



DP WORLD ANNOUNCES RESILIENT 1H2023 RESULTS WITH ADJUSTED EBITDA of \$2.6 BILLION

Dubai, United Arab Emirates, 17 August 2023: DP World Limited today announces resilient financial results for the first six months to 30 June 2023. On a reported basis, revenue grew by 13.9% to \$9,037 million and adjusted EBITDA⁵ grew by 7.0% to \$2,611 million with adjusted EBITDA margin⁶ of 28.9%.

Results before separately disclosed items ¹ unless otherwise stated	1H 2023	1H 2022	As reported % change	Like-for-like % change ²
Gross throughput ³ (TEU '000)	39,858	39,488	+0.9%	+3.1%
Consolidated throughput ⁴ (TEU '000)	23,005	22,918	+0.4%	-1.5%
Revenue	9,037	7,932	+13.9%	+7.1%
Share of profit from equity-accounted investees	82	84	-1.9%	+28.6%
Adjusted EBITDA ⁵	2,611	2,441	+7.0%	+5.3%
Adjusted EBITDA margin ⁶	28.9%	30.8%	-	30.8%
EBIT ⁷	1,603	1,481	+8.2%	+6.1%
Profit for the period	885	884	+0.1%	+1.4%
Profit for the period attributable to owners of the Company	651	721	-9.7%	+33.3%

Results Highlights

- Revenue increased by 13.9% to \$9,037 million
 - Revenue growth of 13.9% is mainly attributable to the full six months consolidation of Imperial Logistics (2022 – 4 months).
 - Like-for-like growth driven mainly from strong performance of Imperial Logistics in Africa and Drydocks World in UAE.
- Adjusted EBITDA increases 7.0% to \$2,611 million
 - Adjusted EBITDA grew 7.0% on higher revenue growth and EBITDA margin for the year stood at 28.9%. Like-for-like adjusted EBITDA margin stood at 30.8%.

¹ Before separately disclosed items (BSDI) primarily excludes non-recurring items. DP World reported separately disclosed items of \$17.8 million profit for the period.

² Like-for-like at constant currency is without the consolidation of Imperial Logistics, Eurofos and removal of Cargoes Finance, Logistics in Jeddah and Turkey and divestment in Yantah and Le Havre.

³ Gross throughput is throughput from all consolidated terminals **including** equity-accounted investees.

⁴ Consolidated throughput is throughput from all terminals where the Group has control as per IFRS.

⁵ Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation including share of profit from equity-accounted investees before separately disclosed items.

⁶ Like-for-like adjusted EBITDA margin.

⁷ Adjusted EBITDA less Depreciation and Amortization.

- **Cash generation remains robust, Balance sheet strong**
 - Net cash generated from operating activities stood at \$1,951 million 1H 2023 (compared to \$1,931 million in 1H 2022).
 - Leverage (Net debt to adjusted EBITDA) on a pre-IFRS16 basis stands at 2.8x (FY2022: 2.7x). On a post-IFRS16 basis, net leverage stands at 3.2 times compared to 3.0 times in FY2022.
- **DP World credit rating improves to BBB+ with Stable Outlook**
 - DP World's credit rating improved by two notches by Fitch to BBB+ with Stable Outlook and one notch by Moody's to Baa2 with Stable Outlook on improved financial performance and a stronger balance sheet.
 - DP World is committed to a strong investment grade rating in the medium term.
- **Selective investment in key growth markets**
 - Capital expenditure of \$910 million (\$741 million in 1H 2022) was invested across the existing portfolio.
 - Capex split: \$412 million Ports and Terminals, \$284 million Logistics and Parks and Economic Zones, \$187 million Marine Services and \$27 million in Head Office.
 - Capital expenditure guidance for 2023 is for approximately \$2.0 billion to be invested in UAE, Jeddah (Saudi Arabia), London Gateway (United Kingdom), Dakar (Senegal), Callao (Peru) and DPW Logistics (South Africa).
- **DP World focused on driving revenue synergies and building long-term relationships with cargo owners**
 - Enhanced logistics portfolio offers value-add capabilities in fast-growing markets and verticals.
 - DP World aims to deliver supply chain solutions to cargo owners by leveraging its best-in-class infrastructure
 - Group is well-positioned to capitalize on the growing demand for customised solutions in the logistics industry.
- **Committed to transition to net zero in line with UAE 2050 Initiative**
 - Investment in renewable energy through the I-REC program has resulted in 47% reduction in DP World UAE carbon emissions.
 - Committed to investing more than \$500 million to reduce CO₂ emissions by 700k tonnes in the next 5 years.
- **Resilient 1H 2023 performance, outlook remains uncertain**
 - Solid 1H 2023 performance but outlook remains uncertain due to geopolitics, inflationary environment, higher interest rates and currency fluctuations.
 - DP World remains positive on the medium to long-term outlook for global trade and is focused on delivering integrated supply chain solutions to cargo owners to drive sustainable returns.

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

We are pleased to share a resilient set of results for the first half of 2023, with our adjusted EBITDA enhancing by 7.0% to surpass \$2.6 billion. Despite facing a softer container market and weakened freight rates amid challenging economic conditions, our focus on high-margin cargo, end-to-end bespoke supply chain solutions and cost optimization has been crucial in securing these results. This strategy has not only been effective during these challenging times but also lays the foundation for our sustainable long-term growth and returns.

Our logistics vertical has demonstrated robustness in this demanding economic landscape, attracting more cargo owners to our platform. The positive feedback to our end-to-end product emphasizes the value of our customised solutions enables customers to conduct trade more effectively. Strategic investments in high-growth sectors enable us to provide value-added solutions, and we remain committed to continuously enhancing our logistics platform. This includes addressing supply chain inefficiencies and enhancing connectivity in crucial trade lanes to serve cargo owners better.

Notably, we continue to make substantial progress towards our 2050 net zero carbon target. Our recent investment in renewable energy through the I-REC program has significantly cut DP World UAE business carbon emissions by 47%. We are confident of achieving our goal to cut CO2 emissions by 700k tonnes which accounts for approximately 22% of our total emission within the next five years.

In summary, our balance sheet remains robust, and we continue to generate high levels of cash flow, which provides us the flexibility to invest in the growth of our existing portfolio and new investment opportunities when they arise. While the near-term trade outlook may be uncertain due to macroeconomic and geopolitical factors, the solid financial performance of the first six months positions us well to deliver a steady set of full-year results. We remain optimistic about the medium to long-term prospects of the industry and DP World's capacity to consistently generate sustainable returns.

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17th August 4:00pm UAE, 1:00pm UK Call with Video Conference

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

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

Forward-Looking Statements

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

Group Chairman and CEO Statement

Resilient performance in challenging markets

The global economy in 2023 faces numerous challenges, including slowing growth, inflationary pressures, higher interest rates, currency fluctuations, and heightened geopolitics. Due to this weak economic backdrop, trade growth was forecast to soften in 2023, leading to a marginal decline in container volumes as consumers tightened their belts. Additionally, supply chain bottlenecks that emerged post-COVID began to unwind in the second half of 2022, causing freight rates to return to pre-COVID levels and resulting in weaker growth for logistics.

Despite these challenges, our business demonstrated remarkable resilience. Achieving like-for-like growth in a declining market is a testament to the hard work of our team.

