



# Annual Report 2023



# Financial Highlights

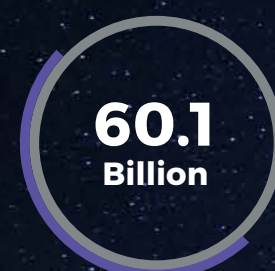
IHC Key Figures as of 31 December 2023

Total Assets



+15.9% increase<sup>1</sup>

Revenue



+17.9% growth<sup>1</sup>

Profit After Tax



+1.2% increase<sup>1</sup>

Net Profit Margin



63.9% in FY22

Net Debt



2.7bn as at Dec-22

Cash & Bank Balance



8.9% decrease<sup>2</sup>

Total Debt



+21.3% increase<sup>2</sup>

Earnings Per Share



+84.3% increase<sup>1</sup>

Return on Assets



20.5% in FY22

Return on Equity<sup>3</sup>



26.6% in FY22

Total Liabilities



+9.0% increase<sup>2</sup>

Quick Ratio



2.2x as at Dec-22

Total Equity



+21.2% growth<sup>2</sup>

Note: Figures in AED  
1: FY23 vs. FY22  
2: Dec-23 vs Dec-22  
3: Owner's Profit over average Owner's equity as of Dec-23 and Dec-22



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# 1.0 The Company

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**Tahnoon bin Zayed Al Nahyan**  
Chairman, International Holding Company

# 1.1

# Chairman's Message

Reflecting on 2023, International Holding Company (IHC) has steered a course of transformative growth and global impact. A key enabler of IHC's sustained growth has been the partnerships we have forged, both within the UAE and internationally. The diverse nature of our portfolio has allowed us to navigate economic challenges, with flexibility at our core. IHC's commitment to deepening international ties aligns with our overarching goal – to contribute significantly to the UAE's burgeoning recognition as an international financial center, an innovation hub, and a flourishing business environment.

The trust bestowed upon us by our shareholders is our most valued asset. It drives our ambitions and inspires us to deliver sustained, long-term value. Our strategic initiatives and growth have fuelled a stellar Earnings per Share of AED 12.55, representing nearly a 2x growth in the past year. In tandem with increased profitability and the fortification of our balance sheets, IHC's total assets have risen to an impressive AED 264.3 Billion.

The UAE has demonstrated a strong commitment to sustainability, particularly through the extension of the 'Year of Sustainability' into 2024. At COP28, our subsidiaries not only showcased our commitment to climate change solutions, but also forged pivotal partnerships that mark a significant step towards our vision of a greener future.

Our early planning has positioned us well to embrace the next frontier of innovation. Artificial Intelligence (AI) is already transforming IHC's operations exponentially, enriching our

daily activities and streamlining processes. Coupled with our advances in technology and climate finance, AI will propel us toward a future where IHC sustains growth across diverse industries and generates enduring value. Our unwavering commitment to sustainability, robust partnerships, and shareholder trust continues to be the cornerstone of our success.

I wish to express our appreciation to the shareholders and our partners for their unwavering backing, and I commend the dedication of IHC team. Together we embark on a journey shaping a brighter, more sustainable future.

Looking forward, the Board remains steadfast in its pledge to advance the company's future strategies, ensuring a trajectory of sustainable growth and resilience. This collective commitment fortifies our confidence that, together, we will continue to shape a future of enduring prosperity for International Holding Company.

**Tahnoon bin Zayed Al Nahyan**  
Chairman



# 1.2

## Board of Directors



**Dr. Mhd Somar  
Ajalyaqin**

Vice Chairman,  
Independent/  
Non-Executive

Chairman - Nomination &  
Remuneration Committee

Vice Chairman - Audit  
Committee

Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing to the company almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.

Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on merger and acquisition strategies and the tactical growth of companies, integral to the successful overall performance of IHC.

He holds a degree in DAA from Syria, and during his tenure at IHC, he has been instrumental at Board level in all matters relating to business acquisitions and dynamic investment opportunities.



**Mr. Syed Basar  
Shueb**

Board Member,  
Chief Executive Officer  
& Managing Director

Chairman - Follow-up &  
Insiders Transaction  
Supervision Committee

Syed Basar Shueb has been CEO, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group CEO of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.

In addition to being Vice Chairman of Alpha Dhabi Holding (ADH), Syed Basar was elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry, besides his Board membership in Invictus Investment PLC.

An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Top 10 Middle East's CEOs by Forbes in 2023; Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC continually being in the top performers of the Abu Dhabi Bourse's listed companies.



**Ms. Sofia  
Abdellatif Lasky**

Board Member,  
Independent/  
Non-Executive

Chairwoman of Audit  
Committee

Vice Chairwoman -  
Nomination & Remuneration  
Committee

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 19-year tenure at Royal Group.

She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a bachelor's degree in management information technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH), Aldar Properties and National Corporation for Tourism and Hotels. Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.



**Mr. Mohammed  
Nasser Al Shamsi**

Board Member,  
Independent/  
Non-Executive

Member - Audit Committee

Member - Nomination &  
Remuneration Committee

Member - Follow-up  
&W Insiders Transaction  
Supervision Committee

Mohammed Nasser Al Shamsi was appointed as Board member of IHC in April 2020. Mohammed is an International Affairs Specialist at Presidential Level in the UAE Ministry of Presidential Affairs. His role involves managing the strategic relationships with foreign governments, diplomatic missions and international institutions.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates

University and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts and played an active role in international relations.

Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.



**Mr. Syed Basar Shueb**  
CEO & Managing Director,  
International Holding Company

# 1.3

## CEO's Message

In 2023, IHC charted a course of remarkable growth, recognising record net profits of AED 32.95 billion, underpinned by our unwavering commitment to operational excellence, sustainability, and strong financial performance.

The resounding performance by the portfolio propelled us to new heights, in the realms of Real Estate & Construction and Marine Dredging, we celebrated record sales, that contributed to an expansion that, along with major regional and international investments, led to a 17.9% increase in revenue, reaching AED 60.1 billion.

Our strategic vision ignited a foray into new industry sectors, with an objective in Asset Management, of harnessing our expertise; in Luxury Hospitality, of setting global benchmarks for guest loyalty, and in Financial Services, of enhancing client offerings that unlock improved financial outcomes. The Group embraced the transformative power of Artificial Intelligence and Technology, revealing enhanced operations across teams, and revealed unprecedented financial opportunities, all paving our own path for innovation and progress.

At the core of an extraordinary year of financial growth was the tireless dedication and effort of our 155,000+ workforce. In 2023, and looking forward to next year, we redoubled our commitment to creating supportive work environments that nurture professional and holistic employee wellness - which continues to remain at the center of the Group's ethos.

In 2023, UAE's 'Year of Sustainability,' we inaugurated the ProSeed Sustainability Hub, which advanced our ESG framework and culminated in a successful multi-sectoral

exhibition at COP28. The intrapreneurial spirit of our business leaders, inspired the creation of new subsidiaries like Sirius International Holding and S3, targeting critical areas of industrial digital transformation and the climate economy focusing on - Methane, Carbon, Circularity, and Water Efficiency. Moreover, our portfolio of companies in Healthcare, Mobility, and Real Estate, all committed to achieving Net Zero by 2050.

I extend my gratitude to our Executive and partner employees for their unwavering support. I applaud the dedication of our teams, whose collective efforts have propelled IHC's performance to new heights. We forge ahead, together with purposeful action for shaping a better future that propels IHC to new heights.

As we navigate the future, our focus sharpens on driving sustainable growth through the development of large intrapreneurial projects, capitalizing on ecosystem synergies, and expanding into new geographies and sectors. Anchored by our commitment to prudent financial management, and operational governance, IHC is poised to enhance our global presence and deliver stronger financial returns.

**Mr. Syed Basar Shueb**  
CEO & Managing Director

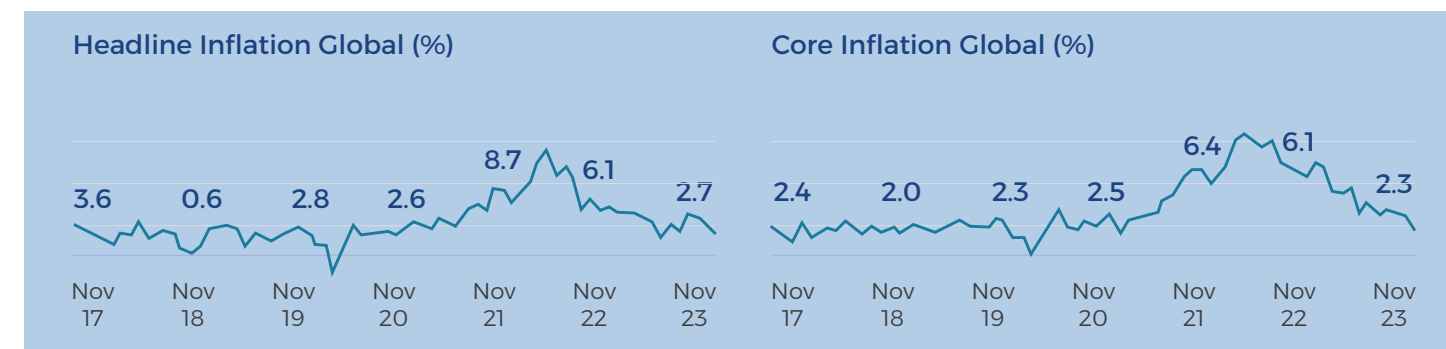


# 1.4 Economic Outlook

## Global Resilience Amidst Challenges in 2023

The global economy has displayed resilience in its recovery from the COVID-19 pandemic, Ukraine- Russia conflict and the cost-of-living crisis. Inflation has been declining faster than anticipated since its peak in 2022, with a less severe impact on unemployment and economic activity, which can be attributable to favorable developments on the supply-side and tightening policies implemented by the central bank, to ensure inflation expectations remain stable. However, the persistence of high interest rates to combat inflation and the reduction of fiscal support due to increasing debt levels are expected to exert a dampening effect on the growth in 2024.

