)
As at 31 December	1,788,833	2,249,442

18. INVENTORIES

	2022 USD'000	2021 USD'000
Merchandise inventory and finished goods	284,917	4,216
Spare parts and consumables	257,541	199,372
Fuel	45,306	33,717
Total	587,764	237,305
Provision for obsolete and slow-moving items	(18,159)	(12,256)
Net inventories	569,605	225,049

In 2022, inventories of USD 1,971,415 thousand (2021: USD 405,526 thousand) were recognised as an expense during the year and recorded in the consolidated statement of profit or loss.

19. DUE FROM PARENT COMPANY

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Due from Parent Company (refer to note 28)	1,748,227	1,882,190	1,643,747	3,295

Current portion: During the year, the Group advanced USD 6,510,252 thousand to the Parent Company, Port & Free Zone World FZE, to repay its syndicated loan and interest obligations, out of this amount USD 4,628,400 thousand has been offset against dividend owed to the Parent company and balance of USD 1,881,852 thousand is expected to be offset before 30 June 2023 by declaration of dividend to the Parent Company.

Non-current portion: This consists of a loan advanced to the Parent Company in July 2020 of USD 1,500,000 thousand (plus accrued interest) for a period of 5.5 years at the interest rate of 6.125% per annum. This is expected to be offset before 30 June 2023 by declaration of dividend to the Parent Company.

20. RECEIVABLES AND OTHER ASSETS

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Trade receivables (net)	423,460	2,307,236	393,526	1,645,192
Advances paid to suppliers	1,958	181,508	39,994	95,130
Unbilled revenue	–	254,206	–	288,667
Deposits receivable	75,985	19,893	11,475	10,228
Defined benefit pension surplus (refer note 23)	5,033	–	–	–
Prepayments	39,789	423,112	13,028	301,232
Other receivables	448,634	829,134	314,718	431,488
Derivative financials instruments	41,562	48,132	8,098	–
Due from related parties	135,432	55,347	111,788	48,779
Asset held for sale (refer note (ii) below)	–	5,158	–	8,642
Total	1,171,853	4,123,726	892,627	2,829,358

(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 2,589 thousand (2021: Nil).

21. CASH AND CASH EQUIVALENTS

	2022 USD'000	2021 USD'000
Cash at banks and in hand	2,191,837	3,055,882
Short-term deposits	1,249,943	861,857
Cash and cash equivalents for consolidated statement of financial position	3,441,780	3,917,739
Restricted cash (refer note (ii) below)	(71,610)	(908,546)
Bank overdrafts repayable on demand and used for cash management purposes	(108,810)	–
Cash and cash equivalents for consolidated statement of cash flows	3,261,360	3,009,193

(i) Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

(ii) The restricted cash are placed to collateralise some of the borrowings of the Company's subsidiaries. The balance as at 31 December 2021 included USD 815,993 thousand placed under escrow account to settle the consideration for acquisition of Imperial Logistics Limited in 2022 (see note 26).

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:

	2022 USD'000	2021 USD'000
As at 1 January	213,833	191,395
Acquired through business combinations	–	904
Provisions	37,804	35,450
Payments	(16,325)	(17,149)
Actuarial (gain)/loss	(28,710)	3,587
Translation adjustments	(883)	(354)
As at 31 December	205,719	213,833

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations at 31 December 2022 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 3.50% (2021: 3.50% per annum) and a discount rate of 4.9% per annum (2021: 3.05% per annum).

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of those 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.

23. PENSION AND POST-EMPLOYMENT BENEFITS

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

The 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 PENSION SCHEME

This principal scheme is located in the UK (the 'P&O UK Scheme'). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accruals on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was as at 31 March 2022 on a market-related basis. The deficit on a statutory funding objectives basis was USD 42,182 thousand. For the Group, outstanding contributions from these valuations are payable as follows:

- From 1 January 2023 to 31 March 2025: USD 1,590 thousand per month.

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.

B) P&O FERRIES SCHEME

Formal actuarial valuations of the P&O Ferries Scheme are normally carried out triennially by qualified independent actuaries. The most recent actuarial valuation for the scheme was carried out as at 1 April 2020 using the projected unit method.

At this date, the market value of the P&O Ferries Scheme's assets was USD 238,389 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 307,205 thousand giving a deficit of USD 68,816 thousand and a funding ratio of 78%.

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

B) P&O FERRIES SCHEME CONTINUED

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

- From 2023 to 2029: USD 2,466 thousand per annum.
- 2030: USD 616 thousand.

C) MERCHANT NAVY OFFICERS' PENSION FUND ("MNOPF 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 MNOPF 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 MNOPF Scheme was carried out as at 31 March 2021. This resulted in a surplus of USD 69,902 thousand. As there were sufficient assets to cover the Fund's technical provisions at the valuation date, no new contributions were required.

Following earlier actuarial valuations in 2009, 2012, 2015 and 2018 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share.

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

- 2023: USD 616 thousand.

The Group's share of the net deficit of the MNOPF Scheme as at 31 December 2022 is estimated at 19.10%.

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 115,699 thousand. This deficit included an estimated sum of USD 84,364 thousand in respect of the expected settlement for the Ill-Health Early Retirement Court case, including the administration costs for the rectification. The Trustee Board believe their investment strategy will meet the shortfall deficit and did not request further contributions from Employers in respect of this valuation. The Court approved the settlement in the ill-health early retirement benefits case to proceed on 24 February 2022. Work to implement the rectification began soon thereafter and is expected to be completed by the end of 2023. In 2022, the Group has accounted for an additional liability of USD 39,464 thousand relating to potential additional benefits provided to scheme members covered under ill-health retirement. This has been treated as an employer's past service cost and included under SDI.

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

- 2023: USD 22,714 thousand*
- 2024: USD 18,493 thousand*

* The contributions due 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 sets 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 as at 31 December 2022 is estimated at 46.49%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. PENSION 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

	2022 USD'000	2021 USD'000
Non-current		
Defined benefit schemes net liabilities	238,333	248,271
Liability in respect of long service leave	3,916	4,800
Liability for other non-current deferred compensation	3,940	5,113
	246,189	258,184
Current		
Defined benefit schemes net liabilities	15,235	14,250
Liability for current deferred compensation	91,164	94,476
	106,399	108,726
Net liabilities	352,588	366,910
Reflected in the consolidated statement of financial position as follows:		
Employee benefits assets (included within non-current receivables (refer to note 20))	(5,033)	–
Employee benefits liabilities: Non-current	251,222	258,184
Employee benefits liabilities: Current	106,399	108,726
Net liabilities	352,588	366,910

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

	2022 USD'000	2021 USD'000
Defined benefit schemes	65,540	23,760
Defined contribution schemes	55,995	59,353
Other employee benefits	23,053	23,827
Total	144,588	106,940