Robust performance in Ports & Terminals

DP World containers volumes increased by 3.1%⁸ compared to a market decline of 2.0%⁹ as our portfolio once again outperformed the industry, which demonstrates that we have relevant capacity in the right locations. A strong performance from Asia Pacific was the key driver of growth, while Americas and Europe were softer due to the weaker economic environment. Encouragingly, Jebel Ali (UAE) continues to deliver a steady performance.

Our strategic approach of adding capacity in high-margin cargo locations and investing in automation continues to be a key differentiator as we continue to focus on markets with strong supply-demand dynamics.

Logistics continues to deliver growth

In our Logistics vertical, we have focused on driving revenue synergies and adding new capabilities, which has resulted in new business opportunities. Furthermore, we have worked tirelessly on cost efficiencies which has helped protect margins in this inflationary period.

DP World continues to remove inefficiencies across the supply chain to provide improved connectivity in fast-growing trade lanes. The demand for bespoke supply chain solutions continue to rise as cargo owner's demands shift, and DP World is well placed to benefit from these developments.

In terms of innovation, we have developed new products like Cargoes Flow, DP World Trade Finance, and Cargoes Logistics, making trade easier for cargo owners, especially SMEs. Our commitment to building intelligent platforms for efficient solutions remains steadfast.

Marine Services providing critical connectivity

Our Marine Services vertical, particularly Unifeeder, which offers efficient and sustainable transport solutions, continues to provide critical connectivity for shipping lines and cargo owners. While near-term profitability was

⁸ Gross, like-for-like

⁹ Drewry estimates

impacted by freight rates returning to pre-COVID levels due to unwinding supply chain bottlenecks, strong performances from Drydocks World and P&O Maritime Logistics have offset some of the weakness.

We have expanded our Marine Services business in new geographies in recent years, including Asia, the wider Indian Subcontinent, the Middle East, and Latin America. This expansion has enabled us to serve our customers better, increase our market share, and offer more opportunities for growth.

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

Decarbonization is a core focus as we transition to achieve net zero carbon emissions by 2050. In line with our 'Our World, Our Future' sustainability strategy, we are committed to building, protecting, and maintaining DP World's sustainable operations, economically, socially, and environmentally. Notably, we have achieved a significant 47% reduction in DP World's UAE carbon emissions through our renewable energy program. Our efforts have been recognized, earning us a top performer ranking by Sustainalytics and a leadership score (A-) from the CDP Climate Change submission.

To continue our progress, we have committed to investing over \$500 million in cutting CO2 emissions by 700k in the next 5 years, which accounts to approximately 22% of our total emissions. However, we acknowledge that there is more to achieve, and we remain steadfast in our determination to reach the net zero target by 2050, aligning with the UAE's 2050 strategic initiative.

Group Deputy CEO & CFO Review

DP World has delivered a robust set of first half 2023 results with steady adjusted EBITDA growth of 7.0% to \$2,611 million. The adjusted EBITDA margin remained broadly stable as our cost optimization projects help protect profitability.

Reported revenue grew by 13.9% to \$9,037 million as the Group benefitted from the full year contribution of acquisitions while like-for-like revenue grew by 7.1% driven by growth in Logistics as our revenue synergy plans begin to attract new customers. Operating profit grew by 8.2% to \$1,603 million which was also up 6.1% on a like-for-like basis.

The strengthening of DP World's balance sheet in 2022 has resulted in the Company's credit rating being upgraded by Fitch by two notches to BBB+ with a Stable outlook while Moody's upgraded by one notch to Baa2 with Stable Outlook.

Asia Pacific and India

Results before separately disclosed items USD million	1H 2023	1H 2022	% change	Like-for-like % change
Consolidated throughput (TEU '000)	5,017	4,976	+0.8%	+0.8%
Total revenue	1,094	1,316	-16.9%	-15.3%
Share of profit from equity-accounted investees	57	47	+20.8%	+42.1%
Adjusted EBITDA	315	552	-42.9%	-41.3%
Adjusted EBITDA margin	28.8%	41.9%	-13.1%	29.0%
Net profit after tax	145	401	-63.9%	-62.8%
Capex	85	76	-12.3%	-

As anticipated, the Asia Pacific and India financials was impacted by a weaker performance in Marine Service (Unifeeder ISC) which saw its profitability decline due to lower freight rates. The unwinding of supply chain bottlenecks has resulted in the normalisation of ocean freight rates to pre-covid levels. We anticipate more stability in future performance. In contrast, Ports and Terminals delivered a robust performance with the focus on high margin cargo continuing to drive growth in profitability.

Overall, revenue declined by 16.9% on a reported basis which resulted in adjusted EBITDA of \$315 million.

We invested \$85million in Asia Pacific & India, mainly focused in Cochin & Logistics business in India.

Middle East, Europe and Africa

Results before separately disclosed items USD million	1H 2023	1H 2022	% change	Like-for-like % change
Consolidated throughput (TEU '000)	12,602	12,370	+1.9%	-1.5%
Total revenue	6,528	5,195	+25.7%	+14.2%
Share of profit from equity-accounted investees	18	32	-43.2%	-7.1%
Adjusted EBITDA	2,060	1,674	+23.1%	+20.1%
Adjusted EBITDA margin	31.6%	32.2%	-0.7%	34.6%
Net profit after tax	1,421	1,047	+35.8%	+32.4%
Capex	681	491	-38.7%	-

We saw a strong performance in Middle East, Europe and Africa region aided by Logistics. Our focus on revenue synergies continues to attract new customers, while our cost optimisation projects have protected profitability.

Performance of Ports and Terminal was steady as a solid performance in Middle East and Africa compensated softer volumes in Europe. Marine Services performance was bolstered by a strong performance at Drydocks World (DDW) and P&O Maritime and Logistics (POML) due to new contract wins and higher charter rates. Improvements at P&O Ferries also contributed to the uplift.

Total reported revenue increased by 25.7% to \$6,528 million mainly attributable to the full six months consolidation of Imperial Logistics (2022 – 4 months) while like-for-like revenue grew 14.2%. Adjusted EBITDA reached \$2,060 million, up 20.1% on a like-for-like basis. EBITDA margins remained healthy at above 30%.

We invested \$681 million region, mainly in UAE, Imperial Logistics (Africa), Jeddah (Saudi Arabia), Sokhna (Egypt), London Gateway (UK) and Constanta (Romania).

Australia and Americas

Results before separately disclosed items USD million	1H 2023	1H 2022	% change	Like-for-like % change
Consolidated throughput (TEU '000)	5,386	5,573	-3.3%	-3.3%
Total revenue	1,416	1,422	-0.4%	+2.2%
Share of profit from equity-accounted investees	6	4	+63.3%	+73.4%
Adjusted EBITDA	441	478	-7.8%	-8.6%
Adjusted EBITDA margin	31.1%	33.6%	-2.5%	31.2%
Net profit after tax	252	304	-17.0%	-19.6%
Capex	117	162	+27.4%	-

Market conditions in the Australia and Americas have demonstrated mixed trends. The performance of Ports and Terminals in the Americas has been affected by softer consumer demand. In contrast, Australia has shown resilience amidst these challenges and has maintained a more robust performance. Meanwhile, the Logistics segment in these regions has exhibited steady performance. While there are complexities in the current market conditions, we continue to adapt and strive to maintain our solid performance.