Major economies have been demonstrating resilience in their growth trajectories, surpassing expectations in the latter half of 2023. The United States, along with several significant emerging market and developing economies, experienced stronger-than-anticipated economic growth. This growth was fueled by a combination of government and private spending, supported by real disposable income increases that bolstered consumption. The positive momentum was not universal, as the Euro area witnessed a subdued growth, which can be attributed to factors such as weak consumer sentiment, persistent effects of high energy prices, and vulnerabilities in interest-rate-sensitive sectors like manufacturing and business investment.

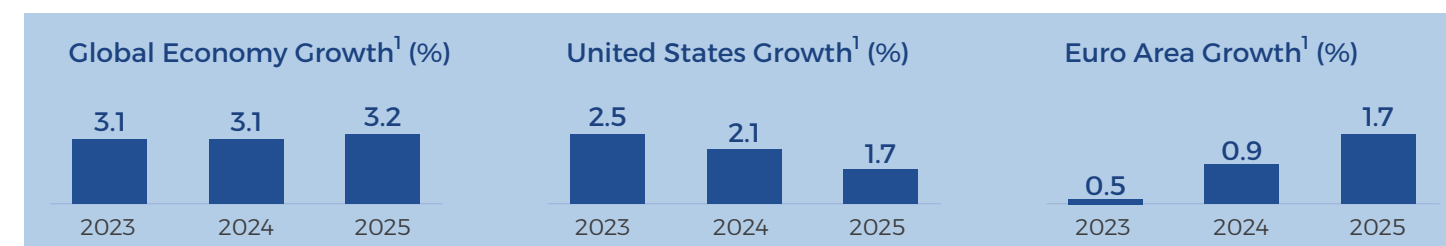


Owing to favorable trends in global supply, inflation has been declining more rapidly than expected, with recent monthly figures approaching the pre-pandemic averages for both headline and underlying (core) inflation. To curb inflation, central banks increased policy interest rates to restrictive levels in 2023, which lead to an increase in mortgage expenses, difficulties for businesses in refinancing their debts, constrained credit availability, and slower business and residential investment.

## Growth Outlook 2024 and Beyond

In 2024, several advanced, emerging market and developing economies are anticipated to adopt a more restrictive fiscal policy stance. This is aimed at rebuilding fiscal flexibility and curbing the upward debt trajectory.

Global growth was estimated to be at 3.1% in 2023 and is forecasted to remain the same in 2024, with a slight increase to 3.2% in 2025. The forecast for global growth in 2024 and 2025 falls below the historical annual average of 3.8% from 2000 to 2019. This is attributable to the impact of restrictive monetary policies, the withdrawal of fiscal stimulus, and subdued underlying productivity growth. The Euro area is expected to see a recovery in 2024, and a moderation of growth expected in the United States.



1. Real GDP growth projection % change

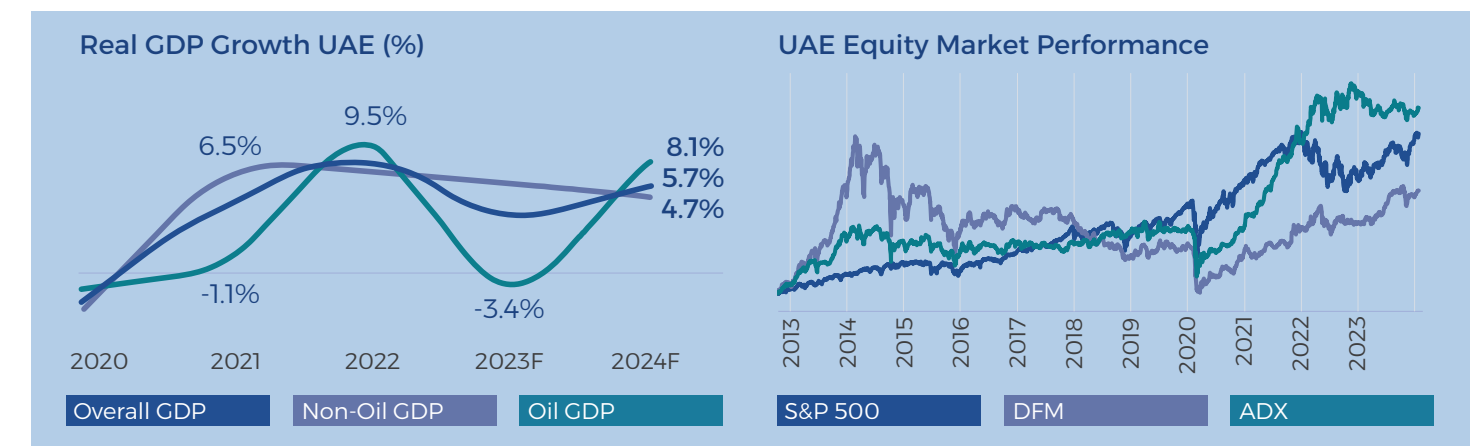
Source: International Monetary Fund- World Economic Outlook January 2024

## Regional Perspective

The UAE economy has sustained its growth momentum on account of strong domestic activity. Ongoing reforms that foster a business-friendly environment along with UAE's status as a safe haven has consistently attracted foreign capital and labor, which has continued to drive economic growth.

In the second quarter of 2023, the non-oil GDP growth rate in the UAE surged to 7.3% year-on-year, a notable increase from the 4.5% recorded in the preceding quarter. Key sectors such as financial and insurance services, construction, real estate, wholesale, and retail witnessed substantial growth, which lead to a revision in the projected growth rates to 5.9% and 4.7% for 2023 and 2024, respectively.

In the second quarter of 2023, the GDP growth in the UAE's oil sector experienced a year-on-year decline of 5.1%, compared to a 1.5% year-on-year growth recorded in the first quarter of 2023. This downturn is attributed to the impact of OPEC+ agreements, which lead to a reduction in UAE oil production to an average of 2.9 mn barrels per day during the second quarter. With the anticipated resumption of production in 2024 in accordance with the latest OPEC+ agreement, oil GDP growth is projected to rebound to 8.1% in 2024, corresponding to 3.2 mn barrels per day.



The Central Bank of UAE (CBUAE) has slightly lowered its inflation projection from 2.8% to 2.4% for 2023, reflecting the stronger-than-expected pass-through of the decline in food prices and appreciating AED. This has been partially offset by rising housing prices.

The gradual implementation of the corporate income tax, initiated in June 2023, is expected to contribute to higher non-oil revenue to the government budget. There has also been a notable increase in the number of private sector establishments in 2023 which has increased by 10.5%, compared to 2022, as well as a 9.1% growth in the number of work permits.

## Growth Outlook 2024 and Beyond

The Central Bank of UAE (CBUAE) estimates the real GDP growth to rebound to 5.7% in 2024, compared to a slowdown of 3.1% in 2023. The outlook for oil GDP is impacted by OPEC+ agreements, while the non-oil GDP growth is projected to remain strong but gradually decrease.

The projected inflation rate for 2024 is expected to decelerate to 2.1%, representing a downward revision from the previous estimate of 2.6%, in line with global disinflationary trends.

The forecasts for 2023 and 2024 remain uncertain, especially due to the ongoing conflicts in Ukraine and Gaza, faster than expected global growth slowdown, additional OPEC+ cuts or increases in oil production, and subdued oil production of other OPEC+ members.

Source: ADX, DFM, Capital IQ, Bank Audi: UAE Economic Outlook January 2024, Central Bank of UAE Quarterly Economic Review Q3 2023, The National News, IMF

# 1.5 Our Organization

## IHC at a Glance

### Overview

One of the fastest-growing publicly-listed holding companies comprising of 600+ subsidiaries, 31 associates and 29 joint ventures with international operating segments and acquisitions in 8 primary business verticals

### Strategy

Driven towards continually boosting innovation, sustainability, community development and economic growth throughout the markets in which it operates, via tactical acquisitions of future-ready businesses, whilst maintaining a high level of due diligence

### Impact Investing

Business-led investments centered on impacting the world by creating opportunities, and enhancing the well-being of communities, governments and people

**600+**  
Subsidiaries

**20+**  
Countries

**60**  
JVs &  
Associates

**5**  
Continents

## 8 Business Verticals



Real Estate & Construction



Food & Agriculture



Technology



Financial Services



Marine & Dredging



Healthcare



Utilities



Services & other segments



In-sync with 'Abu Dhabi's Economic Vision 2030' and the UAE's 'Next 50' development plans, IHC is participating and contributing to a multitude of industries focused on their future readiness, creativity, resilience and digital transformation.

With a core strategy to enhance shareholder value and achieve growth, IHC drives operational synergies and maximizes cost efficiencies across all verticals - it also continues to evaluate investment opportunities through

direct ownership and entering partnerships in the UAE and abroad. As the world changes and new opportunities arise, IHC remains focused on resilience, innovation, and redefining the marketplace for itself, its clients, and its partners.





# 1.6 Strategy

## Empowering a Diversified Abu Dhabi

IHC was founded in 1998 to diversify and develop the non-oil business sectors in the UAE and has grown to become “the most valuable listed holding company” in the Middle East. Our vision is to stand as testament to propel the region’s non-oil economy to a global stage. The ultimate purpose is to enhance and maximize shareholder value through our strategic planning and core values of growth, performance excellence, and enhancing IHC’s workforce capabilities. We navigate the economic landscape with a clear purpose: to unleash the potential of diverse industries and fuel a future of shared prosperity.