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

	2022 USD'000	2021 USD'000
Actuarial gain recognised in the year	(1,079,845)	(228,244)
Return on plan assets lesser than the discount rate	1,047,561	87,453
Change of share in multi-employer scheme	(986)	573
Movement in the minimum funding liability	(13,441)	76,798
Total	(46,711)	(63,420)

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

ACTUARIAL VALUATIONS AND ASSUMPTIONS

The latest valuations of the defined benefit schemes have been updated to 31 December 2022 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 2022	P&O Ferries scheme 2022	MNOPF scheme 2022	MNRPF scheme 2022	Other schemes 2022	P&O UK scheme 2021	P&O Ferries scheme 2021	MNOPF scheme 2021	MNRPF scheme 2021	Other schemes 2021
Discount rates	4.80%	4.80%	4.85%	4.85%	4.00%	1.90%	1.90%	1.90%	1.90%	1.76%
Discount rates bulk annuity asset	4.90%	–	–	–	–	1.90%	–	–	–	–
Expected rates of salary increases	–*	–*	–*	–*	2.50%	–*	–*	–*	–*	2.50%
Pension increases:										
deferment	3.00%	3.00%	2.45%	2.45%	2.60%	3.00%	3.00%	2.60%	2.60%	2.07%
payment	3.00%	3.00%	3.00%	3.00%	1.30%	3.00%	2.90%	3.20%	3.20%	1.26%
Inflation	3.05%	3.00%	3.05%	3.05%	2.60%	3.30%	3.30%	3.30%	3.30%	2.08%

* 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
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
2021				
P&O UK scheme	22.9	24.5	25.2	26.9
P&O Ferries scheme	22.9	24.5	25.4	27.1
MNOPF scheme	21.9	24.1	24.0	26.2
MNRPF scheme	20.2	22.1	23.5	25.5

The weighted average duration of the defined benefit obligation as at 31 December 2022 was 11 years (2021: 13.2 years).

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23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

ACTUARIAL VALUATIONS AND ASSUMPTIONS 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 2022 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	11,929
0.1% increase in inflation assumption and related assumptions	6,140
0.25% p.a. increase in the long-term rate of mortality improvement	3,949

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 USD'000	P&O Ferries scheme USD'000	MNOPF scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes fair value USD'000
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	59,028	76,892	–	–	49,435	185,355
Value of insured pensioner liability	556,200	–	–	–	1,654	557,854
Total	**1,159,499**	**166,137**	**510,161**	**444,750**	**218,815**	**2,499,362**
2021						
Equities	187,976	94,660	165,154	97,094	64,778	609,662
Bonds	701,776	63,346	608,490	580,031	164,016	2,117,659
Other	120,321	168,183	–	–	95,062	383,566
Value of insured pensioner liability	875,869	–	–	–	2,451	878,320
Total	1,885,942	326,189	773,644	677,125	326,307	3,989,207

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

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2022 and 31 December 2021:

	P&O UK scheme 2022 USD'000	P&O Ferries scheme 2022 USD'000	MNOPF scheme 2022 USD'000	MNRPF scheme 2022 USD'000	Other schemes 2022 USD'000	Total group schemes 2022 USD'000	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOPF scheme 2021 USD'000	MNRPF scheme 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000
Present value of obligation at 1 January	(1,819,529)	(313,009)	(722,194)	(738,669)	(333,824)	(3,927,225)	(1,995,574)	(340,992)	(800,680)	(825,112)	(359,299)	(4,321,657)
Employer's interest cost	(30,821)	(5,425)	(12,082)	(12,452)	(6,634)	(67,414)	(24,608)	(4,265)	(9,905)	(10,180)	(4,600)	(53,558)
Employer's current service cost	–	–	–	–	(11,230)	(11,230)	–	–	–	–	(8,403)	(8,403)
Employer's past service cost*	–	–	–	(39,464)	–	(39,464)	–	–	–	–	–	–
Acquired through business combinations	–	–	–	–	(58,377)	(58,377)	–	–	–	–	(3,003)	(3,003)
Contributions by scheme participants	–	–	–	–	(1,269)	(1,269)	–	–	–	–	(1,501)	(1,501)
Effect of movement in exchange rates	183,282	31,248	73,661	75,271	29,537	392,999	18,371	3,179	7,224	7,340	9,347	45,461
Benefits paid	82,354	6,657	36,492	29,835	13,152	168,490	91,210	8,529	41,134	35,218	11,674	187,765
Experience gains/(losses) on scheme liabilities	(27,986)	(18,863)	(7,520)	10,602	(4,629)	(48,396)	–	4,540	4,402	11,418	(3,152)	17,208
Change in share in multi-employer scheme	–	–	(7,027)	–	–	(7,027)	–	–	–	–	(573)	(573)
Actuarial gains on scheme liabilities due to change in demographic assumptions	47,588	2,589	(8,013)	–	(2,606)	39,558	(1,376)	757	–	(9,080)	(1,358)	(11,057)
Actuarial gains on scheme liabilities due to change in financial assumptions	480,070	122,422	176,174	197,255	112,762	1,088,683	92,448	15,243	35,631	51,727	27,044	222,093
Present value of obligation at 31 December	(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)

* In 2022, this relates to additional benefits provided to scheme members covered under ill-health retirement (refer to note 9).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

Reconciliation of the opening and closing present value of scheme assets for the period ended 31 December 2022 and 31 December 2021:

	P&O UK scheme 2022 USD'000	P&O Ferries scheme 2022 USD'000	MNOPF scheme 2022 USD'000	MNRPF 2022 USD'000	Other schemes 2022 USD'000	Total group schemes 2022 USD'000	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOPF scheme 2021 USD'000	MNRPF scheme 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000
Fair value of scheme assets at 1 January	1,885,942	326,189	773,644	677,125	326,307	3,989,207	1,962,116	318,689	847,224	739,332	320,127	4,187,488
Interest income on assets	32,054	5,548	13,187	11,589	5,755	68,133	24,350	3,962	10,455	9,217	4,097	52,081
Return on plan assets (lesser)/greater than the discount rate	(502,015)	(127,969)	(168,402)	(147,941)	(101,234)	(1,047,561)	(12,794)	14,816	(49,663)	(43,885)	4,073	(87,453)
Acquired through business combinations	–	–	–	–	6,815	6,815	–	–	–	–	2,989	2,989
Contributions by employer	19,109	1,849	616	13,561	26,718	61,853	26,249	1,376	16,096	24,447	13,546	81,714
Contributions by scheme participants	–	–	–	–	1,269	1,269	–	–	–	–	1,501	1,501
Effect of movement in exchange rates	(190,771)	(32,207)	(78,930)	(69,770)	(33,353)	(405,031)	(19,880)	(3,602)	(7,821)	(6,863)	(7,825)	(45,991)
Benefits paid	(82,354)	(6,657)	(36,492)	(29,835)	(13,152)	(168,490)	(91,210)	(8,529)	(41,134)	(35,218)	(11,674)	(187,765)
Change in share in multi-employer scheme	–	–	8,013	–	–	8,013	–	–	–	–	–	–
Administration costs incurred during the year	(2,466)	(616)	(1,475)	(9,979)	(310)	(14,846)	(2,889)	(523)	(1,513)	(9,905)	(527)	(15,357)
Fair value of scheme assets at 31 December	1,159,499	166,137	510,161	444,750	218,815	2,499,362	1,885,942	326,189	773,644	677,125	326,307	3,989,207
Defined benefit schemes net liabilities	74,457	(8,244)	39,652	(32,872)	(44,303)	28,690	66,413	13,180	51,450	(61,544)	(7,517)	61,982
Minimum funding liability	(114,253)	–	(40,133)	(127,872)	–	(282,258)	(132,339)	–	(52,666)	(139,498)	–	(324,503)
Net liability recognised in the consolidated statement of financial position at 31 December	(39,796)	(8,244)	(481)	(160,744)	(44,303)	(253,568)	(65,926)	13,180	(1,216)	(201,042)	(7,517)	(262,521)