Total reported revenue was broadly flat at \$1,416 million, while adjusted EBITDA declined by 7.8% to \$441 million. EBITDA margins remained at above 30%.

We invested \$117 million in capital expenditure in Australia & Americas, mainly in Callao (Peru), syncreon (USA), Caucedo (Dominican Republic).

Cash Flow and Balance Sheet

Adjusted gross debt (excluding bank overdrafts and loans from non-controlling shareholders) stands at \$19.2 billion compared to \$18.5 billion as of 31 December 2022. Lease and concession fee liabilities account for \$4.5 billion, with interest-bearing debt of \$14.7 billion as of 30 June 2023. Cash and cash-equivalents on the balance sheet stood at \$3.4 billion, resulting in net debt of \$15.8 billion or \$11.3 billion (on a pre IFRS 16 basis). Our net leverage (adjusted net debt to adjusted EBITDA) stands at 3.2 times on post-IFRS16 basis and would be 2.8x on pre-IFRS16 basis. Cash generation remained solid, with cash from operations steady at \$2.5 billion (1H 2022: \$2.2 billion).

Capital Expenditure

Consolidated capital expenditure in the first half of 2023 was \$910 million, with maintenance and replacement capital expenditure of \$298 million. We expect the full-year 2023 capital expenditure to be approximately \$2.0 billion, which will be invested in UAE, Jeddah (Saudi Arabia), London Gateway (United Kingdom), Dakar (Senegal), Callao (Peru), Marine Services (P&O Ferries) and Imperial Logistics (South Africa).

Net finance costs before separately disclosed items

The net finance cost for the six months increased to \$505 million compared to prior period at \$373 million. Increase is mainly due to higher average debt and increase in effective interest rates during the period.

Taxation

The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For the first six months of 2023, DP World's income tax expense before separately disclosed items was \$213 million (1H 2022: \$224 million).

DP World UAE subsidiaries are subject to UAE corporation tax from 1 January 2024 even though UAE CIT legislation is now in force. No deferred tax is recognized in 1H 2023 in relation to Group level adjustments pending further clarifications from the relevant UAE tax authorities.

Profit attributable to non-controlling interests (minority interests)

Profit attributable to non-controlling interests (minority interests) before separately disclosed items was \$235 million against 1H 2022 of \$163 million mainly due to increase in minority interests in Jebel Ali (UAE).

Sultan Ahmed Bin Sulayem Group Chairman and Chief Executive Officer	Yuvraj Narayan Group Deputy CEO & CFO
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DP WORLD 1H2023 THROUGHPUT

DP World handled 20.3 million TEU (twenty-foot equivalent units) across its global portfolio of container terminals in the second quarter of 2023, with gross container volumes increasing by 0.5% year-on-year on a reported basis and 2.6% on a like-for-like basis.

In the first half of 2023, DP World handled 39.9 million TEU on a gross basis with container volumes increasing by 0.9% year-on-year on a reported basis and up 3.1% on a like-for-like basis. Jebel Ali (UAE) handled 3.6 million TEU in 2Q2023, on par year-on-year.

At a consolidated level, our terminals handled 11.6 million TEU in 2Q2023 up 0.1% on a reported basis and down 1.7% like-for-like basis. In the first half of 2023, DP World handled 23.0 million TEU, with container volumes increasing by 0.4% year-on-year on a reported basis and decreased 1.5% on a like-for-like basis.

Gross Volume '000 TEU	2Q 2023	2Q 2022	% Growth (like for like)	1H 2023	1H 2022	% Growth (like for like)
Asia Pacific & India Subcontinent	9,862	9,159	+7.7% (+7.7%)	19,234	17,611	+9.2% (+9.5%)
Europe, Middle East and Africa*	7,657	8,174	-6.3% (-1.3%)	15,071	16,167	-6.8% (-1.9%)
Americas & Australia	2,802	2,891	-3.1% (-3.1%)	5,554	5,711	-2.7% (-2.7%)
Total Group	20,321	20,224	+0.5% (+2.6%)	39,858	39,488	+0.9% (+3.1%)

*Jebel Ali Volumes included in Middle East, Africa and Europe region	3,558	3,560	+0.0% (+0.0%)	7,059	6,983	+1.1% (+1.1%)
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Consolidated Volume '000 TEU	2Q 2023	2Q 2022	% Growth (like for like)	1H 2023	1H 2022	% Growth (like for like)
Asia Pacific & India Subcontinent	2,493	2,501	-0.4% (-0.4%)	5,017	4,975	+0.8% (+0.8%)
Europe, Middle East and Africa*	6,368	6,248	+1.9% (-1.3%)	12,602	12,370	+1.9% (-1.5%)
Americas & Australia	2,730	2,831	-3.6% (-3.6%)	5,386	5,573	-3.3% (-3.3%)
Total Group	11,590	11,580	0.1% (-1.7%)	23,005	22,918	+0.4% (-1.5%)

About DP World:

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

With a dedicated, diverse and professional team of more than 106,500 employees from 158 nationalities, spanning 73 countries on six continents, DP World is pushing trade further and faster towards a seamless supply chain that's fit for the future.

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

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

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

**DP World Limited
and its subsidiaries**

**Condensed consolidated
interim financial statements**
30 June 2023

DP World Limited and its subsidiaries

Condensed consolidated interim financial statements

for the six months ended 30 June 2023

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

To the Shareholder of DP World Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of DP World Limited ("the Company") and its subsidiaries ("the Group") as at 30 June 2023, the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG LLP

Richard James Ackland
DFSA Reference Number: I012468
Dubai, United Arab Emirates

Date: **17 AUG 2023**

DP World Limited and its subsidiaries

Condensed consolidated statement of profit or loss (unaudited)

For the six months ended 30 June

	Note	2023			2022		
		Before separately disclosed items	Separately disclosed items (Note 9)	Total	Before separately disclosed items	Separately disclosed items (Note 9)	Total
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	6	9,037,316	-	9,037,316	7,931,733	-	7,931,733
Cost of sales		(6,443,177)	-	(6,443,177)	(5,394,192)	-	(5,394,192)
Gross profit		2,594,139	-	2,594,139	2,537,541	-	2,537,541
General and administrative expenses		(1,149,705)	(6,097)	(1,155,802)	(1,173,353)	(136,378)	(1,309,731)
Other income		76,142	26,672	102,814	32,915	-	32,915
Gain on disposal and change in ownership		-	485	485	-	15,248	15,248
Share of profit/(loss) from equity-accounted investees (net of tax)	15	81,960	-	81,960	83,513	(25,374)	58,139
Results from operating activities		1,602,536	21,060	1,623,596	1,480,616	(146,504)	1,334,112
Finance income	7	140,012	-	140,012	149,230	2,721	151,951
Finance costs	7	(644,530)	(3,325)	(647,855)	(521,987)	(3,358)	(525,345)
Net finance costs		(504,518)	(3,325)	(507,843)	(372,757)	(637)	(373,394)
Profit before tax		1,098,018	17,735	1,115,753	1,107,859	(147,141)	960,718
Income tax expense	8	(212,575)	60	(212,515)	(223,562)	1,411	(222,151)
Profit for the period		885,443	17,795	903,238	884,297	(145,730)	738,567
Profit attributable to:							
Owners of the Company		650,927	17,795	668,722	721,031	(145,603)	575,428
Non-controlling interests		234,516	-	234,516	163,266	(127)	163,139
		885,443	17,795	903,238	884,297	(145,730)	738,567