## Fueling Growth via Unwavering Commitment

The global economy recovered swiftly in 2023 with relatively strong growth and enhanced returns in capital markets. However, rising global geopolitical issues, predicted slowing down of global annual real GDP are taking a toll on the world economy and stability. Last year, we highlighted the journey undertaken at IHC and for 2024 our focus will be on entrepreneurship and developing new industrial projects across our verticals

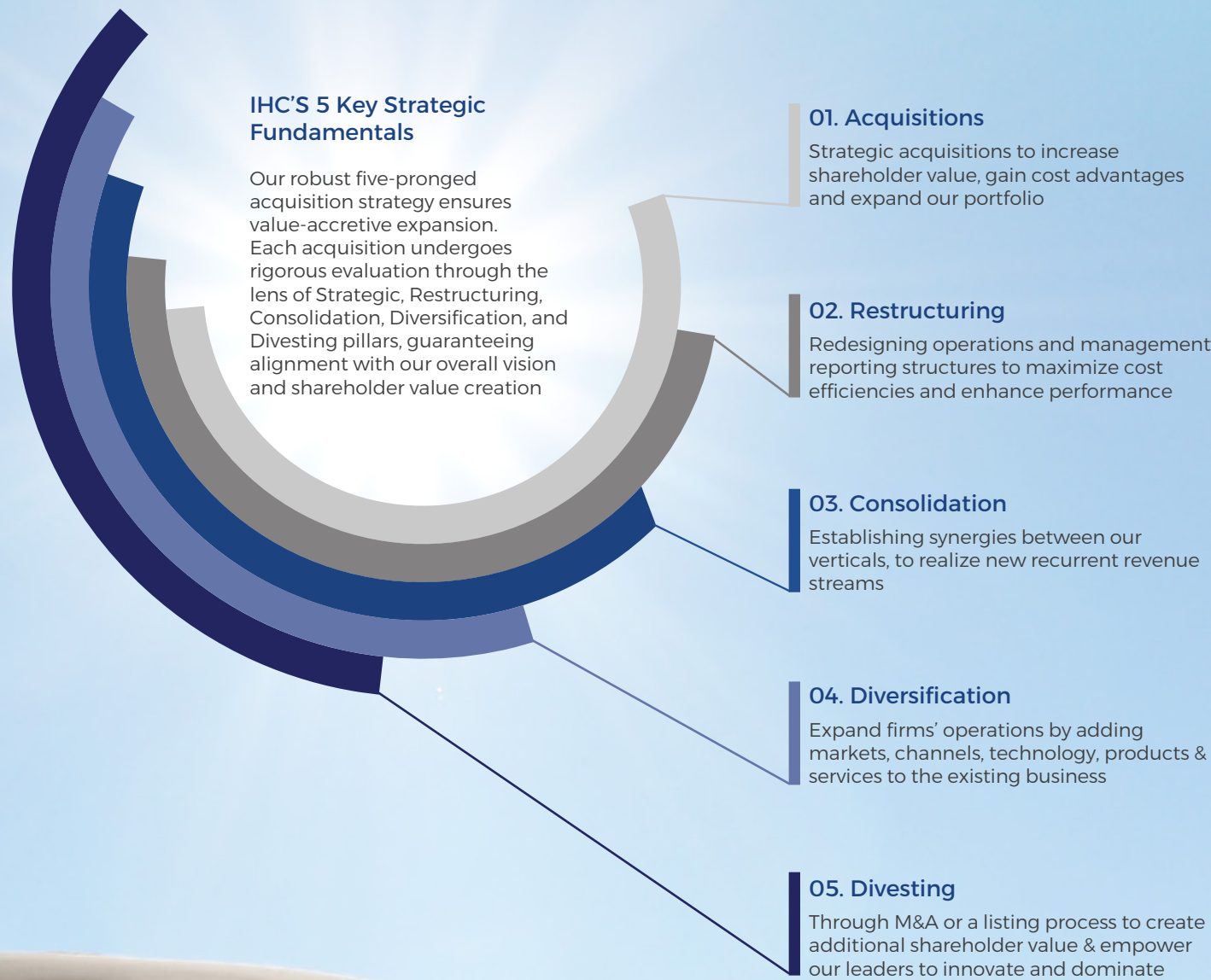
- **Building** internal capabilities,
- **Accelerating** business ecosystems,
- **Listing** subsidiaries of the holding group, and
- **Investing** with a global reach.

These were not just the themes for the previous years but part of the mindset and knowledge transfer to our distinctive business unit leaders, to action as part of their growth journey

|  |   |                            |
|--|---|----------------------------|
| <b>2020</b><br>Accelerating Business Ecosystems    | <b>Increased Market Presence</b> <ul style="list-style-type: none"> <li>• Expanded our verticals</li> <li>• Identified new areas for growth</li> <li>• Created synergistic advantages</li> </ul>  | <b>Deliver Growth</b>      |
| <b>2021</b><br>Listing Subsidiaries of the Holding | <b>New Horizons for Growth and Profitability</b> <ul style="list-style-type: none"> <li>• Executed ‘divestment via listing’ model</li> <li>• Capitalized listed subsidiaries to diversify and grow</li> <li>• Simplified and streamlined IHC subsidiaries’ structure</li> </ul>                   | <b>Enhance Performance</b> |
| <b>2022</b><br>Investing with a Global Reach       | <b>Established Global Reach Across Multiple Sectors</b> <ul style="list-style-type: none"> <li>• Completing ecosystems across global value chains</li> <li>• Centers of excellence with strong governance structures</li> <li>• Impact investing for social and environmental benefits</li> </ul> | <b>Value Addition</b>      |
| <b>2023</b><br>Intrapreneurship                    | <b>Developing and co-creating new projects</b> <ul style="list-style-type: none"> <li>• Innovating by utilizing emerging technologies</li> <li>• Cross-functional growth to deliver large industrial projects</li> <li>• Expand to emerging sectors (climate-tech, crypto and AI)</li> </ul>      | <b>Sustained Returns</b>   |



# Strategic Fundamentals



# Our Guiding Principles

- 01. Global Expansion**  
We forge strategic partnerships, investments, and acquisitions unlocking new markets and fostering collaborations that amplify our impact. From renewable energy projects in Africa to real estate ventures in Europe, with major event infrastructure installed across 9 countries
- 02. Portfolio Optimization**  
As architects of our own path, IHC has further expanded our portfolio and augmented it across, high-potential sectors like AI & technology, financial services & asset management, and marine and dredging, which we are optimizing to maximize value creation
- 03. Intrapreneurial Spirit**  
IHC believe in the power of human ingenuity, empowering our business units to flourish as independent engines of innovation. Each business sector is challenged and incentivized to embrace new challenges, develop mega-projects and propose ground-breaking solutions
- 04. Operational Excellence**  
IHC has always relentlessly pursued operational excellence within existing businesses, by nurturing collaboration and through completing business ecosystems. These extend right from Real Estate services, Food, Agriculture and Beverage and even Construction
- 05. Sustainability Champion**  
IHC launched Proseed as the beacon of sustainability for the Group. Proseed served as a center of excellence in sustainability, to showcase the Group's efforts, while serving as a launchpad for innovation and collaboration in sustainability



Note: Companies are examples of guiding principles



# Sustainability

## Sustainability Showcases

The Group showcased a multi-sub subsidiary approach at COP28, hosted by the UAE. The outcomes at COP28 represented a 19-subsubsidiary showcase, across 3 Hubs of Energy Transition, Healthcare and Technology and Innovation. Over the course of 12 days, IHC, at its stand announced, 20 partnerships, initiatives, investments across green finance initiatives, carbon capture solutions, mobility, event infrastructure, natural resources and wildlife and a commitment to circular economy principles providing a testament to our unwavering dedication to safeguarding the planet for future generations.



### EV Infrastructure

Easylease expanded into the EV Market with provision of EV Charging Stations & e-bikes

### Methane Abatement

S3 will aim at USD 5 bn financing towards methane monitoring, abatement and carbon capture technologies

### Financial Services

Wio Bank integrated the Mastercard Carbon Calculator into its mobile application, setting a new standard for sustainable banking practices

Today, IHC's portfolio boasts 33% of the UAE's companies that have set and announced their Science Based Targets initiatives (SBTi) which will drive ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.



## Accelerating Net-Zero Targets of the Group



Accelerated our ESG Framework, looking at responsible asset ownership and responsible investing



SBTi based Net Zero 2050, highest ESG rating in MENA region in Real Estate and Construction



SBTi based Net Zero 2040, leading climate action in Healthcare



SBTi based Net Zero 2050, 50% reduction in emissions by 2030



# 1.7 Portfolio Overview

## Building on Momentum

IHC's effective execution of its growth strategy has seen its subsidiaries increase from 482 to 600+, equivalent to a 24.48% increase in 2023. Under the guidance of the Group's leadership, IHC aims to continue its drive for growth via acquisitions, joint ventures, and organic growth, expanding our footprint and claiming new frontiers.

## A Diversified Holding of Listed Entities

Today, IHC stands as the region's largest listed holding company, with a market cap of AED 876.5 Bn. At IHC, we prioritize achieving strong financial performance, reflected in our consistent revenue and profit growth over the past years. Our objective to create further value through the 'divesting via the listing model' of eight direct subsidiaries has provided impetus to this value generation, while also providing additional incentive for our privately held subsidiaries to surpass their strategic and financial goals. IHC's eight listed, direct subsidiaries have further invested in other listed companies, creating a diversified portfolio which mitigates risk and captures growth opportunities in different segments of the economy.

|  |  |
|--|--|
| <p>Alpha Dhabi Holding<br/>القابضة القابضة</p> | <p><b>ALPHA DHABI</b><br/>Fast growing portfolio in construction, industries, healthcare, hospitality, etc.</p>  |
| <p><b>MULTIPLY GROUP</b></p>                   | <p><b>MULTIPLY GROUP</b><br/>Investor in transformative cash generating businesses across the globe</p>  |
| <p>Q HOLDING<br/>القابضة</p>                   | <p><b>Q HOLDING</b><br/>Fully integrated real estate developer with a mission to create high-quality lifestyle focused communities</p>                   |
| <p>غذاء<br/>Ghitha</p>                         | <p><b>GHITHA HOLDING</b><br/>An eminent foodstuff trading, manufacturing and distribution firm in the UAE</p>  |
| <p>AL SEER MARINE</p>                          | <p><b>AL SEER MARINE</b><br/>Leading maritime, manufacturing, commercial and technical management company in the Arabian maritime region</p>             |
| <p>بالمر الرياضية<br/>PALMS SPORTS</p>         | <p><b>PALMS SPORTS</b><br/>Top-tier provider for sports training programs and schools in the UAE and the largest Jiu-Jitsu company in the world</p>      |
| <p>ESG EMIRATES STALLIONS GROUP</p>            | <p><b>EMIRATES STALLIONS GROUP</b><br/>Strategically formed group of companies spanning investments, construction management and real estate sectors</p> |
|  | <p><b>EASYLEASE</b><br/>The first of its kind 360-degree integrated mobility solutions provider</p>  |



## Portfolio Overview continued

### IHC Subsidiaries and Associates Portfolio

In addition to our holdings in listed subsidiaries, IHC's portfolio includes privately held, operating assets and holdings across market sectors of: Emerging Technologies, Digital Solutions, Climate Solutions, Leisure, IT, Financial Services, Insurance, Food Production and Distribution. IHC is aimed at supporting strategic acquisitions and consolidations within this segment along with further diversification to drive shareholder returns.