23. PENSION 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:

	2022 USD'000	2021 USD'000
Minimum funding liability as on 1 January	(324,503)	(248,799)
Employer's interest cost	(5,918)	(3,027)
Actuarial gain/(loss) during the year	13,441	(76,798)
Effect of movement in exchange rates	34,722	4,121
Minimum funding liability as on 31 December	(282,258)	(324,503)

It is anticipated that the Group will make the following contributions to the pension schemes in 2023:

	P&O UK scheme USD'000	P&O Ferries scheme USD'000	MNOPF scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Pension scheme contributions	19,084	2,466	616	22,714	1,826	46,706

24. PAYABLES AND OTHER LIABILITIES

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Trade payables	–	1,182,972	–	792,121
Deferred revenue	69,397	220,408	63,927	244,120
Advances and deposits from customers	849	347,637	1,333	567,792
Other payables and accruals	170,778	2,837,842	129,484	2,096,533
Provisions*	4,418	222,794	9,270	80,441
Fair value of derivative financial instruments	218,646	107,097	89,137	33,357
Amounts due to related parties (refer to note 28)	100,507	51,757	113,597	212,523
As at 31 December	564,595	4,970,507	406,748	4,026,887

* During the current year, additional provision of USD 337,495 thousand (2021: USD 74,962 thousand) was recognised and an amount of USD 199,994 thousand (2021: USD 78,937 thousand) was 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

25. NON-CONTROLLING INTERESTS

A) THE FOLLOWING TABLE SUMMARISES THE FINANCIAL INFORMATION FOR THE MATERIAL NCI OF THE GROUP:

	Middle East, Europe and Africa					
	UAE* 2022 USD'000	Other countries 2022 USD'000	Asia Pacific and India 2022 USD'000	Australia and Americas 2022 USD'000	Other non-material subsidiaries 2022 USD'000	Total 2022 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		
Carrying amount of 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, net of tax	1,151	(35,997)	(104,526)	8,309		
Total comprehensive income (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 attributable to NCI	369	(17,636)	(40,560)	5,287	(11,396)	(63,936)
Total comprehensive income attributable to NCI	137,114	(11,039)	84,922	122,611	2,988	336,596
Cash flow statement information:						
Cash flows from operating activities	762,751	9,971	705,554	576,724		
Cash flows used in investing activities	(74,811)	(6,233)	(127,772)	(184,299)		
Cash flows used in financing activities	(439,210)	(5,109)	(622,893)	(193,576)		
Dividends paid to NCI	–	(1,122)	(170,834)	(29,189)		

* Represents UAE businesses monetised during the current year (refer to note (b) below)

25. NON-CONTROLLING INTERESTS CONTINUED

A) THE FOLLOWING TABLE SUMMARISES THE FINANCIAL INFORMATION FOR THE MATERIAL NCI OF THE GROUP: CONTINUED

	Middle East, Europe and Africa					
	United Arab Emirates 2021 USD'000	Other countries 2021 USD'000	Asia Pacific and India 2021 USD'000	Australia and Americas 2021 USD'000	Other non-material subsidiaries 2021 USD'000	Total 2021 USD'000
Balance sheet information:						
Non-current assets	–	490,029	1,387,286	5,031,942		
Current assets	–	165,912	879,490	807,732		
Non-current liabilities	–	(198,773)	(338,378)	(4,312,690)		
Current liabilities	–	(37,192)	(553,607)	(598,394)		
Net assets (100%)	–	419,976	1,374,791	928,590		
Carrying amount of fair value adjustments excluding goodwill	–	172,319	343,917	660,302		
Total	–	592,295	1,718,708	1,588,892		
Carrying amount of NCI as at 31 December	–	183,200	611,581	771,067	111,125	1,676,973
Statement of profit or loss information:						
Revenue	–	150,483	1,543,519	1,423,335		
Profit after tax	–	45,467	269,270	266,350		
Other comprehensive income, net of tax	–	17,252	(89,412)	36,270		
Total comprehensive income (100%), net of tax	–	62,719	179,858	302,620		
Profit allocated to NCI	–	12,431	84,712	149,686	18,765	265,594
Other comprehensive income attributable to NCI	–	7,389	(31,633)	17,867	(1,444)	(7,821)
Total comprehensive income attributable to NCI	–	19,820	53,079	167,553	17,321	257,773
Cash flow statement information:						
Cash flows from operating activities	–	23,189	374,773	519,699		
Cash flows used in investing activities	–	(4,922)	(133,010)	(156,103)		
Cash flows used in financing activities	–	(23,284)	(79,187)	(155,407)		
Dividends paid to NCI	–	(8,510)	(27,248)	(862)		

B) MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Details regarding the major monetisation and transactions with NCI during the year is as below:

MONETISATION OF AFRICAN BUSINESSES

i) On 1 January 2022, the Group divested 30% equity interest, without loss of control, in DP World Dakar to Societe Nationale Du Port Autonome De Dakar (PAD).

ii) On 31 March 2022, the Group divested minority equity interest, without loss of control, in the following African businesses to British International Investment:
- 6% in DP World Dakar, Senegal
- 10% in DP World Sokhna, Egypt
- 6.5% in DP World Berbera, Somaliland

The Group received total cash consideration of USD 696,396 thousand including shareholder loan of USD 27,343 thousand (USD 206,567 thousand was received in 2021 as advance) against above monetisation of African businesses and recognised a gain of USD 390,016 thousand, net of transaction costs and taxes within equity.

MONETISATION OF UAE BUSINESSES

i) On 30 June 2022, the Group monetised a minority stake of 21.89% (Tranche 1), without loss of control, in three of its flagship UAE businesses, comprising:
a) Jebel Ali Port;
b) Jebel Ali Free Zone; and
c) National Industries Park.