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

DP World Limited and its subsidiaries

Condensed consolidated statement of other comprehensive income (unaudited)

For the six months ended 30 June

		2023	2022
	Note	USD'000	USD'000
Profit for the period		903,238	738,567
Other comprehensive income (OCI)			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign exchange translation differences – foreign operations*		24,724	(599,893)
Share of other comprehensive loss of equity-accounted investees	15	(34,594)	(136,524)
Cash flow hedges - effective portion of changes in fair value		27,150	84,980
Cash flow hedges - reclassified to profit or loss		2,897	(860)
Related tax		(1,191)	(14,308)
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurements of post-employment benefit obligations		15,408	58,424
Related tax		(583)	11,186
Other comprehensive income/(loss) for the period		33,811	(596,995)
Total comprehensive income for the period		937,049	141,572
Total comprehensive income attributable to:			
Owners of the Company		733,058	21,032
Non-controlling interests		203,991	120,540

* 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 the six months ended 30 June 2022 was on account of weakening of the EUR and GBP against USD which is comparison has strengthened during the current period. 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 condensed consolidated interim financial statements.

DP World Limited and its subsidiaries

Condensed consolidated statement of financial position

		30 June 2023	31 December 2022
	Note	USD'000 (Unaudited)	USD'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	13,720,619	13,439,148
Right-of-use assets	12	3,539,532	3,445,847
Investment properties	13	1,914,814	1,869,814
Intangible assets and goodwill	14	13,183,849	13,180,684
Investment in equity-accounted investees	15	1,813,338	1,788,833
Other investments		50,305	40,742
Deferred tax assets		104,973	163,697
Due from Parent Company	17	-	1,748,227
Receivables and other assets		984,548	1,171,853
Total non-current assets		35,311,978	36,848,845
Current assets			
Inventories		545,920	569,605
Property held for development and sale		111,478	116,249
Due from Parent Company	17	41	1,882,190
Receivables and other assets		4,436,067	4,123,726
Cash and cash equivalents	16	3,480,629	3,441,780
Total current assets		8,574,135	10,133,550
Total assets		43,886,113	46,982,395
Equity			
Share capital	19	1,660,000	1,660,000
Share premium	19	2,472,655	2,472,655
Shareholders' reserve		2,000,000	2,000,000
Retained earnings		8,117,866	11,659,394
Translation reserve		(2,538,295)	(2,558,058)
Other reserves	20	(363,971)	(408,544)
Equity attributable to owners of the Company		11,348,255	14,825,447
Hybrid equity instrument		1,476,686	1,476,686
Non-controlling interests		2,853,833	2,737,959
Total equity		15,678,774	19,040,092
Liabilities			
Non-current liabilities			
Loans and borrowings	21	13,830,419	11,168,994
Lease and service concession liabilities	22	3,843,833	3,677,938
Loans from non-controlling shareholders	23	1,214,791	1,467,726
Payables and other liabilities		588,592	564,595
Deferred tax liabilities		1,232,495	1,257,426
Provision for employees' end of service benefits		225,508	205,719
Pension and post-employment benefits		234,951	251,222
Total non-current liabilities		21,170,589	18,593,620
Current liabilities			
Loans and borrowings	21	996,466	3,063,636
Lease and service concession liabilities	22	642,496	691,579
Loans from non-controlling shareholders	23	355,162	315,650
Payables and other liabilities		4,740,179	4,970,507
Income tax liabilities		191,129	200,912
Pension and post-employment benefits		111,318	106,399
Total current liabilities		7,036,750	9,348,683
Total liabilities		28,207,339	27,942,303
Total equity and liabilities		43,886,113	46,982,395

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

The condensed consolidated interim financial statements were authorised for issue on 17 August 2023.

Sultan Ahmed Bin Sulayem
Group Chairman & CEO

Yuvraj Narayan
Group Deputy CEO & CFO

DP World Limited and its subsidiaries

Condensed consolidated statement of changes in equity (unaudited)

For the six months ended 30 June 2023

	Attributable to owners of the Company						Hybrid equity instrument	Non-controlling Interests (NCI)	Total equity
	Share capital and premium	Shareholders' reserve	Retained earnings	Translation reserve	Other reserves	Total			
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as 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 period	-	-	575,428	-	-	575,428	-	163,139	738,567
Other comprehensive income, net of tax	-	-	-	(663,623)	109,227	(554,396)	-	(42,599)	(596,995)
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	-	-	(275,800)	-	-	(275,800)	-	-	(275,800)
Transactions with NCI, recognised directly in equity									
Dividends paid	-	-	-	-	-	-	-	(87,374)	(87,374)
Change in ownership of subsidiaries without loss of control	-	-	4,203,807	19,816	-	4,223,623	-	512,652	4,736,275
NCI recognised on acquisition of subsidiaries	-	-	-	-	-	-	-	69,084	69,084
NCI put option arrangements recognised, net of tax	-	-	(1,338)	-	-	(1,338)	-	-	(1,338)
Hybrid equity instrument									
Distribution to hybrid equity instrument holders	-	-	(45,000)	-	-	(45,000)	-	-	(45,000)
Balance as at 30 June 2022	4,132,655	2,000,000	13,687,107	(2,463,401)	(483,925)	16,872,436	1,476,686	2,291,875	20,640,997
Balance as at 1 January 2023	4,132,655	2,000,000	11,659,394	(2,558,058)	(408,544)	14,825,447	1,476,686	2,737,959	19,040,092
Profit for the period	-	-	668,722	-	-	668,722	-	234,516	903,238
Other comprehensive income, net of tax	-	-	-	19,763	44,573	64,336	-	(30,525)	33,811
Transactions with owners, recognised directly in equity									
Dividends declared (refer to note 10)	-	-	(4,152,684)	-	-	(4,152,684)	-	-	(4,152,684)
Transactions with NCI, recognised directly in equity									
Dividends paid*	-	-	-	-	-	-	-	(87,786)	(87,786)
Change in ownership of subsidiaries without loss of control	-	-	(26,447)	-	-	(26,447)	-	(952)	(27,399)
Contributions by NCI	-	-	-	-	-	-	-	621	621
Change in fair value of NCI put options, net of tax	-	-	13,881	-	-	13,881	-	-	13,881
Hybrid equity instrument									
Distribution to hybrid equity instrument holders	-	-	(45,000)	-	-	(45,000)	-	-	(45,000)
Balance as at 30 June 2023	4,132,655	2,000,000	8,117,866	(2,538,295)	(363,971)	11,348,255	1,476,686	2,853,833	15,678,774

* Includes non-cash dividend of USD 4,055 thousand.