### Funds and Public Markets

IHC has maintained a multi-pronged approach to positions us as a dynamic investor and value creator. Our strategy to diversify our portfolio couples with our intent to integrate businesses to work as business ecosystems has propelled our growth trajectory and thereby maximizing returns for all stakeholders.

By investing in diverse, globally, and locally listed securities, IHC gains exposure to a wider range of markets, and asset classes. This diversification mitigates risk and unlocks unique growth opportunities across geographic boundaries and creates new strategic opportunities. The portfolio ranged from investments in Adani Enterprises and local AI & Crypto companies to the first SPAC of the region in ADC, by Chimera Investments, which acquired the security printing E7 Group



Investments in Funds and asset management will be IHC's key focus areas for growth. IHC has invested into regional global funds, which invests and manages in various asset classes globally, ranging from venture capital and growth to microfinancing, climate-tech and public market credits. In 2024, the subsidiary, Lunate, will manage Alterra's USD 30bn fund for climate-tech.





# Portfolio Overview continued

## Other Key Subsidiaries & Associates



Listed on ADX, APEX is an integrated operator of diverse businesses and investments with an acute focus on Facility Management, Catering, Temporary Structures and Investments



شركة الإمارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C



Emirates Refreshments Co. is involved in the bottling, distribution, and trading of mineral water, carbonated soft drinks, soft drinks and juices.



Reset is an energy service company (ESCO) that provides turnkey energy and water saving solutions communities through energy performance contracts



Emircom is a market leader in ICT in the Middle East and is a leading partner to many heavyweights in the ICT segment, most notably Cisco & Dell to deliver bespoke solutions tailored to each client's unique needs.



International Securities is a brokerage firm based in Abu Dhabi, regulated by SCA, specializing in equities and derivatives trading on ADX, DFM, and Nasdaq Dubai.



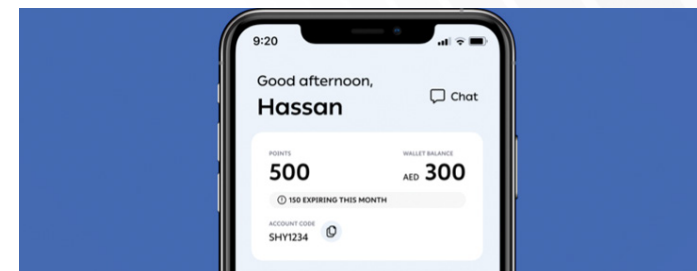
Established in 2010, Royal Technology Solutions is a leading system integrator & IT service provider in the Middle East.



Arena brings temporary environments to life by designing and building spaces that make a lasting impression. The Group provides services in 11 countries globally.



Cine Royal Cinema is a chain of Cineplex with 41 screens across four locations and is the first Cineplex to bring 3D Technology to cinemas in Abu Dhabi.



Shory is an insurtech company that uses technology to make insurance easier. Shory simplifies the insurance experience, empowers with real-time insights, and guides at every stage of the insurance journey.



# 1.8

## Key Developments

### Summary

#### Acquisitions & Investments



#### IPO



### Summary continued

#### Joint Ventures

In March 2023, we announced our intention to create a multi-asset class investment manager, a joint venture between IHC and ADQ. The newly created investment manager will bring the best of both companies, leveraging their expertise and experience to provide a wider range of investment opportunities, including Private Equity, Venture Capital, Credit and Public Equities, and access to a more extensive network of industry experts



In March 2023, as a result of amendments in certain clauses to the shareholders agreement, the Group gave up control over Pure Health Holding LLC and its subsidiaries, after which, Pure Health was deconsolidated and recorded as investment in joint venture



#### IPO

In December 2023, Pure Health Holding LLC, a subsidiary of Alpha Dhabi Holding PJSC proceeded with an initial public offering and listed its shares on the Abu Dhabi Securities Exchange. The company set a price of AED 3.26 per share with an offering size of 1.1bn ordinary shares, equivalent to 10% of its total issued share capital



In February 2023, the Group invested USD 50m (AED 184m) in ADNOC Gas' initial public offering as a cornerstone investor



In March 2023, the Group invested in the initial public offering of Presight AI Holding PLC (a G42 company) with an investment of AED 1.1bn securing a 15% stake as a cornerstone investor. The move comes as part of IHC's long-term strategy to grow its capacity in the tech industry across different sectors as it continues to scale up its information technology businesses



IHC's wholly owned unit, International Tech Group, entered into a definitive agreement to buy 10% stake in Phoenix Group.





## Acquisitions

Palms Sports PJSC, acquired 100% equity interest in Securiguard Middle East LLC ("Securiguard") for a consideration of AED 300m. Securiguard is involved in the provision of security guards and cleaning services



Multiply Group PJSC acquired a 60% equity interest in 247 Media Holding Ltd. ("Media 247") for a consideration of AED 261m. 247 Media is a specialized outdoor media solution provider in the United Arab Emirates



Multiply Group PJSC acquired control over LVL Technology Holding, through the acquisition of an additional ownership interest of 33% (cumulative ownership of 49.38%) for a total consideration of AED 40m



Aldar Education acquired 100% equity interest in Virginia International Private School for AED 211m. Additionally, it acquired a 100% equity interest in Kent College LLC and Kent Nursery LLC for a consideration of AED 120m



Emirates Stallions Group, a subsidiary of IHC, acquired 23.91% shareholding in Kizad Communities Development and Services Company LLC for an in-kind consideration, being the 50% ownership in Al Eskan Al Jamae LLC effective 1 April 2023. Kizad Communities provides end-to-end solutions for staff accommodation including new developments, services and property management solutions.



Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 51% equity interest in ADMO Lifestyle Holding Limited ("ADMO") for a consideration of AED 716.5m effective 1 May 2023. ADMO is an Abu Dhabi based company, engaged in hotel and restaurant management. ADMO, an entity owned by Alpha Dhabi and Monterock International, has set a vision to further fortify the Nammos World brand with the launch of Nammos Hotels and Resorts.



Alpha Dhabi Holding, a subsidiary of IHC, announced on 11 May 2023 that they had acquired a 36.4% stake National Corporation for Tourism and Hotels ("NCTH") for a consideration of AED 730m. NCTH is an ADX-listed owner, operator and manager of hotels in Abu Dhabi.



## Acquisitions continued

Aldar Properties PJSC, a subsidiary of IHC, acquired a 75% equity interest in Basatin Holding SPV Ltd. ("Basatin") for a consideration of AED 138.8m on 28 May 2023. Basatin is an Abu Dhabi based contracting company providing landscaping related services.



IHC announced on 01 January 2023 the acquisition of a 55% majority stake in Reach Employment Services in AED 315.1m transaction, one of the largest market leaders for employees' recruitment and outsourcing, serving a diverse range of government and private organizations



ESG Companies Management - Sole Proprietorship LLC, a subsidiary of IHC acquired 100% shares in Tri Star Investment LLC, for a consideration of AED 250m. Tri Star holds 50% of Al Eskan Al Jamae, a key provider of staff housing services in the UAE. Al Eskan merged with KEZAD Communities, providing ESG with 22.5% in KEZAD Communities.



ESG Capital Holding LLC, a subsidiary, acquired an additional 10% interest in Progressive Real Estate Development LLC ("PRED"), previously a jointly controlled entity, for nil consideration, increasing the Group's ownership to 80% effective 1 January 2023. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED.



Aldar Properties PJSC, a subsidiary, acquired a 75% interest in Mustard and Linen Interior Design Holdings Limited for a consideration of AED 25m effective 14 February 2023. Mustard and Linen is a limited company, registered in Abu Dhabi, and is engaged in interior design related works.



Oximus Holding Limited, a subsidiary of Sirius Holding, acquired a 100% interest in Spotlightpos Limited for a consideration of AED 8.4m on, 1 March 2023. Spotlight is a limited company, registered in Cyprus, and is engaged in information technology and software related services.



Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC for a consideration of AED 1 thousand on 2 March 2023. Fisio is a limited liability company, registered in Dubai, and is a physical medicine and rehabilitation center and physiotherapy center.