The Group received total cash consideration of USD 5.036 billion from Caisse de dépôt et placement du Québec (CDPQ), including shareholder loan of USD 810,300 thousand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

25. NON-CONTROLLING INTERESTS CONTINUED

B) MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS CONTINUED

MONETISATION OF UAE BUSINESSES CONTINUED

ii) In addition to above, on 19 December 2022, Hassana Investment Company (Hassana), the investment manager for the General Organisation for Social Insurance (GOSI), invested in the above flagship UAE businesses in which it acquired a stake of approximately 10.2% (Tranche 2).

The Group received total cash consideration of USD 2.4 billion from Hassana, including a shareholder loan of USD 344,336 thousand.

GAIN ON MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group recognised within equity, a cumulative gain of USD 5,952,832 thousand, net of transaction costs, on the monetisation and other transactions with non-controlling interest during the year.

26. BUSINESS COMBINATIONS

ACQUISITION OF SIGNIFICANT SUBSIDIARIES

IMPERIAL LOGISTICS LIMITED

On 14 March 2022, the Group acquired 100% equity and voting interest in Imperial Logistics Limited (Imperial) for a purchase consideration of USD 815,993 thousand. Imperial is an integrated logistics and market access company with operations mainly across the African continent and in Europe.

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

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	425,163	425,163
Right-of-use asset	281,814	281,814
Intangible assets*	82,063	292,670
Interests in equity-accounted investees	12,975	12,975
Receivables and other assets***	660,523	660,523
Investments	15,054	15,054
Inventories	191,748	191,748
Deferred tax assets	74,999	74,999
Cash and cash equivalents	97,467	97,467
Liabilities		
Loans and borrowings	539,557	539,557
Lease liabilities	316,110	316,110
Payables and other liabilities	732,566	732,566
Current tax liabilities – net	7,159	7,159
Deferred tax liabilities*	36,011	99,056
Pension and end of service benefits	51,562	51,562
Net assets acquired	158,841	306,403
Less: non-controlling interest		(69,084)
Goodwill arising on acquisition**		578,674
Total fair value of net assets acquired		815,993
For cash flow statement:		
Cash paid		(815,993)
Cash acquired		97,467
Net cash outflow		(718,526)

* As part of purchase price allocation, the Group recognised customer relationships amounting to USD 175,500 thousand, distribution contracts amounting to USD 58,000 thousand and related deferred tax liabilities amounting to USD 63,045 thousand during the period.

** Goodwill recognised is attributable mainly to Imperial's strong logistics solutions capabilities in Africa and Europe, its exposure to fast-growing market of pharmaceutical, automotive and consumer products industry over the wider African region 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 on intangible assets.

*** The gross amount of trade receivable included in above is USD 528,169 thousand.

26. BUSINESS COMBINATIONS CONTINUED

ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

IMPERIAL LOGISTICS LIMITED CONTINUED

Acquisition related costs of USD 15,405 thousand (2021: USD 11,578 thousand) was incurred during the period and included in general and administrative expenses.

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

From the acquisition date, this business has contributed revenues of USD 3,599,518 thousand and profit of USD 25,100 thousand to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have increased by USD 4,319,421 thousand and consolidated profit for the year would have increased by USD 30,120 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 2022.

EUROFOS SRL

On 4 August 2022, as part of restructuring of Port Synergy business (PSP) in France, the Group acquired control in Eurofos SARL (Eurofos), (indirectly through subsidiary, FOS Holdco SAS), retaining its previously held equity interest at 50%. The Group and other shareholder in PSP agreed to revised terms whereby the Group obtained control over Eurofos and divested its entire equity interest in PortSynergy Project SAS.

Eurofos SARL operates marine terminals at Fos, France. Historically this terminal along with Le Havre terminal were managed jointly under PSP. Both the ports are geographically separated and have different users. Taking control of this port will enable the Group to have autonomy to implement strategy specific to this port to maximise its returns.

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

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	103,069	103,069
Port concession rights	547	94,284
Right-of-use asset	63,219	63,219
Other investments	2,370	2,370
Deferred tax assets	1,006	1,006
Inventories	4,080	4,080
Receivables and other assets	30,940	30,940
Cash and cash equivalents	29,561	29,561
Liabilities		
Loans and borrowings	(72,724)	(72,724)
Lease liabilities	(67,338)	(67,338)
Payables and other liabilities	(20,884)	(20,884)
Provision for employees' end of service benefits	(7,491)	(7,491)
Tax liabilities	(661)	(24,873)
Net assets acquired	65,694	135,219
Less: non-controlling interest recognised on acquisition		(67,609)
Goodwill arising on acquisition		46,775
Total fair value of net assets acquired		114,385
For cash flow statement:		
Fair value of previous existing interest		114,385

The goodwill is attributable mainly to the synergies expected to be achieved from autonomy to implement strategy specific to the port and integrating the company into the Group's existing business. The goodwill recognised is expected to be deductible for tax purposes.

The remeasurement to fair value of the Group's existing 50% interest in Eurofos to USD 114,385 thousand has resulted in a gain of USD 74,085 thousand being the excess of fair value over the carrying amount of the existing equity-accounted investment which was USD 35,482 thousand at the date of acquisition as well as recycling of the related negative foreign currency translation reserve of USD 4,818 thousand to the statement of profit or loss (refer to note 9). The fair value was arrived at using the income approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26. BUSINESS COMBINATIONS CONTINUED

ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

EUROFOS SRL CONTINUED

The Group has elected to measure the non-controlling interest in the acquiree at fair value including goodwill.

From the acquisition date, this acquisition has contributed revenues of USD 49,898 thousand and profit of USD 4,171 thousand to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have increased by USD 123,473 thousand and consolidated profit for the year would have increased by USD 11,654 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 2022. The gross amount of trade receivable of Eurofos SRL on acquisition date was USD 15,631 thousand.

AFRICA FMCG DISTRIBUTION LIMITED

Effective 1 August 2022, the Group acquired 51% shareholding in Africa FMCG Distribution Limited (AFMCG) for a consideration of USD 130,652 thousand, comprising cash of USD 77,454 thousand and contingent consideration of USD 53,198 thousand. AFMCG is a multi-faceted business, distributing products that positively impact the lives of consumers in Africa every day. The business offers a nationwide and best-in-class route-to-market solution across multiple channels in Nigeria. Its services also extend to co-manufacturing, co-packing, sourcing and value-added services in the fast-moving consumer goods (FMCG) sector.