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

DP World Limited and its subsidiaries
Condensed consolidated statement of cash flows (unaudited)

For the six months ended 30 June

		2023	2022
	Note	USD'000	USD'000
Cash flows from operating activities			
Profit for the period		903,238	738,567
<i>Adjustments for:</i>			
Depreciation and amortisation		1,008,140	960,281
Impairment loss	9	-	4,490
Share of profit from equity-accounted investees (net of tax)	15	(81,960)	(58,139)
Finance costs		647,855	525,345
Gain on sale of property, plant and equipment, investment properties, and held for sale assets		(33,435)	(7,063)
Gain on disposal and change in ownership of equity-accounted investees		(485)	(15,248)
Finance income		(140,012)	(151,951)
Income tax expense		212,515	222,151
Gross cash flows from operations		2,515,856	2,218,433
Changes in:			
Inventories		(5,527)	(88,210)
Receivables and other assets		(175,824)	(363,495)
Payables and other assets		(141,679)	379,861
Properties held for development and sale		4,771	(751)
Provisions, pensions and post-employment benefits		(63,376)	3,702
Cash generated from operating activities		2,134,221	2,149,540
Income tax paid		(182,752)	(218,393)
Net cash from operating activities		1,951,469	1,931,147
Cash flows from investing activities			
Additions to property, plant and equipment	11	(749,323)	(530,443)
Additions to investment properties	13	(60,743)	(59,023)
Additions to port and service concession rights	14	(99,726)	(151,548)
Additions to equity-accounted investments	15	(18,278)	(27,752)
Proceeds from disposal of property, plant and equipment, investment properties and held for sale assets		108,864	24,906
Net cash paid on acquisition of subsidiaries		-	(718,526)
Proceeds from disposal of equity-accounted investees		2,834	26,558
Interest received		77,701	36,528
Dividend received from equity-accounted investees	15	38,790	72,379
Additions to other investments		(11,786)	-
Net loans settled by/(given to) equity-accounted investees		4,990	(51,256)
Decrease in restricted cash		-	856,646
Net cash used in investing activities		(706,677)	(521,531)
Cash flows from financing activities			
Repayment of loans and borrowings	21	(1,530,923)	(1,336,353)
Drawdown of loans and borrowings	21	2,072,686	127,939
Repayment of shareholder loans		(212,794)	(74,335)
Drawdown of loans from NCI		10,493	7,621
Shareholder loans on monetisations		-	837,703
Distribution to hybrid equity instrument holders		(45,000)	(45,000)
Acquisition of additional interests in subsidiaries		(27,399)	-
Payment of lease and service concession liabilities	22 (a)	(437,349)	(432,320)
Interest paid		(430,315)	(350,347)
Proceeds from monetisation activities		-	4,529,708
Advance given to Parent Company		-	(4,177,000)
Contribution by NCI		621	-
Dividend paid to the owners of the Company	10	(500,000)	(87,500)
Dividend paid to NCI		(83,732)	(87,374)
Net cash used in financing activities		(1,183,712)	(1,087,258)
Net increase in cash and cash equivalents		61,080	322,358
Cash and cash equivalents as at 1 January		3,332,970	3,009,193
Effect of exchange rate fluctuations on cash held		4,012	(97,682)
Cash and cash equivalents as at 30 June	16	3,398,062	3,233,869

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

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements

1. Corporate information

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

The Group is the 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 more than 350 business units across 75 plus countries 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”) controlled by Government of Dubai, 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

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2022.

Certain comparative figures have been reclassified in order to conform to the current period presentation. However, the impact of the reclassifications is not significant to these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were approved by the Board of Directors on 17 August 2023.

3. Changes in significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements (*continued*)

3. Changes in significant accounting policies (continued)

3.1 New standards, amendments and interpretations adopted by the Group

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

- Disclosure of accounting policies – Amendment to IAS 1 and IFRS Practice Statement 2
- Definition of accounting estimate – Amendment to IAS 8
- Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12.
- IFRS 17 Insurance Contracts

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

4. Use of estimates and judgements

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

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

5. Segment information

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

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

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

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

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

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

Information regarding the results of each reportable segment is included below.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

5. Segment information

The following table presents certain results, assets and liabilities information regarding the Group's reportable segments as at the reporting date:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	1,093,874	1,315,568	1,415,977	1,421,587	6,527,465	5,194,578	-	-	9,037,316	7,931,733
Adjusted EBITDA	315,048	551,772	441,029	478,271	2,060,120	1,673,456	(205,521)	(262,602)	2,610,676	2,440,897
Profit/(loss) before separately disclosed items	144,727	400,913	251,965	303,604	1,421,237	1,046,669	(932,486)	(866,889)	885,443	884,297
Separately disclosed items	-	15,248	-	(35,729)	21,060	(119,534)	(3,265)	(5,715)	17,795	(145,730)
Profit/(loss) for the period	144,727	416,161	251,965	267,875	1,442,297	927,135	(935,751)	(872,604)	903,238	738,567

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	5,087,406	5,355,745	9,415,370	9,390,372	33,552,059	31,934,368	21,800,940	24,439,758	(25,969,662)	(24,137,848)	43,886,113	46,982,395
Segment liabilities	1,096,647	1,205,536	3,540,946	3,426,450	16,337,161	15,157,766	22,648,969	21,758,767	(15,416,384)	(13,606,216)	28,207,339	27,942,303

Additional information based on service capabilities* is presented below:

	Ports and terminals		Logistics services		Marine services		Head office		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	3,105,851	2,996,271	3,907,341	2,870,313	2,024,124	2,065,149	-	-	9,037,316	7,931,733
Adjusted EBITDA	1,611,680	1,575,898	721,116	559,560	483,401	568,041	(205,521)	(262,602)	2,610,676	2,440,897

* Digital Solutions pillar has not been disclosed separately on the basis that the amounts for the six months period ended 30 June 2023 are not considered to be significant.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements (continued)

5. Segment information (continued)

Reconciliation between disaggregated revenue (refer to note 6) with the reportable segment is given as below:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Ports and terminals	304,930	287,066	1,003,377	1,047,637	1,797,544	1,661,568	-	-	3,105,851	2,996,271
Logistics services	441,505	436,137	379,704	351,235	3,086,132	2,226,984	-	-	3,907,341	3,014,356
Maritime services	347,439	592,365	32,896	22,715	1,643,789	1,306,026	-	-	2,024,124	1,921,106
Total	1,093,874	1,315,568	1,415,977	1,421,587	6,527,465	5,194,578	-	-	9,037,316	7,931,733

Timing of recognition of revenue from contract with customers (refer to note 6) for the Group's reportable segments is presented below:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At a point of time	276,162	258,350	929,190	933,494	2,562,864	2,132,420	-	-	3,768,216	3,324,264
Over a period of time	817,155	1,057,037	486,787	488,093	3,559,492	2,688,630	-	-	4,863,434	4,233,760
Total Revenue	1,093,317	1,315,387	1,415,977	1,421,587	6,122,356	4,821,050	-	-	8,631,650	7,558,024

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

6. Revenue

	Six months ended 30 June 2023	Six months ended 30 June 2022
	USD'000	USD'000
Revenue from contracts with customers		
Ports and terminals	3,105,851	2,996,271
Logistics services	3,632,883	2,755,480
Marine services	1,892,916	1,806,273
Total	8,631,650	7,558,024
Revenue from leasing activities		
Logistics services	274,458	258,876
Marine services	131,208	114,833
Total	405,666	373,709
Total revenue	9,037,316	7,931,733

For geographical segmentation and disaggregated revenue disclosures, refer to note 5.