## Acquisitions continued

Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary, acquired a 100% equity interest in Eltizam Asset Management Estate - Sole Proprietorship LLC ("Eltizam"), a real estate lease and management services company, for consideration of AED 1bn, effective 1 July



Century Human Resources and Logistics LLC OPC, a subsidiary, acquired 51% equity interest in United International Group for Manpower Services LLC ("UIG") for a consideration of AED 43m, effective 1 October



Aldar Estate Holding Limited, a subsidiary, acquired a 100% equity interest in FAB Properties - Sole Proprietorship LLC ("FAB Properties"), engaged in real estate lease and management services, for a consideration of AED 335m, effective 1 December



Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Ripe Exhibition Organizer Co. LLC ("Ripe"), an event management company, for consideration of AED 32m, effective 1 November



Aldar Development LSQ Limited, a subsidiary, acquired a 100% equity interest in London Square Developments (Holdings) Limited and LSQ Management Limited ("London Square"), both real estate companies, for consideration of AED 498m, effective 30 November



CMC Holding LLC, a subsidiary, acquired a 70% equity interest in Sky Light Corporate Management LLC ("Sky Light"), specialized in dental clinic, manufacturing of customized dental products, and trading of imported dental products, for a consideration of AED 70m, effective 31 December



Sirius International Holding Limited, a subsidiary, acquired a 100% equity interest in Guardtime SA ("Guardtime"), engaged in development of blockchain protocols and applications, for consideration of AED 69m, effective 31 December





## Investments and Other Developments

Easy Lease Motor Cycle Rental PJSC has successfully acquired 60% of Fully Charged in October 2023, one of the leading companies in the manufacture, supply, and installation of advanced electric chargers for various types of electric vehicles.



Al Seer Marine and National Marine Dredging Company made a cornerstone investment of AED 257m and AED 220m, respectively in ADNOC Logistics & Services in May 2023, Abu Dhabi based integrated shipping and logistics company that offers a wide variety of services including construction of vessels, tankers, unmanned systems development, and manufacturing



Q Holding PSC received an offer from ADQ Real Estate and Hospitality Investments LLC and IHC Capital Holding LLC to combine Modon Properties, ADNEC and other assets within Q Holding



NMDC Energy awarded an LOA from ADNOC Gas - project includes maximizing Ethane recovery and monetization, it has a total value of AED 13.1bn. Additionally, NMDC Energy signed a contract for the offshore package of the Hail & Gasha Development Project with ADNOC with a total value of AED 30bn



Al Seer Marine received VLGC North Gas, increasing its fleet size to 20. Al Seer Marine's VLGC was obtained under an AED 495m deal by ABGC DMCC. The company's vessel fleet grew from 12 to 20 in the last 12 months



Sirius International Holding, a subsidiary of IHC, announces the establishment of Smart Sustainability Solutions (S3) in November 2023, a pioneering climate change company, focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy. The company aims to address developing nations, fostering global corporation in the pursuit of low carbon development



Palms Sports, secured two substantial contracts with major UAE government entities, totaling to AED 76m in December 2023. The total value of agreements signed by Palm sports in 2023 amounts to an impressive AED 807m





# 1.9 Financial Results

## Income Statement

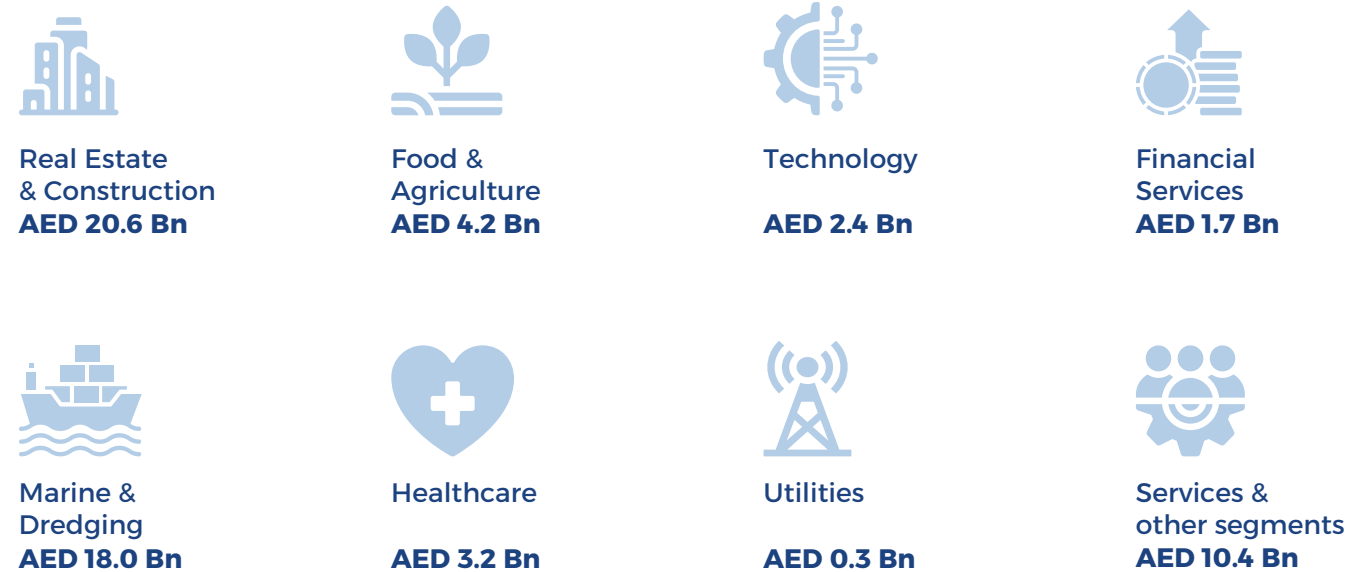
### Financial Performance

IHC reported outstanding performance in 2023 demonstrating resilience, adaptability, and commitment to excellence.

IHC reported double-digit revenue growth of 17.9% and maintained a healthy profit after tax of AED 32.95bn. Our disciplined cost management, prudent financial decision-making, and effective risk mitigation strategies contributed to this resilience. By balancing revenue growth and cost containment, we ensured sustained profitability.

Delivering on our commitment to enhance shareholder value, our Profit After Tax attributable to Owners experienced a remarkable increase of 117.5% (AED 27.52bn in FY23 vs AED 12.65bn in FY22).

### Revenue by segment



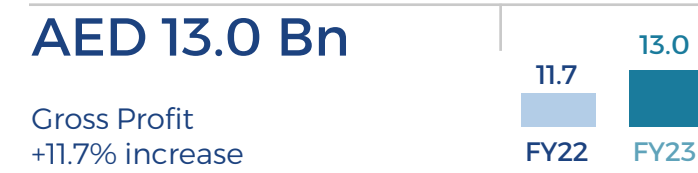
### Income Statement Highlights



### Income Statement Analysis:

Revenue increased by 17.9% in FY23 driven by positive performance in key segments including:

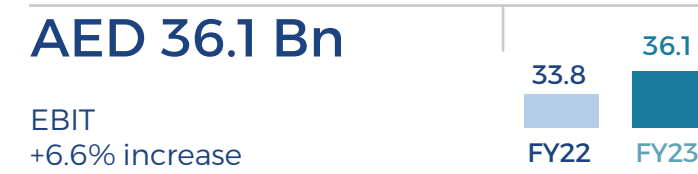
- Marine & Dredging segment contributed 30% of total revenue, growing 50%, on account of new projects like; Al Hudayriyat Island project, Hail & Gasha, and Umm Shaif in the UAE, as well as a long-term agreements with ARAMCO
- The Real Estate segment (which contributes 34% of total revenue) displayed record sales, realized by Aldar, strong performance across the recurring income portfolio and new construction projects, resulted in a 41.6% YoY revenue growth



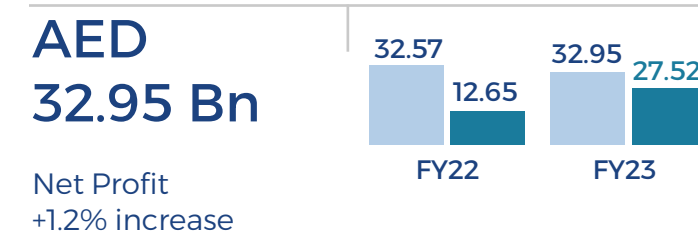
- Gross Profit increased by 11.7% in FY23, whereas overall margins remained stable at 22%, mainly due to the de-recognition of Pure Health from subsidiary to associate (healthcare segment contributed 43% of gross profit in FY22 with 37% margin, vs 6% contribution in FY23 and 23% margin)
- Our Real Estate segment witnessed a substantial gross margin expansion from 14% in FY22 to 25% driven by recent acquisitions, active asset management, and strong operational performance across the business



- Despite the double-digit revenue growth and significant acquisitions during the year, our SG&A expenses decreased by 18% in FY23. The reduction in SG&A expenses is primarily due to the de-recognition of Pure Health and disciplined cost management



- IHC reported a 6.6% increase in EBIT in FY23. Our portfolio management and prudent decision-making allowed us to recognize substantial earnings across our portfolio categories. Notably, a fair value gain of AED 12.2bn on our acquisition of 49% stake in Modon Properties PJSC and AED 8.8bn on the de-recognition of Pure Health from subsidiary to investment in Joint Venture



- Despite our focus on growth in emerging sectors, we maintained a strong net profit for the year of AED32.95bn. This translated to earnings per share of AED 12.55 per share compared to AED 6.81 in FY22 (84.3% YoY growth)
- Delivering on our commitment to enhance shareholder value, our Profit After Tax attributable to Owners experienced a remarkable increase of 118% in FY23 driven by a successful portfolio rebalancing strategy



## Balance Sheet

### Key Highlights:

IHC's overarching goal in its approach to dynamic portfolio management is maximizing shareholder returns while maintaining its healthy balance sheet structure.

IHC reported a remarkable growth of 15.9% in its total assets base. The expansion of our assets reflects the synergies derived from our growing portfolio and key partnerships across our diversified verticals. The food and real estate & construction segments witnessed a notable expansion in their asset base.

Total Equity increased by 21.2%, whereas owner's equity reported an impressive 40.3% growth in December 2023, a testament of our on-going commitment to enhancing shareholder value.