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

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
Assets		
Property, plant and equipment	28,723	28,723
Intangible assets	–	88,989
Right-of-use asset	667	667
Inventories	53,783	53,783
Receivables and other assets	21,383	21,383
Cash and cash equivalents	26,677	26,677
Liabilities		
Loans and borrowings	2,534	2,534
Lease liabilities	389	389
Loan from non-controlling interest	4,114	4,114
Payables and other liabilities	106,988	106,988
Tax liabilities	653	27,349
Net assets acquired	16,555	78,848
Less: non-controlling interest recognised on acquisition		(38,635)
Goodwill arising on acquisition		90,439
Total fair value of net assets acquired		130,652
For cash flow statement:		
Cash paid for acquisition		(77,454)
Cash acquired on acquisition		26,677
Net cash paid on acquisition		(50,777)

The Goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

From the acquisition date, this business has contributed revenues of USD 157,844 thousand and profit of USD 1,278 thousand to the Group's results. If the acquisition had taken place at the beginning of the year, the consolidated revenue of the Group would have increased by USD 378,825 thousand and consolidated profit for the Group would have increased by USD 3,066 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 2022. The gross amount of trade receivable of AFMCG on the acquisition date was USD 13,869 thousand.

26. BUSINESS COMBINATIONS CONTINUED

ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

AFRICA FMCG DISTRIBUTION LIMITED CONTINUED

The Group has written a put option in favour of the seller for the reminder 49% equity interest. Of this, 25.5% is exercisable after six years and the balance of 23.5% is exercisable after 10 years from date of acquisition. The exercise price is determinable based on the shareholder agreement and will be settled in cash. The Group has recognised the present value of the put option liability amounting to USD 72,786 thousand on the acquisition date.

J&J GROUP

The Group acquired a 51% shareholding in the J&J Group (comprising of Lift Logistics Holdco and Greendoor Group Proprietary Limited) for USD 69,746 thousand, comprising cash of USD 62,733 thousand and contingent consideration of USD 7,013 thousand. The Group has recognised the fair value of identifiable net assets on acquisition date amounting to USD 34,150 thousand, non-controlling interest of USD 32,594 thousand and excess of consideration over the identifiable assets and non-controlling interest as goodwill amounting to USD 68,190 thousand. Further, the Group has a contractual arrangement with the seller to acquire the reminder 49% equity interest within two years from the acquisition date. In this regard, the Group has recognised a financial liability amounting to USD 59,230 thousand on the acquisition date.

J&J Group, which is headquartered in Mozambique and is the largest integrated logistics operator on Mozambique's Beira corridor, offers end-to-end logistics solutions along the Beira and North-South corridors, specialising in the transport of break-bulk, containerised, project, fuel and out-of-gauge cargo between Mozambique, Zimbabwe, Zambia, South Africa, Malawi and the Democratic Republic of the Congo. The transaction came into effect on 1 August 2022.

Net cash paid on acquisition (i.e. cash paid for acquisition less cash acquired on acquisition) amounted to USD 69,746 thousand.

From the acquisition date, this business has contributed revenues of USD 131,200 thousand and profit of USD 3,055 thousand to the Group's results. If the acquisition had taken place at the beginning of the year, the consolidated revenue of the Group would have increased by USD 314,851 thousand and consolidated profit for the Group would have increased by USD 7,333 thousand. The gross amount of trade receivables of J&J Group as on acquisition date was USD 89,631 thousand.

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	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited ("P&O SNCo")	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Jebel Ali Terminals and Free Zone Fzco (refer note (viii) and (ix) below)	67.9%	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
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DP World International Investment BV	55%	Netherlands	Holding company
DP World Australia BV	55%	Netherlands	Holding company
Ports International FZCO	90%	United Arab Emirates	Holding company
DP World Sokhna FZCO	90%	United Arab Emirates	Holding company
ENAF BV	90%	Netherlands	Holding company

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 MPL Servicos S.A.	100%	Angola	Multi-purpose terminal
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd (refer note (iii) and (x) below)	33.14%	Australia	Container terminal operations
Empresa Brasileira de Terminais Portuarious S.A.	100%	Brazil	Container terminal operations
Caucedo Investments Inc. (refer note (iv) below)	50%	British Virgin Islands	Container terminal operations
Caucedo Services Inc. (refer note (iv) below)	50%	British Virgin Islands	Container terminal operations
DP World (Canada) Inc. (refer note (ix) below)	55%	Canada	Container terminal operations
DP World Fraser Surrey Inc. (refer note (ix) below)	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) below)	55%	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Chile S.A. (refer note (ix) below)	54.89%	Chile	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	90%	Egypt	Container and general cargo terminal operations
DPWorld Posorja S.A.	85.25%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	85.02%	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
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A. (refer note (ix) below)	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
Doraleh Container Terminal S.A. (refer note (ii) & (v) below)	33.34%	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 SRL	100%	Romania	Container terminal operations
DP World Dakar SA (refer note (vii) below)	54%	Senegal	Container terminal operations
DP World Berbera	58.5%	Somaliland	Container and general cargo terminal operations
Pusan Newport Co., Ltd (refer note (ix))	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarımca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
DP World TIS-Pivdennyi	51%	Ukraine	Multi-purpose terminal
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
Jebel Ali Terminal FZE	67.9%	United Arab Emirates	Container terminal operations
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
Eurofos SARL (refer note (iv) & (vi) below)	50%	France	Container terminal operations

27. SIGNIFICANT GROUP ENTITIES CONTINUED

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) below)	60%	Belgium	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd (refer note (x) below)	29%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc (refer note (i) and (x) below)	50.54%	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

D) OTHER NON-PORT BUSINESS

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Topaz Energy and Marine Limited (ix)	100%	Bermuda	Charter of marine vessels and ship management
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
DP World Multimodal Logistics Private Limited (refer note (ix))	60.84%	India	Logistics, warehousing and transportation services
DP World Rail Logistics Private Limited (refer note (ix))	46.07%	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited (refer note (ix))	65.00%	India	Free trade warehousing zone
DP World Cold Chain Logistics Private Limited	59.29%	India	Cold chain logistics
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Base Marine Norway AS	51%	Norway	Charter of marine vessels and ship management
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 SRL	100%	Peru	Logistics and warehousing services
Port Secure FZCO (refer note (v) below)	40%	Republic of Djibouti	Port security services
DP World Novi Sad AD	100%	Republic of Serbia	Inland container terminal operations
Unico Logistics Co. Ltd (refer note (ix))	60%	South Korea	Freight forwarding and project cargo services

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
Imperial Logistics Limited (refer note (vi) below)	100%	South Africa	Freight management, contract logistics, freight forwarding and market access through its Subsidiaries, associates and joint ventures.
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
Swissterminal Holding AG	44%	Switzerland	Inland container terminal operations
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
DP World Logistics FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Dubai International Djibouti FZE (refer note (v) below)	100%	United Arab Emirates	Port management and operation
Drydocks World LLC	100%	United Arab Emirates	Ship building, repairs and docking 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
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
Hyperloop Technologies, Inc. (refer note (i) below)	80.02%	United States of America	Development of hyperloop transportation system
Syncreon Newco B.V.	100%	United States of America	Specialised logistics and supply chain solution

(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 only 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 only 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) Businesses acquired during the year; refer to note 26 for details.
(vii) The Group has received advance proceeds from sale of non-controlling interest in this entity. Change in shareholding was effective on transfer of shares, which was completed in 2022.
(viii) This entity incorporated during the year to facilitate monetisation of UAE businesses (refer to note 25).
(ix) The group has significant non-controlling interests in these subsidiaries.
(x) These represents material equity accounted investees of the Group.