7. Finance income and costs

	Six months ended 30 June 2023	Six months ended 30 June 2022
	USD'000	USD'000
Finance income		
Interest income (refer note (i) below)	112,598	101,286
Foreign exchange gains	27,414	47,944
Finance income before separately disclosed items	140,012	149,230
Separately disclosed items (refer to note 9)	-	2,721
Finance income after separately disclosed items	140,012	151,951
Finance costs		
Interest expense on loans and borrowings (refer note (ii) below)	(450,620)	(372,420)
Interest expense on lease and service concession liabilities	(114,140)	(101,500)
Foreign exchange losses	(74,430)	(45,637)
Other net financing expenses in respect of pension plans	(5,340)	(2,430)
Finance costs before separately disclosed items	(644,530)	(521,987)
Separately disclosed items (refer to note 9)	(3,325)	(3,358)
Finance costs after separately disclosed items	(647,855)	(525,345)
Net finance costs after separately disclosed items	(507,843)	(373,394)

- (i) This includes interest income of USD 22,308 thousand (2022: USD 51,018 thousand) on loan given to Parent Company.
- (ii) This includes interest expense of USD 60,594 thousand (2022: USD 15,480 thousand) on loans from non-controlling shareholders.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

8. Income tax

The Group's effective tax rate (ETR) is as below:

	Six months ended 30 June 2023	Six months ended 30 June 2022
Before separately disclosed items	21.30%	22.26%
Including separately disclosed items	20.96%	25.42%

The profit before taxation of USD 1,115,753 thousand (30 June 2022: USD 960,718 thousand) includes the Group's share of profits of equity accounted investees within continuing operations of USD 81,960 thousand (30 June 2022: USD 58,139 thousand) which is net of a tax charge of USD 27,060 thousand (30 June 2022: USD 29,623 thousand). The ETR above considers the adjustments to both profit before tax and tax expense of the Group's share of the tax expense of the equity accounted investees.

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 the AED 375,000 threshold, 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 finalized that are significant for entities to determine their tax status and taxable income. In light of these developments, no deferred tax is recognised in the interim financial statements in relation to the Group level adjustments.

The Group is monitoring the legislative changes in order to assess the possible impact on the financial statements and necessary disclosures will be published in the future accounting periods.

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 Pillar 2 rules are intended to be implemented as part of a common approach, as agreed by the OECD, and to be brought into domestic legislation by various countries from 2023. The UAE is working to implement Pillar 2 proposals and further announcements on how these rules will be embedded into UAE CIT regime will be made in due course.

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. The rules are enacted in the UK and South Korea and will become effective for DPW subsidiaries for an accounting period beginning 1 January 2024.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

9. Separately disclosed items (SDI)

	Six months ended 30 June 2023	Six months ended 30 June 2022
	USD'000	USD'000
General and administrative expenses		
Acquisition related costs	(991)	(23,996)
Restructuring costs reversal/(incurred)	1,466	(66,350)
Impairment of assets	-	(4,490)
Pension costs	-	(41,542)
Remeasurement of contingent consideration	(6,572)	-
Share of loss from equity-accounted investees	-	(25,374)
Gain on disposal and change in ownership of equity accounted investees	485	15,248
Other income	26,672	-
Finance income		
Ineffective cash flow hedges	-	2,721
Finance costs		
Ineffective cash flow hedges	(3,325)	(3,358)
Income tax	60	1,411
Total	17,795	(145,730)

General and administrative expenses:

Acquisition costs represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group.

Restructuring costs relate to impact of reversal of severance pay compensation accrual associated with redundancies in a subsidiary within “Middle East, Europe and Africa” operating segment. (2022: mainly related to severance pay associated with redundancies in a subsidiary within “Middle East, Europe and Africa” operating segment).

Impairment of assets in 2022 mainly related to subsidiaries in the ‘Middle East, Europe and Africa’ and ‘Asia Pacific and India’ operating segment.

Pension costs in 2022 related to additional benefits provided to scheme members covered under ill health early retirement mainly in the ‘Middle East, Europe and Africa’ operating segment.

Remeasurement of contingent consideration relates to subsidiaries acquired ‘Middle East, Europe and Africa’ operating segment (2022: USD Nil).

Share of loss from equity-accounted investees in 2022 related to the Group’s share of expenses in technology ventures in the ‘Australia and Americas’ operating segment.

Gain on disposal and change in ownership of equity accounted investees mainly relates to the gain on disposal and fair valuation of existing interest in equity accounted investees in ‘Middle East, Europe and Africa’ operating segment (2022: gain on disposal of an equity accounted investee in the ‘Australia and Americas’ operating segment).

Other income comprises of gain on sale of a vessel in a subsidiary within ‘Middle East, Europe and Africa’ operating segment.

Ineffective cashflow hedges relates to ineffective element of cashflow hedge in subsidiaries in the ‘Asia Pacific and India’ operating segment and ‘Middle East, Europe and Africa’ operating segment.

Income tax mainly relates to tax impact on above separately disclosed items.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

10. Dividends to Parent entity

In the current period, the Company declared and paid ordinary dividend amounting to USD 500,000 thousand relating to year 2022 *(30 June 2022: USD 275,800 thousand relating to year 2021 was declared and USD 87,500 thousand was paid during the period ended 30 June 2022)*.

The Company also declared a special dividend amounting to USD 3,652,684 thousand during the current period which was settled by offset against the receivable due from Parent Company *(2022: USD Nil special dividend declared)*.

11. Property, plant and equipment

During the six month period ended 30 June 2023, the Group added property, plant and equipment amounting to USD 749,323 thousand *(30 June 2022: USD 530,443 thousand)* and acquired through business combination property, plant and equipment of USD Nil *(30 June 2022: USD 425,300 thousand)*.

The depreciation on property, plant and equipment during the six month period ended 30 June 2023 amounted to USD 451,488 thousand *(30 June 2022: USD 435,567 thousand)*.

During the six month period ended 30 June 2023, the increase in property, plant and equipment represented the impact of foreign currency translation of USD 84,317 thousand *(30 June 2022: reduced by USD 395,538 thousand)*.

Assets with a net carrying amount of USD 69,981 thousand were disposed by the Group during the six month period ended 30 June 2023 *(30 June 2022: USD 17,843 thousand)*, resulting in a gain on disposal of USD 34,360 thousand *(30 June 2022: gain of USD 7,063 thousand)*.

12. Right-of-use assets

During the six month period ended 30 June 2023, the Group added right-of-use-assets amounting to USD 381,158 thousand *(30 June 2022: USD 708,910 thousand)* and acquired through business combination assets of USD Nil *(30 June 2022: USD 281,814 thousand)*.

The depreciation charge during the six month period ended 30 June 2023 amounted to USD 350,819 thousand *(30 June 2022: USD 328,546 thousand)*.

During the six month period ended 30 June 2023, the reduction in right-of-use-assets due to the impact of foreign currency translation was USD 26,055 thousand *(30 June 2022: reduced by USD 132,662 thousand)*.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

13. Investment properties

During the six month period ended 30 June 2023, the Group added investment properties amounting to USD 60,743 thousand *(30 June 2022: USD 59,023 thousand)*.

The depreciation charge during the six month period ended 30 June 2023 amounted to USD 30,671 thousand *(30 June 2022: USD 29,270 thousand)*.