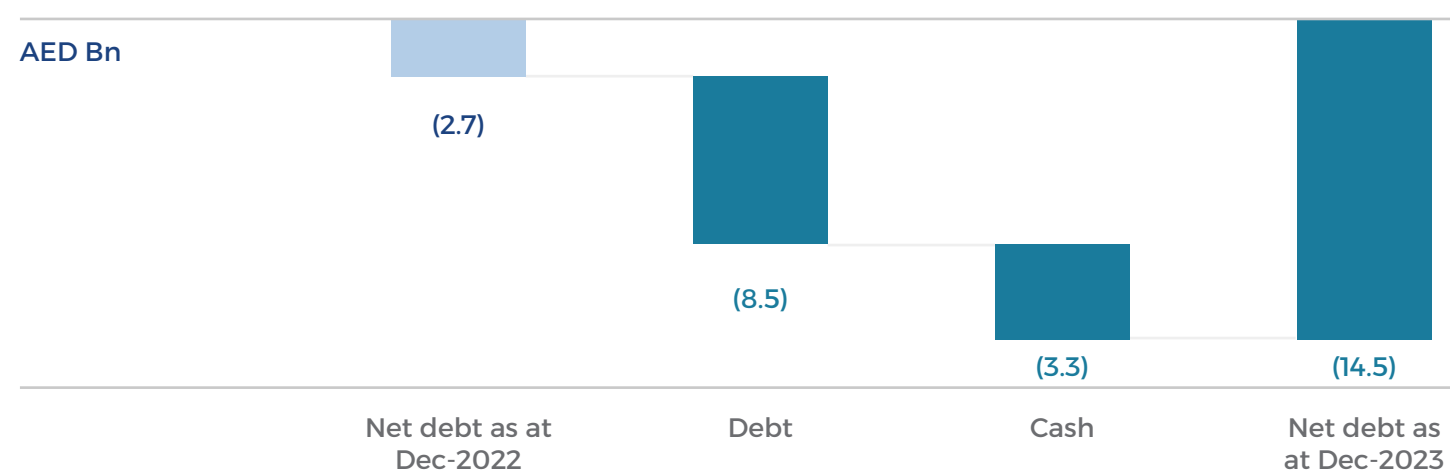
| AEDm                     | Dec-22         | Dec-23         | YoY %        |
|--------------------------|----------------|----------------|--------------|
| <b>Total Assets</b>      | <b>228,034</b> | <b>264,275</b> | <b>15.9%</b> |
| Cash                     | 37,230         | 33,919         | (8.9%)       |
| <b>Total Liabilities</b> | <b>98,670</b>  | <b>107,538</b> | <b>9%</b>    |
| Total Debt               | 39,949         | 48,438         | 21.3%        |
| <b>Total Equity</b>      | <b>129,364</b> | <b>156,737</b> | <b>21.2%</b> |
| Owners Equity            | 67,861         | 95,239         | 40.3%        |

|  |  |   |  |  |
|--|--|---|--|--|
| <b>ROA</b><br>13.4% (vs 20.5% <sup>1</sup> ) | <b>ROE</b><br>33.8% (vs 26.6% <sup>1,2</sup> ) | <b>ROCE</b><br>18.8% (vs 28.1% <sup>1</sup> ) | <b>Quick Ratio</b><br>2.2x (vs 2.2x <sup>1</sup> ) | <b>Debt/Equity</b><br>0.3x (vs 0.3x <sup>1</sup> ) |
|--|--|---|--|--|

### Net Debt Overview:

Total debt increased to AED 48.4bn in December 2023 as compared to AED 39.9bn during the previous year. The increase in debt is mainly due to the increase in net loan drawdowns of AED 6.2bn (drawdowns of AED 18.1bn net of repayments of AED 11.9bn) to fund working capital and investment requirements, AED 914m of loans acquired through business combinations, and AED 5.5bn non-convertible sukuk. During the year, Aldar issued an AED 1.8bn non-convertible sukuk carrying a profit rate of 4.875% due in 2033.

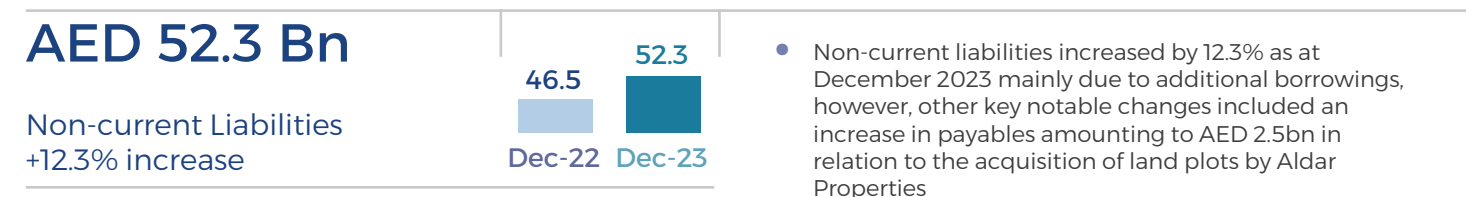
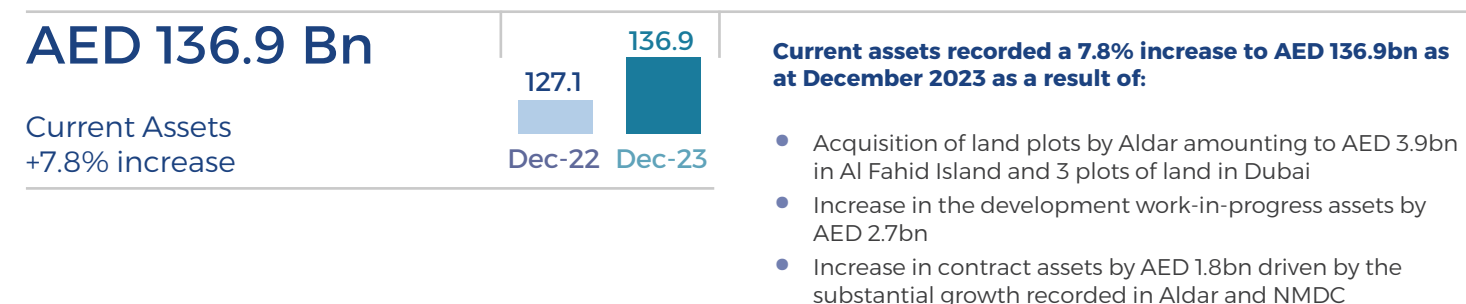
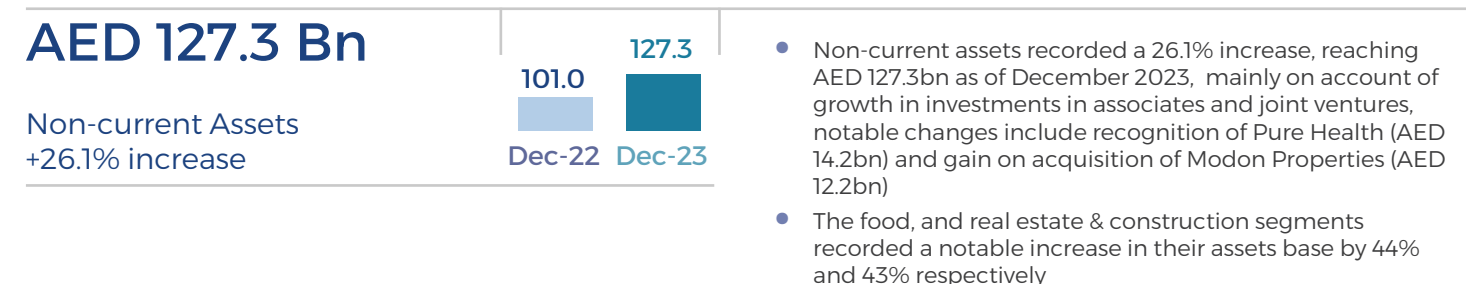
The total debt primarily consists of c. 88.6% in the form of working capital, term loans, and trust receipts, and the remaining 11.4% is in the form of non-convertible sukuk. Overall, the total debt of IHC increased by AED 8.5bn, with the cash position witnessing a marginal decline of AED 3.3bn from AED 37.2bn to AED 33.9bn.



1: Dec-23 vs Dec-22  
2: Owner's Profit After Tax over average Owner's equity

## Balance Sheet continued

### Balance Sheet Analysis:





# 1.10 IHC Beyond The Numbers

## Community Initiatives and Events

### Employee Wellbeing



#### IHC Hosted the UAE Women's Cycling Champions

The objective was to host a meet and greet with the champions, encourage the adoption of cycling as a mode of sport and transport and celebrate teamwork and wellness



#### IHC Partners with LVL Wellbeing for Staff Wellness

IHC launched a new immersive studio and digital wellness offering, designed to prioritize employee wellbeing

Conducted multiple sessions on yoga and meditation for staff during work hours to destress and rejuvenate

### Community Initiatives



#### Bridges of Giving

In response to the "Bridges of Giving" initiative led by Emirates Red Crescent (ERC) to help Syria and Turkey with the widespread damage caused by the recent earthquakes, Eltizam collected more than 1,200 kilograms of donations



#### Opening of "Proseed"

IHC launched its Sustainability Hub, which will serve as a platform for IHC & its portfolio companies to showcase their ESG efforts

In our hub of sustainability,

A small seed

holds great possibility.