28. RELATED PARTY TRANSACTIONS

OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties included in the consolidated financial statements are as follows:

	2022 – USD'000				2021 – USD'000			
	Parent Company	**Equity-accounted investees**	**Other related parties**	**Total**	Parent Company	Equity-accounted investees	Other related parties	Total
Expenses charged:								
Concession fee	–	–	7,953	7,953	–	–	8,369	8,369
Shared services	–	–	40	40	–	–	205	205
Marine service fees	–	–	14,146	14,146	–	–	12,024	12,024
IT services fee	–	–	12	12	–	–	66	66
Other services	–	–	8,438	8,438	–	–	1,234	1,234
Interest expense	–	–	51,346	51,346	–	–	51,331	51,331
Revenue earned:								
Revenue	–	–	9,035	9,035	–	–	10,020	10,020
Management fee	–	27,300	–	27,300	–	12,538	15,987	28,525
Interest income	104,496	4,520	–	109,016	98,252	3,322	–	101,574

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

	Due from related parties		Due to related parties	
	2022 USD'000	2021 USD'000	**2022 USD'000**	2021 USD'000
Ultimate Parent Company	2,347	2,393	582	1,498
Parent Company (refer to note (b) below	3,630,417	1,647,042	–	178,551
Equity-accounted investees	157,774	136,625	9,750	2,593
Other related parties	30,658	21,549	141,932	143,478
Total	3,821,196	1,807,609	152,264	326,120

(a) On 30 September 2021, the Group acquired a group of assets National Industries Park, the Al Aweer Free Zone for Cars and Dubai Textile City from Ports, Customs and Free Zone Corporation, a related party, for a gross consideration of USD 356,979 thousand and paid upfront consideration of USD 204,664 thousand. The deferred consideration of USD 152,315 thousand will be paid in equal instalments over nine years.

(b) During the year, the Group advanced USD 6,510,590 thousand to the Parent Company, Port & Free Zone World FZE, to repay its syndicated loan and interest obligations. Out of this amount USD 4,628,400 thousand has been offset against dividend owed to the Parent company and the remaining balance of USD 1,882,190 thousand is expected to be offset against declaration of dividend to the Parent Company before 30 June 2023. The remaining amount of USD 1,748,227 thousand is also expected to be offset against declaration of dividend to the Parent Company before 30 June 2023 (refer to note 19).

(c) 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 directors and other key members of the management during the year were as follows:

	2022 USD'000	2021 USD'000
Short-term benefits and bonus	18,458	17,301
Post-retirement benefits	436	465
Total	18,894	17,766

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 risk.

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 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 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 Audit 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 2022 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.

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, throughout the Group, 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.

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

A) CREDIT RISK CONTINUED

Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries or parent, 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:

	2022 USD'000	2021 USD'000
Other investments	40,742	20,911
Receivables and other assets excluding prepayments	8,062,360	4,781,978
Cash and cash equivalents	3,441,780	3,917,739
Total	11,544,882	8,720,628

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

	2022 USD'000	2021 USD'000
Asia Pacific and India	339,651	330,884
Australia and Americas	506,939	445,829
Middle East, Europe and Africa	1,460,646	868,479
Total	2,307,236	1,645,192

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

	2022 USD'000	2021 USD'000
Neither past due nor impaired on the reporting date:	1,621,712	894,298
Past due on the reporting date		
Past due 0-30 days	335,843	408,579
Past due 31-60 days	98,427	152,880
Past due 61-90 days	53,141	65,585
Past due > 90 days	198,113	123,850
Total	2,307,236	1,645,192

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:

	2022 USD'000	2021 USD'000
As at 1 January	200,674	170,106
Acquired through business combinations	30,566	2,262
Provision recognised during the year	81,184	28,306
As at 31 December	312,424	200,674

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 22.7% (2021: 33.5%) of the trade receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

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 they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

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

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1–2 years USD'000	2–5 years USD'000	More than 5 years 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 shareholders	**1,783,376**	**(2,260,589)**	**(432,456)**	**(480,855)**	**(572,011)**	**(775,267)**
Lease and service concession liabilities	**4,369,517**	**(10,614,297)**	**(688,024)**	**(686,292)**	**(1,049,008)**	**(8,190,973)**
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)**

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1–2 years USD'000	2–5 years USD'000	More than 5 years USD'000
Non-derivative financial liabilities						2021
Issued bonds	8,550,470	(14,372,493)	(415,521)	(1,590,533)	(1,957,061)	(10,409,378)
Bank loans	6,650,619	(7,951,354)	(520,772)	(2,671,313)	(1,987,309)	(2,771,960)
Loans from non-controlling shareholders	740,691	(1,043,918)	(31,209)	(31,264)	(106,881)	(874,564)
Lease and service concession liabilities	3,878,835	(10,561,301)	(500,315)	(431,483)	(1,133,714)	(8,495,789)
Payables and other liabilities	3,533,370	(3,568,600)	(3,288,830)	(94,664)	(84,942)	(100,164)
Derivative financial liabilities						
Derivative instruments	122,494	(184,618)	(52,987)	(38,329)	(88,016)	(5,286)
Total	23,476,479	(37,682,284)	(4,809,634)	(4,857,586)	(5,357,923)	(22,657,141)

As at 31 December 2022, the Group has net current liabilities amounting to USD 1,097,323 thousand excluding due from the Parent Company of USD 1,882,190 thousand. Subsequent to the year end, the repayment date of a revolving facility amounting to USD 800,100 thousand, which was due be repaid in 2023, has been extended to 2028 (refer to note 33). In addition, included within current liabilities are advance from customer amounting to USD 347,637 thousand and deferred revenue amounting to USD 220,408 thousand which will not be settled in cash. Based on above, the Group's management believe that the Group will meet its liquidity requirement as and when it falls due during next twelve months from the reporting date.

Also, refer to note 38 for further details on financial guarantees and letters of credit.

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW 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 return.

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 65% (2021: 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 at each year end rate. 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. 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.