14. Intangible assets and goodwill

Port concession rights, service concession assets and other intangible assets

During the six month period ended 30 June 2023, the Group acquired port concession rights and other intangible assets amounting to USD 7,254 thousand *(30 June 2022: USD 6,900 thousand)*. Additionally, the Group also acquired customer relationships of USD Nil *(30 June 2022: USD 292,670 thousand)* through business combinations. The Group added service concession assets of USD 92,472 thousand *(30 June 2022: USD 143,080 thousand)* during the current period.

During the six month period ended 30 June 2023, the increase in port concession rights, other intangibles and service concession assets due to the impact of foreign currency translation was USD 32,810 thousand *(30 June 2022: reduced by USD 248,965 thousand)*.

The amortisation of port concession rights and other intangibles and service concession assets during the six month period ended 30 June 2023 amounted to USD 160,251 thousand *(30 June 2022: USD 151,666 thousand)*.

Goodwill

The Group recognised goodwill through business combinations amounting to USD Nil *(30 June 2022: USD 579,461 thousand)* during the period.

During the six month period ended 30 June 2023, the increase in goodwill represented the impact of foreign currency translation of USD 33,695 thousand *(30 June 2022: reduced by USD 202,619 thousand)*.

Land-use rights

The amortisation of land-use rights during the six months period ended 30 June 2023 amounted to USD 14,911 thousand *(30 June 2022: USD 15,232 thousand)*.

During the six month period ended 30 June 2023, the Group acquired land use rights amounting to USD Nil *(30 June 2022: USD 1,568 thousand)*.

DP World Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements *(continued)*

15. Investment in equity-accounted investees

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

	30 June 2023	31 December 2022
	USD'000	USD'000
Interest in joint ventures	1,130,476	1,129,954
Interests in associates	682,862	658,879
At 30 June/ 31 December	1,813,338	1,788,833

Significant movements in investments in equity-accounted investees during the period are as follows:

	30 June 2023	31 December 2022
	USD'000	USD'000
At 1 January	1,788,833	2,249,442
Share of profits	81,960	120,013
Additional investments	18,278	76,310
Acquisition through business combination	-	12,975
Disposal/derecognition of investments	(2,349)	(255,010)
Dividends received	(38,790)	(91,684)
Impaired during the period	-	(186,689)
Share of other comprehensive income	(34,594)	(136,524)
At 30 June/ 31 December	1,813,338	1,788,833

16. Cash and cash equivalents

	30 June 2023	31 December 2022
	USD'000	USD'000
Cash at banks and in hand	2,181,591	2,191,837
Short-term deposits (refer note (i) below)	1,299,038	1,249,943
Cash and cash equivalents for consolidated statement of financial position	3,480,629	3,441,780
Bank overdrafts repayable on demand	(82,567)	(108,810)
Cash and cash equivalents for consolidated statement of cash flows	3,398,062	3,332,970

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

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

17. Related party transactions

Transactions with related parties included in the condensed consolidated interim financial statements are as follows:

	Parent Company	Equity- accounted investees	Other related parties	30 June 2023 Total	Parent Company	Equity- accounted investees	Other related parties	30 June 2022 Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<i>Expenses charged:</i>								
Concession fees*	-	-	34,335	34,335	-	-	4,129	4,129
Shared services costs	-	-	-	-	-	-	40	40
Marine services fees	-	-	7,815	7,815	-	-	6,647	6,647
IT services fees	-	-	-	-	-	-	24	24
Other services	-	-	4,149	4,149	-	-	657	657
Finance costs*	-	-	22,783	22,783	-	-	24,927	24,927
<i>Revenue earned:</i>								
Revenue	-	-	4,696	4,696	-	-	4,411	4,411
Management fee income	-	14,139	-	14,139	-	6,634	-	6,634
Finance income	22,308	1,251	-	23,559	51,018	1,962	-	52,980

* This is in relation to right-of-use assets/lease liabilities pertaining to concession agreements.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

17. Related party transactions *(continued)*

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

	Due from related parties		Due to related parties	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	USD'000	USD'000	USD'000	USD'000
Ultimate Parent Company	2,347	2,347	2,028	582
Parent Company*	41	3,630,417	2	-
Equity-accounted investees**	154,302	157,774	7,000	9,750
Other related parties	41,153	30,658	161,576	141,932
Total	197,843	3,821,196	170,606	152,264

* During the current period, the Group accrued interest amounting to USD 22,308 thousand on the receivable due from Parent Company. This receivable was offset against a special dividend amounting to USD 3,652,684 thousand declared to the Parent company.

** During the current period, the equity accounted investees settled a net loan amount of USD 4,990 thousand to the Group.

The Group has issued guarantees on behalf of equity-accounted investees which are disclosed in note 25.

Compensation of key management personnel

The remuneration of directors and other key members of management during the period is as follows:

	30 June 2023	30 June 2022
	USD'000	USD'000
Short-term benefits and bonus	14,783	11,712
Post-retirement benefits	273	273
Total	15,056	11,985

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

18. Financial instruments – fair value and risk management

Fair value versus carrying amounts

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

		30 June 2023	30 June 2023	31 December 2022	31 December 2022
	Levels	Carrying amount	Fair value	Carrying amount	Fair value
		USD'000	USD'000	USD'000	USD'000
Financials assets carried at fair value					
FVOCI – equity instruments	2	23,945	23,945	21,075	21,075
FVTPL investments	3	26,360	26,360	19,667	19,667
Derivative financial instruments	2	93,040	93,040	89,695	89,695
Financials assets carried at amortised cost					
Receivables and other assets **		4,367,607	4,367,607	8,062,360	8,062,360
Cash and cash equivalents *		3,480,629	3,480,629	3,441,780	3,441,780
Financial liabilities carried at fair value					
Derivative instruments	2	(321,778)	(321,778)	(325,743)	(325,743)
Financial liabilities carried at amortised cost					
Issued bonds	1	(7,299,858)	(6,981,762)	(8,455,368)	(8,206,878)
Bank loans *		(7,527,027)	(7,527,027)	(5,777,262)	(5,777,262)
Loans from non-controlling shareholders *		(1,569,953)	(1,569,953)	(1,783,376)	(1,783,376)
Lease and service concession liabilities *		(4,486,329)	(4,486,329)	(4,369,517)	(4,369,517)
Payables and other liabilities**		(4,301,721)	(4,301,721)	(4,555,907)	(4,555,907)

* 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.

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)

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

18. Financial instruments (continued)

Fair value hierarchy (continued)

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. Other loans include term loans and finance leases. These are largely at variable interest rates and therefore, the carrying value normally equates to the fair value.

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. Significant unobservable inputs, used in the valuations include 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. A reasonable possible change at 30 June 2023 to one of the significant unobservable input, holding other inputs constant, did not result in any significant change in the fair value measurement.

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

	30 June 2023	31 December 2022
	USD'000	USD'000
At 1 January	19,667	-
Additional investments	5,135	4,251
Acquisition through business combination	-	15,054
Disposal/derecognition during the period/year	-	(153)
Change in fair value recognised in profit or loss	32	70
Foreign exchange gain	1,526	445
At 30 June/ 31 December	26,360	19,667

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

19. Share capital and premium

The share capital of the Company comprises 830,000,000 fully paid shares of USD 2.00 each.