Nurtured with care

for the future





## Community Initiatives and Events continued

### Business Initiatives



#### COP28

At COP28, IHC presented a multi-subsiary, multi-sectoral approach to climate action, making 12 Key Announcements and having a multitude of panels. S3, launched by IHC subsidiary, Sirius International Holding, is targeting a net-zero economy, aiming to positively impact over 100 million globally



#### National Dialogue for Climate Ambition

Emirates Driving hosted the 11th National Dialogue for Climate Ambition in partnership with the Ministry of Climate Change and Environment, under the theme "Accelerating the shift: Decarbonizing Ground Mobility"



#### Sustainable Financing

Proseed conducted a panel discussion and event alongside First Abu Dhabi Bank to introduce Sustainable Financing and the Green Framework to IHC subsidiaries



#### PureHealth Net Zero

PureHealth is the first healthcare company in the Middle East, Africa and Asia to target Net Zero emissions by 2040, in alignment with Science Based Target Initiative (SBTI)

Mr. Syed Basar Shueb  
CEO





## 2.0 The Group

- 2.1 Alpha Dhabi Holding
- 2.2 Multiply Group
- 2.3 Modon
- 2.4 Ghitha Holding
- 2.5 Al Seer Marine
- 2.6 Palms Sports
- 2.7 Emirates Stallion Group
- 2.8 Easy Lease
- 2.9 Sirius
- 2.10 2PointZero
- 2.11 Arena
- 2.12 International Securities
- 2.13 Apex Investment
- 2.14 Royal Cinemas
- 2.15 Reset MENA
- 2.16 Shory
- 2.17 Emircom
- 2.18 Emirates Reem Investments
- 2.19 Royal Technology Solutions







# IHC Listed Subsidiaries







ADX Symbol: ALPHADHABI  
Listing Date: 27 June 2021

[alphadhabi.com](http://alphadhabi.com)





# 2.1 Alpha Dhabi Holding



## Business Profile

Alpha Dhabi Holding is a dynamic investment holding company comprising diverse businesses, each meticulously sculpted into thriving growth platforms that embody the essence of potential, progress, and prosperity. The Group focuses on 8 key sectors which include Real Estate, Healthcare, Industry, Construction, Hospitality, Climate Capital, Energy and Investment.

Guided by visionary leadership endowed with the expertise to propel businesses toward triumph through digital transformation and innovation, Alpha Dhabi is rapidly expanding its portfolio. Our group is aligned with the UAE Government's ambitions to advance and diversify the UAE economy and we will continue to play a key role and supporting this.

At Alpha Dhabi Holding, we are steadfast in our dedication to optimizing the performance of our subsidiaries. In doing so, we unlock the boundless potential that lies within the synergy of our diverse businesses. As we celebrate another year of accomplishments, Alpha Dhabi Holding continues to solidify its standing as a trailblazer in both local and international markets.

In essence, Alpha Dhabi Holding is not just an investment holding company; it is a force for "elevating potential" at every turn.

## Highlights

-   
 Asset growth  
**+7.1%**
-   
 Revenue growth  
**+13.4%**
-   
 Employees  
**95,000+**
-   
 Subsidiaries  
**250+**
-   
 Earnings per Share  
**+45.2%**

## Key Management

  
**H.E. Mohamed Thani Murshed**  
 Ghannam Al Rumaithi  
 Chairman

  
**Eng. Hamad Al Ameri**  
 CEO and Managing Director

## Key Markets

- UAE
- Europe
- Africa
- MENA Region
- Asia
- GCC



## Key Products

- Construction Products
- Development
- Automotive
- Medical Supplies
- Animal Feed
- Agriculture
- Real Estate

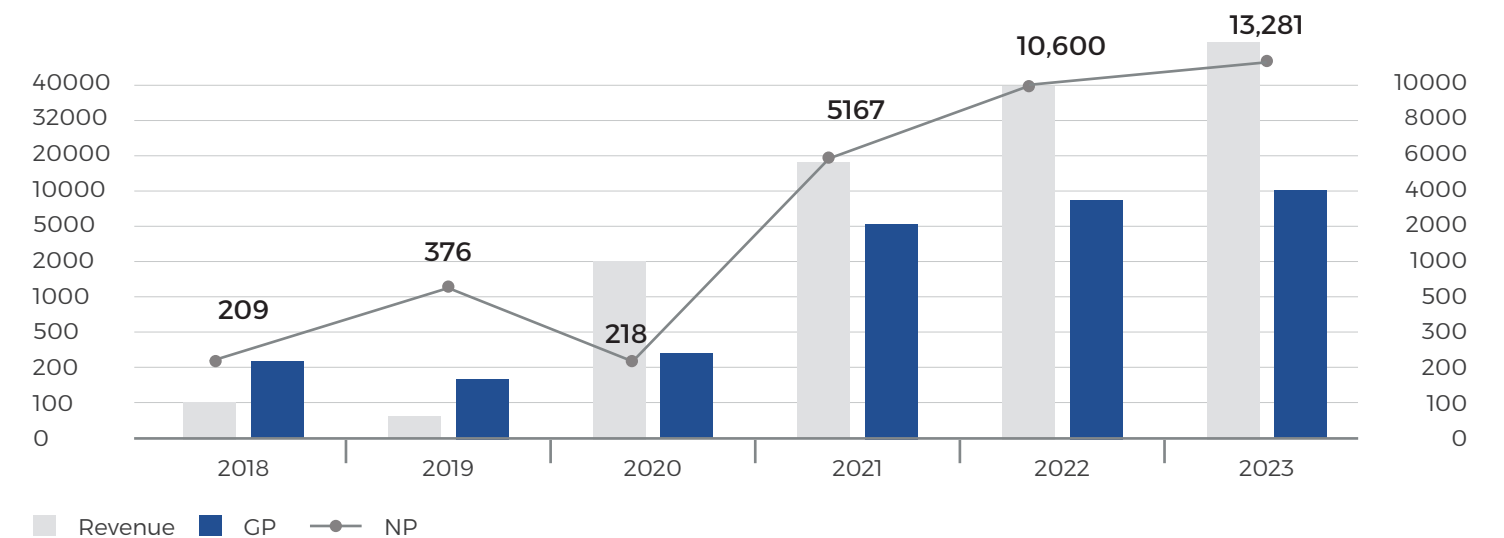
## Key Services

- Healthcare
- Infrastructure
- Engineering, procurement & construction
- Agriculture
- Real estate development
- Construction
- Security
- Hotel Operations
- Renewable Energy
- Banking
- F&B
- B2B Services
- Education
- Oil & Gas Field services

## Business and Financial Performance

- a. Formed a partnership with Mubadala to co-invest in global credit opportunities
- b. Checked in as a Major Player in the Hospitality Industry with AED 730 million National Corporation for Tourism & Hotels Acquisition
- c. Acquired a significant Stake in NTS Amega Global, Bolstering its Oil Field Services Portfolio
- d. ADMO Lifestyle Holding signed Definitive Agreement to Acquire Luxury Lifestyle Groups CE LA VI & Em Sherif
- e. ADNOC Drilling and Alpha Dhabi launched Strategic Partnership in the oil field services sector
- f. Pure Health completed its IPO on ADX

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years              | 2019  | 2020  | 2021   | 2022    | 2023    |
|--------------------|-------|-------|--------|---------|---------|
| <b>Assets</b>      | 4,792 | 5,395 | 47,347 | 131,029 | 140,354 |
| <b>Liabilities</b> | 3,568 | 4,349 | 21,376 | 60,990  | 64,377  |
| <b>Equity</b>      | 1,224 | 1,046 | 25,971 | 70,039  | 75,977  |





## Business Strategy

Alpha Dhabi aims to unlock potential across our diverse portfolio. We achieve this by empowering subsidiaries, seeking new opportunities, and optimizing our investments. We strive for operational excellence and

position our platforms for IPOs, contributing to the UAE's economic growth. This integrated strategy makes us a catalyst for positive change.

## Real Estate & Construction



### Aldar

Properties PJSC, the leading real estate developer and manager in the UAE, operates with a sustainable model focused on Aldar Development and Aldar Investment. Aldar Development oversees core development, sales, and fee-based management, including the Egypt platform. Aldar Investment includes the flagship real estate investment platform (AIP), a Hospitality and Leisure platform, and operating businesses in education and real estate services, solidifying Aldar's diverse and sustainable presence in the market.



### Trojan Construction Group

is a multidisciplinary construction group of companies with in-house capabilities to design, implement, and assemble turnkey communities, high-rises, mass residential complexes, and a bevy of other educational, infrastructural, and medical buildings. While it has a significant and growing presence locally, Trojan remains highly respected for its expertise globally as well.



## Hospitality



### Alpha Dhabi Holding

is committed to becoming a global force in the realm of luxury hospitality. To achieve this end, the group has allied itself through a series of strategic partnerships and acquisitions with leading hotel and F&B brands - both locally and internationally - to form a peerless hospitality division founded on best practices.



## Healthcare



### Pure Health

is the largest integrated healthcare network in the United Arab Emirates that has expanded geographically to USA and UK. A cross-category ecosystem, the enterprise covers hospitals, clinics, diagnostics, insurance, pharmacies, health-tech, procurement, and more. PureHealth was proudly awarded the coveted title of 'Healthcare Company of the Year' at the prestigious Gulf Business Awards, 2022.



### Response Plus Holding

is the most significant provider of onsite healthcare, medical emergency services, and occupational health solutions in the UAE. With an impressive fleet of over 250+ ambulances, 260+ onsite clinics, a 1600+ strong healthcare workforce, it aims to make UAE one of the most preferred medical tourism destinations.



### NMDC

one of the leading companies providing dredging, reclamation, and marine construction projects in the Middle East, removing sediment from debris from the bottom of the sea. It also includes the largest EPC contractor in the Middle East serving the oil & gas as well as energy transition sectors



## Investments



### Wio

was setup with the aim to transform banking operating models towards a more digital future and drive the growth of the digital economy in line with the UAE's ambition to establish itself as a digital hub.







Elevating Potential as a Dynamic  
Investment Holding





# MULTIPLY GROUP

ADX Symbol: MULTIPLY  
Listing Date: 05 December 2021

[multiply.ae](http://multiply.ae)





# 2.2 Multiply Group



## Business Profile

With its trademark growth mindset, Multiply Group PJSC is an Abu Dhabi-based holding company that invests in transformative cash-generating businesses it understands.

Multiply Group will continue to deploy capital across its two distinct arms, both of which follow a disciplined approach to investing and ensure consistent, sustainable value creation for our shareholders in the short-medium and long-term:

### MULTIPLY

The investments and operations in long-term strategic verticals, currently Mobility, Energy and Utilities, Media and Communications, Beauty and Wellness, and Fashion and Living. Anchor investments provide long term recurring income, through which bolt-on acquisitions are made.