Exposure to currency risk

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

	USD* USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	KRW USD'000	Others USD'000	2021 Total USD'000
Cash and cash equivalents	2,669,938	335,728	305,542	110,018	105,010	66,408	180,016	145,079	3,917,739
Trade receivables	1,427,324	217,996	151,600	59,253	51,787	67,282	34,625	28,851	2,038,718
Unbilled revenue	233,943	30,784	7,719	–	11,123	3,489	853	756	288,667
Deposits receivable	9,337	–	2,245	–	5,375	2,210	1,762	774	21,703
Bank loans	(4,516,049)	(1,001,079)	(42,254)	(320,397)	(121,275)	(415,625)	–	(233,940)	(6,650,619)
Loan from non-controlling shareholders	(35,969)	–	(18,322)	(490,744)	(67)	(195,589)	–	–	(740,691)
Unsecured bonds	(7,237,692)	(467,725)	(845,053)	–	–	–	–	–	(8,550,470)
Lease and service concession liabilities	(2,116,335)	(503,600)	(358,404)	(546,969)	(27,121)	(248,526)	(38,581)	(39,299)	(3,878,835)
Trade payables	(410,847)	(168,236)	(129,970)	(11,623)	(27,669)	(15,442)	(2,483)	(25,851)	(792,121)
Advances and deposits from customers	(558,091)	–	–	–	(9,356)	–	–	(1,678)	(569,125)
Net consolidated statement of financial position exposures	(10,534,441)	(1,556,132)	(926,897)	(1,200,462)	(12,193)	(735,793)	176,192	(125,308)	(14,915,034)

* 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

C) MARKET RISK CONTINUED

i. Currency risk continued

***Exposure to currency risk** continued*

	USD* USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	KRW USD'000	Others USD'000	2022 Total USD'000
Cash and cash equivalents	1,857,056	261,528	507,641	72,157	109,910	145,915	172,253	315,320	3,441,780
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)	(5,777,262)
Loan from non-controlling shareholders	(1,210,431)	–	(27,081)	(352,594)	–	(183,535)	–	(9,735)	(1,783,376)
Unsecured bonds	(7,242,689)	(417,467)	(795,212)	–	–	–	–	–	(8,455,368)
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.

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	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
GBP	(4,718)	(5,614)	(159,694)	(172,904)
EUR	(202)	(137)	(112,923)	(102,989)
AUD	(2,359)	(3,045)	(114,025)	(133,385)
INR	(1,159)	(929)	(1,979)	(1,516)
CAD	(2,646)	(975)	(74,636)	(81,755)
KRW	229	(165)	20,183	19,577

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 2022, after taking into account the effect of interest rate swaps, approximately 88% (2021:84%) of the Group's borrowings are at a fixed rate of interest.

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

C) MARKET RISK CONTINUED

ii. Interest rate risk continued

Interest rate profile

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

	Carrying amounts	
	2022 USD'000	2021 USD'000
Fixed rate instruments		
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(16,244,104)	(14,687,490)
Effect of interest rate swaps	(1,655,158)	(2,175,357)
Total	(17,899,262)	(16,862,847)
Variable rate instruments		
Financial assets (includes short-term deposits and deposits under lien)	1,249,943	1,770,403
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(4,141,419)	(5,133,125)
Effect of interest rate swaps	1,655,158	2,175,358
Total	(1,236,318)	(1,187,364)

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) 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 USD'000	100 bp decrease USD'000	100 bp increase USD'000	100 bp decrease USD'000
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)
2021				
Variable rate instruments	(11,874)	11,874	–	–
Interest rate swaps	(300)	300	21,454	(21,454)
Cash flow sensitivity (net)	(12,174)	12,174	21,454	(21,454)

D) FAIR VALUE

Fair value versus carrying amount

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

	Fair value hierarchy	2022 Carrying amount USD'000	2022 Fair value USD'000	2021 Carrying amount USD'000	2021 Fair value USD'000
Financials assets carried at fair value					
FVOCI – equity instruments	2	21,075	21,075	20,911	20,911
FVTPL investments	3	19,667	19,667	–	–
Derivative financial instruments	2	89,695	89,695	–	–
Financials assets carried at amortised cost					
Receivables and other assets**		8,062,360	8,062,360	4,781,978	4,781,978
Cash and cash equivalents*		3,441,780	3,441,780	3,917,739	3,917,739
Financial liabilities carried at fair value					
Derivative instruments	2	(325,743)	(325,743)	(164,317)	(164,317)
Financial liabilities carried at amortised cost					
Issued bonds	1	(8,455,368)	(8,206,878)	(8,550,470)	(9,703,460)
Bank loans*		(5,777,262)	(5,777,262)	(6,650,619)	(6,650,619)
Loans from non-controlling shareholders*		(1,783,376)	(1,783,376)	(740,691)	(740,691)
Lease and service concession liabilities*		(4,369,517)	(4,369,517)	(3,878,835)	(3,878,835)
Payables and other liabilities**		(4,555,907)	(4,555,907)	(3,491,547)	(3,491,547)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29. FINANCIAL RISK MANAGEMENT CONTINUED

OVERVIEW CONTINUED

D) FAIR VALUE CONTINUED

Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

* These financial assets and liabilities carry a market rate of interest and hence, the fair values reported approximate carrying values.
** These financial assets and liabilities have short-term maturity and thus, the fair values reported approximate carrying values.

The fair value of derivative instrument is valued 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 value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date.

The fair values of the level 3 financial instruments were estimated by applying an income approach valuation method including a present value discount technique. The fair value 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, were available, are based on historical performances but adjusted for expected growth.

The fair value for quoted bonds is based on their market price (including accrued interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates, therefore, the carrying value normally equates to the fair value.

30. SHARE CAPITAL

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

	2022 USD'000	2021 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. The 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.

31. RESERVES CONTINUED

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 USD'000	Actuarial reserve USD'000	Total other reserves USD'000
Balance at 1 January 2021	(52,795)	(621,963)	(674,758)
Other comprehensive income, net of tax	27,839	53,767	81,606
Balance at 31 December 2021	(24,956)	(568,196)	(593,152)
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)

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.

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 accordingly, these are accounted at net of transaction costs and discount of USD 23,314 thousand on their initial recognition.

33. LOANS AND BORROWINGS

	2022 USD'000	2021 USD'000
Issued bonds	8,455,368	8,550,470
Bank loans	5,668,452	6,650,619
Bank overdrafts	108,810	–
	14,232,630	15,201,089
of which:		
Classified as non-current	11,168,994	14,834,941
Classified as current	3,063,636	366,148
of which:		
Secured loans and borrowings	3,446,502	3,502,056
Unsecured loans and borrowings	10,786,128	11,699,033

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

33. LOANS AND BORROWINGS CONTINUED

The below table provides movement of loans and borrowings:

	2022 USD'000	2021 USD'000
Balance at 1 January	15,201,089	13,115,355
Cash flow items		
Drawdown of borrowings	295,309	2,742,542
Repayment of borrowings	(1,782,616)	(828,016)
Other non-cash items		
Acquired through business combinations*	755,256	281,427
Disposal of subsidiary	–	(2,857)
Transaction cost written off/amortised during the year	12,314	22,402
Net movement in overdrafts	39,651	–
Translation adjustments	(288,373)	(129,764)
Balance at 31 December	14,232,630	15,201,089

* This includes USD 69,159 thousand of overdraft taken over on acquisition.