Share premium represents surplus received over and above the nominal value of the issued share capital.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

20. Other reserves

Breakdown of 'Other reserves' and the movements in these reserves during the period is as follows:

	Actuarial reserve	Hedging and other reserves	Total
	USD'000	USD'000	USD'000
Balance as at 1 January 2022	(568,196)	(24,956)	(593,152)
Other comprehensive income, net of tax	63,493	45,734	109,227
Balance as at 30 June 2022	(504,703)	20,778	(483,925)
Balance as at 1 January 2023	(491,393)	82,849	(408,544)
Other comprehensive income, net of tax	18,299	26,274	44,573
Balance as at 30 June 2023	(473,094)	109,123	(363,971)

21. Loans and borrowings

	30 June 2023	31 December 2022
	USD'000	USD'000
Issued bonds	7,299,858	8,455,368
Bank loans	7,444,460	5,668,452
Bank overdrafts	82,567	108,810
Total	14,826,885	14,232,630
of which:		
Classified as non-current	13,830,419	11,168,994
Classified as current*	996,466	3,063,636
of which:		
Secured loans and borrowings	3,552,062	3,446,502
Unsecured loans and borrowings	11,274,823	10,786,128

* In January 2023, the repayment date of a revolving facility which is included under unsecured loans and borrowings amounting to USD 800,100 thousand, which was due to be repaid in 2023, has been extended to 2028. Consequently, the loan has been classified as non-current.

The table below provides movement of loans and borrowings:

	30 June 2023	31 December 2022
	USD'000	USD'000
Opening balance	14,232,630	15,201,089
Cash flow items		
Drawdown of borrowings	2,072,686	295,309
Repayment of borrowings	(1,530,923)	(1,782,616)
Other non-cash items		
Acquired through business combinations#	-	755,256
Transaction cost amortised	6,224	12,314
Net movement in overdrafts	(26,243)	39,651
Foreign exchange translation adjustments	72,511	(288,373)
Closing balance	14,826,885	14,232,630

This includes overdraft taken over on acquisition USD Nil (2022: USD 69,159 thousand).

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

21. Loans and borrowings *(continued)*

The bonds carry interest rates ranging from 2.4% to 6.9% per annum and majority of the loans carry interest rates ranging from 0.9% to 11%.

At 30 June 2023, the undrawn committed borrowing facilities of USD 0.8 billion *(2022: USD 2.0 billion)* is available to the Group, in respect of which all conditions precedent are met.

The maturity profile of the Group's loans and borrowings as of 30 June 2023 is as below:

Year of maturity	Bonds	Loans and overdrafts	Total
	USD'000	USD'000	USD'000
2023	-	756,307	756,307
2024	-	510,860	510,860
2025	-	680,397	680,397
2026	814,171	615,019	1,429,190
2027	7,983	419,101	427,084
2028	995,384	2,821,260	3,816,644
2029	989,085	129,532	1,118,617
2030	937,756	152,422	1,090,178
2031	-	141,072	141,072
2032	-	399,043	399,043
2033-37	1,741,400	406,779	2,148,179
2038-47	-	495,235	495,235
Beyond 2047	1,814,079	-	1,814,079
Total	7,299,858	7,527,027	14,826,885

Interest rate benchmark reform

Transition away from LIBOR was announced by regulators in 2020 whereby all loan agreements have to move away from USD LIBOR to SOFR (Secured Overnight Financing Rate), a secured overnight lending rate, by 30 June 2023. Group's Treasury is leading transition for some large loan facilities and associated swaps (if any). The main commercial aspect in relation to transition involved negotiating Credit Adjustment Spread (CAS). Most of these transitions have now been concluded or are under discussion to be completed before next rollover date for the respective facilities.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements (continued)

22. Lease and service concession liabilities

a) Group as a lessee/concessionaire

The table below provides the movement in lease and service concession liabilities:

	Lease liabilities (IFRS 16)	Service concession liabilities (IFRIC 12)	Total	Lease liabilities (IFRS 16)	Service concession liabilities (IFRIC 12)	Total
	30 June 2023	30 June 2023	30 June 2023	31 December 2022	31 December 2022	31 December 2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January	3,857,185	512,332	4,369,517	3,384,036	494,799	3,878,835
Acquired through business combination	-	-	-	384,676	-	384,676
Additions	381,158	-	381,158	992,743	2,606	995,349
Payments	(414,886)	(22,463)	(437,349)	(881,282)	(44,483)	(925,765)
Interest expense	94,415	19,725	114,140	164,863	39,267	204,130
Lease modifications	33,590	-	33,590	(18,800)	(666)	(19,466)
Reclassification from other liabilities	-	-	-	-	24,299	24,299
Translation adjustments	24,435	838	25,273	(169,051)	(3,490)	(172,541)
At 30 June/ 31 December	3,975,897	510,432	4,486,329	3,857,185	512,332	4,369,517
Classified as:						
Non-current	3,369,007	474,826	3,843,833	3,202,581	475,357	3,677,938
Current	606,890	35,606	642,496	654,604	36,975	691,579
Total	3,975,897	510,432	4,486,329	3,857,185	512,332	4,369,517

b) Group as a lessor

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	30 June 2023	31 December 2022
	USD'000	USD'000
Within one year	675,543	589,766
Between one to five years	1,466,237	1,239,212
More than five years	1,981,784	1,693,794
Total	4,123,564	3,522,772

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, certain vessels and property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

23. Loans from non-controlling shareholders

	30 June 2023	31 December 2022
	USD'000	USD'000
Non-current	1,214,791	1,467,726
Current	355,162	315,650
Total	1,569,953	1,783,376

These loans carry interest rates ranging between 0% - 10.6% per annum (2022: 4.0% - 10.6% *per annum*) and are repayable between 2023 and 2039.

24. Capital commitments

	30 June 2023	31 December 2022
	USD'000	USD'000
Estimated capital expenditure contracted at the reporting date	1,288,128	1,326,523
Estimated capital expenditure contracted by equity-accounted investees	91,788	90,137
Total	1,379,916	1,416,660

The above commitments relate to expansion of ports and terminals and construction of vessels.

25. Contingencies

The Group has the following contingent liabilities arising in the ordinary course of business at the reporting date:

	30 June 2023	31 December 2022
	USD'000	USD'000
Performance guarantees	229,338	175,127
Payment guarantees	248,651	146,763
Letters of credit	29,699	24,316
Guarantees issued on behalf of equity-accounted investees	36,351	30,603
Total	544,039	376,809

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

DP World Limited and its subsidiaries

Notes to the consolidated financial statements *(continued)*

26. Events after the reporting date

- (a) On 2 August 2023, The Trustee of the P&O Pension Scheme have agreed to buy-in with Rothesay, securing benefits for 5,300 members, with a premium of USD 565 million by way of transferring the scheme assets. The buy-in deal secures full Scheme benefits for members and sees the Scheme's residual liabilities now insured reducing risks for the Group. This transaction is not expected to have any material impact on the Group's results.

- (b) On 2 August 2023, the Group signed a long-term unsecured facility with banks amounting to USD 3.5 billion. The facility is denominated in USD, carries commercial interest rate and is repayable at the end of 7 years from the date of agreement.