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 10.9%.

* On 1 June 2021, the Group had drawn USD 1.1 billion from the facility acceded from the Parent Company. During the current year, the Group has fully settled the outstanding balance against this facility.

At 31 December 2022, the undrawn committed borrowing facilities of USD 2.0 billion (2021: USD 1.5 billion) were available to the Group, in respect of which all conditions precedent had been met.

The maturity profile of the Group's loans and borrowings (including acquired from business combinations) as of 31 December 2022 is as below:

Year of maturity	Bonds USD'000	Loans and overdrafts USD'000	Total USD'000
2023*#	1,199,063	1,864,573	3,063,636
2024*	–	450,531	450,531
2025	–	694,921	694,921
2026	795,212	595,811	1,391,023
2027	7,981	316,133	324,114
2028	995,004	237,574	1,232,578
2029	988,262	117,467	1,105,729
2030	914,365	141,858	1,056,223
2031*	–	128,840	128,840
2032	–	374,916	374,916
2033-37	1,741,219	379,880	2,121,099
2038-47	–	474,758	474,758
2048-49	1,814,262	–	1,814,262
Total	8,455,368	5,777,262	14,232,630

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.

* This includes loans and borrowings acquired through business combinations.
\# Loans and overdrafts include revolver facility amounting to USD 800,100 thousand. Subsequent to year end, the repayment date of this facility has been extended to 2028.

33. LOANS AND BORROWINGS CONTINUED

In March 2021, the ICE Benchmark Administration (the administrator of LIBOR), in conjunction with the UK's Financial Conduct Authority (FCA) announced that it will stop publishing the LIBOR settings (excluding USD LIBOR) after 31 December 2021. USD LIBOR settings will cease to be published based on panel bank submissions after 30 June 2023. The Group is in process IBOR transition and have applied the Phase 2 exemptions. For the derivative instruments, new benchmark rates are concluded as economically equivalent compared to old benchmark rate. The hedges are effective as there is no uncertainty attached to cashflow for both hedge item and hedge instrument and hedge is continued to be effective under the Phase 2 of the IBOR reforms issued by IASB.

34. LEASE AND SERVICE CONCESSION LIABILITIES

A GROUP AS A LESSEE/CONCESSIONAIRE

	Lease liabilities (IFRS 16) 2022 USD'000	Service concession liabilities (IFRIC 12) 2022 USD'000	Total 2022 USD'000	Lease liabilities (IFRS 16) 2021 USD'000	Service concession liabilities (IFRIC 12) 2021 USD'000	Total 2021 USD'000
At 1 January	3,384,036	494,799	3,878,835	2,709,050	455,392	3,164,442
Acquired through business combination	384,676	–	384,676	211,232	–	211,232
Additions	992,743	2,606	995,349	881,664	23,282	904,946
Payments	(881,282)	(44,483)	(925,765)	(501,746)	(37,352)	(539,098)
Interest expense	164,863	39,267	204,130	150,727	36,698	187,425
Lease modifications	(18,800)	(666)	(19,466)	(1,019)	–	(1,019)
Reclassification from other liabilities	–	24,299	24,299	–	20,454	20,454
Translation adjustments	(169,051)	(3,490)	(172,541)	(65,872)	(3,675)	(69,547)
As at 31 December	3,857,185	512,332	4,369,517	3,384,036	494,799	3,878,835
Classified as:						
Non-current	3,202,581	475,357	3,677,938	2,887,712	488,453	3,376,165
Current	654,604	36,975	691,579	496,324	6,346	502,670
Total	3,857,185	512,332	4,369,517	3,384,036	494,799	3,878,835

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:

	2022 USD'000	2021 USD'000
Within one year	589,766	606,533
Between one to five years	1,239,212	1,288,819
More than five years	1,693,794	1,397,500
Total	3,522,772	3,292,852

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, vessels and certain 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

35. LOANS FROM NON-CONTROLLING SHAREHOLDERS

	2022 USD'000	2021 USD'000
Non-current portion	1,467,726	739,624
Current portion	315,650	1,067
Total	1,783,376	740,691

These loans carry interest rates ranging between 0% to 10.6% (2021: 2% to 8.5% per annum) and are repayable between 2023 and 2039.

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 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	
		2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Total loans and borrowings excluding bank overdrafts (refer to note 33)		14,123,820	15,201,089	14,123,820	15,201,089
Add: lease and concession liabilities (refer to note 34)		–	–	4,369,517	3,878,835
Less: Cash and cash equivalents for consolidated statement of cash flows (refer to note 21)		(3,261,360)	(3,009,193)	(3,261,360)	(3,009,193)
Total adjusted net debt	A	10,862,460	12,191,896	15,231,977	16,070,731
Equity	B	19,040,092	16,103,578	19,040,092	16,103,578
Adjusted EBITDA		5,014,128	3,827,557	5,014,128	3,827,557
Less: leases and concession fee expense		(925,765)	(539,098)	–	–
Total	C	4,088,363	3,288,459	5,014,128	3,827,557
Adjusted net debt/adjusted equity	A/B	0.57	0.76	0.80	1.00
Adjusted net debt/adjusted EBITDA	A/C	2.66	3.71	3.04	4.20

37. CAPITAL COMMITMENTS

	2022 USD'000	2021 USD'000
Estimated capital expenditure contracted	1,326,523	1,222,103
Estimated capital expenditure contracted by equity-accounted investees	90,137	99,160
Total	1,416,660	1,321,263

38. CONTINGENCIES

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

	2022 USD'000	2021 USD'000
Performance guarantees	175,127	149,785
Payment guarantees	146,763	74,233
Letters of credit	24,316	28,141
Guarantees issued on behalf of equity-accounted investees	30,603	39,379
Guarantees given on behalf of Parent company's external debt*	–	6,400,000
Total	376,809	6,691,538

* On 17 February 2020, the Group's Parent Company entered into USD 9 billion syndicated loan facilities (three to five years tenor) which were guaranteed by the Group. USD 7.9 billion was drawn down by the Parent Company and the remaining USD 1.1 billion facility was acceded by the Group on 22 July 2020, which was drawn down on 1 June 2021. On 7 July 2020, USD 1.5 billion was repaid by the Parent Company under the syndicated loan facilities, reducing its debt to USD 6.4 billion. During 2022, the remaining USD 6.4 billion was repaid thereby extinguishing the guarantee that had been issued by the Group.

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. EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date that require disclosure for the purposes of these consolidated financial statements.

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