### MULTIPLY+

A flexible, sector-agnostic and opportunistic investment arm.

## Highlights



Revenue growth  
**15%**



Employees  
**3000+**



Subsidiaries  
**7**



Countries of Operations  
**5**

## Key Management



**Andre Sayegh**  
Chairman



**Samia Bouazza**  
CEO and Managing Director

## Key Markets

- UAE
- USA
- Saudi Arabia
- Turkey
- Egypt



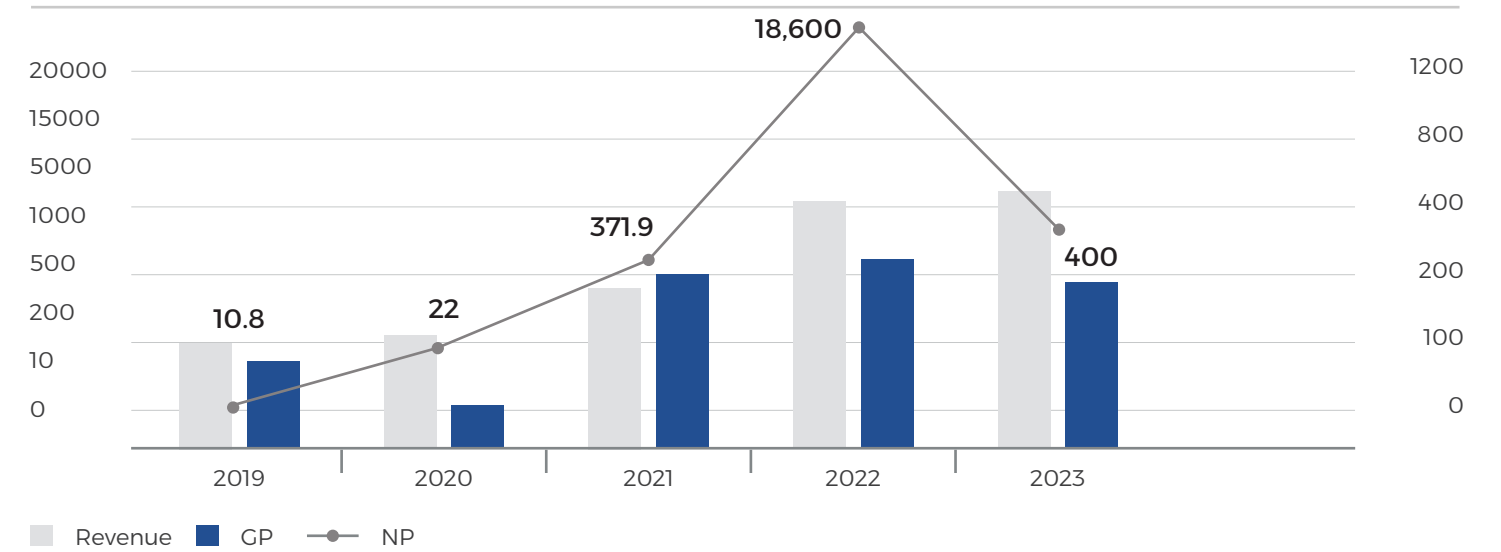
## Verticals

- Mobility
- Wellness & Beauty
- Media
- Retail
- Energy & Utilities

## Business and Financial Performance

- Multiply Group successfully acquired a majority stake in Media 247, a leading UAE outdoor advertising firm, at an investment of AED 225 million. Media 247, known for its extensive portfolio of over 45 exclusive outdoor premium hoardings, unipoles, and 3D structures across Dubai's most prominent locations, solidifies Multiply Group's position in the media vertical.
- MG Wellness Holding LLC, the wellness-centric subsidiary of Multiply Group, secured a 49.38% equity interest in LVL Technology Holding in August. LVL Technology Holding is renowned for its LVL Wellbeing platform, which offers a comprehensive suite of individual, team, and corporate well-being solutions, championing a balanced work-life dynamic.
- Under Multiply+ arm, Multiply Group invested AED 367 million for a minority stake in EIG's Breakwater Energy which owns 25% interest in Repsol E&P, a North American-based gas-weighted exploration and production company. Through this acquisition, Multiply+ taps into a highly profitable and cash generative, diversified global upstream portfolio offering a highly attractive dividend profile.
- In June 2023, Multiply Group earned a spot-on Forbes' Global 2000 list and was included in Forbes Middle East's Top 100 Listed Companies in 2023, a testament to its financial strength and world-class position. Both lists rank companies based on sales, profits, assets, and market value.
- Multiply Group was officially certified as a Great Place to Work® Jan 2023 - Jan 2024 by the global authority on workplace culture.
- Multiply Group has environmental, social and governance risk level has been rated at 15.8 by Sustainalytics, a leading global ESG rating and research firm. This places Multiply Group in the "Low Risk" category of companies and situates us among the top 10% of all companies analyzed within the Diversified Financials sector.

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years       | 2019 | 2020 | 2021   | 2022   | 2023   |
|-------------|------|------|--------|--------|--------|
| Assets      | 72.3 | 98.3 | 11,604 | 41,206 | 42,159 |
| Liabilities | 34.7 | 8.3  | 878    | 11,825 | 11,972 |
| Equity      | 37.6 | 90.0 | 10,726 | 29,381 | 30,187 |



## Business Strategy

Multiply Group will further operationalize and grow its operating businesses. The Group's diverse portfolio has reached a scale that enables it to continue organically growing existing businesses to unlock their full potential, empowering them with the

technology, skills, tools and mindset to acquire or create solutions, as well as gain operational excellence, scale up and become leaders in their respective industries. Once verticals are sizable and well governed - they will be prepared for IPOs.

## MULTIPLY/ Energy & Utilities



### Kalyon Enerji

Based in Istanbul, Kalyon Enerji operates Europe's largest solar power plant (1,350 MWDC) and spearheads renewable energy projects under the Kalyon Holding and International Energy Holding umbrellas.



### PAL Cooling

Established in 2006, PAL Cooling is a major player in the UAE's district cooling industry, offering reliable and efficient chilled water services for air conditioning through state-of-the-art central plants. PAL contributes to the UAE's sustainability goals by providing energy-saving solutions.



## MULTIPLY / Media & Communications



### Viola

Viola Communications is one of the largest media companies in the region, extending its reach to Dubai and Cairo. They hold exclusive rights to the majority of outdoor advertising on lampposts, bridges, and buses in Abu Dhabi.



### Firefly

Pioneering street-level digital media, Firefly connects audiences with dynamic advertising displayed on taxis and rideshare vehicles, offering a unique and engaging advertising experience in 3 countries



### Media 247

Dubai's premium outdoor advertising (45+ locations). Works with top brands & expanded reach through Dubai RTA Taxi acquisitions.



## MULTIPLY/ Mobility



### Emirates Driving

Established in 2000, Emirates Driving Company is the leading provider of driver education in Abu Dhabi, holding the exclusive pre-licensing training license. As the emirate's trusted partner for creating safer roads, EDC plays a vital role in supporting the region's rapid growth and development.



## MULTIPLY/ Wellness & Beauty



### Omorfia

A leading force in the beauty sector, Omorfia Group comprises successful personal care and beauty companies like Tips & Toes, Bedashing Holding, and Jazz Lounge Spa. They focus on high-growth, recession-proof brands and emphasize exceptional customer experiences, constantly innovating to stay ahead of the curve.



### LVL Wellbeing

Dubai-based LVL Wellbeing provides a B2B SaaS platform with tools and resources that prioritize employee health and wellbeing. Their digital platform and state-of-the-art studios in corporate offices empower organizations to address crucial challenges like increased productivity, employee engagement, and staff retention.



## MULTIPLY+ A flexible, sector-agnostic and opportunistic investment arm.



Leading utilities & energy group in EMEA, providing essential solutions across power, water & oil & gas in 11 countries. Diverse portfolio ensures strong, sustainable growth.



Founded by Rihanna, champions inclusivity & celebrates diverse beauty through body-positive fashion. Accessible prices & extensive size range make them a leader.



Global energy & infrastructure investor with 41-year track record. Committed over \$44 billion across 400 projects in 42 countries. Expertise & reach make them a trusted partner for leading investors.



Fast-growing ad-tech company uses real-time data & machine learning to deliver superior ad experiences & maximize ROI. Backed by leading investors, they're a force to watch in digital advertising.



Leading visual content creator empowering businesses with vast solutions. Strategic approach to NFTs positions them for future value creation.





Multiply Group with its trademark growth mindset, invests in transformative cash-generating businesses it understands.





# MÜDON

Previously known as



ADX Symbol: QHOLDING  
Listing Date: 04 December 2017

[modon.ae](http://modon.ae)



# 2.3 Modon



## Business Profile

Established in Abu Dhabi, UAE in 2005, Modon (previously Q Holding), is one of UAE's leading investment and real estate development companies. With a commitment to excellence, diversification, and innovation, the group has garnered a notable regional and global presence, serving as a key driver of Abu Dhabi's economy through its commitment to delivering

high quality real estate and hospitality projects. Supported by robust project management capabilities and an ambitious strategy built on sustainable growth, Q Holding continues to be set apart as a competitive industry partner in the region, and beyond.

## Highlights

|                           |                              |                         |                           |  |
|---------------------------|------------------------------|-------------------------|---------------------------|--|
|                           |                              |                         |                           |  |
| Asset growth<br><b>9%</b> | Revenue growth<br><b>38%</b> | Employees<br><b>750</b> | Subsidiaries<br><b>63</b> | Operating Profit Growth<br><b>378%</b> |

## Key Management

|  |   |  |  |
|--|---|--|--|
|  | <b>H.E. Jassem Mohamed Obaid Bu Ataba Alzaabi</b><br>Chairman |  | <b>Bill O'Regan</b><br>Group Chief Executive Officer |
|--|---|--|--|

## Key Markets

- UAE

## Key Products

- Residential
- Commercial
- Retail

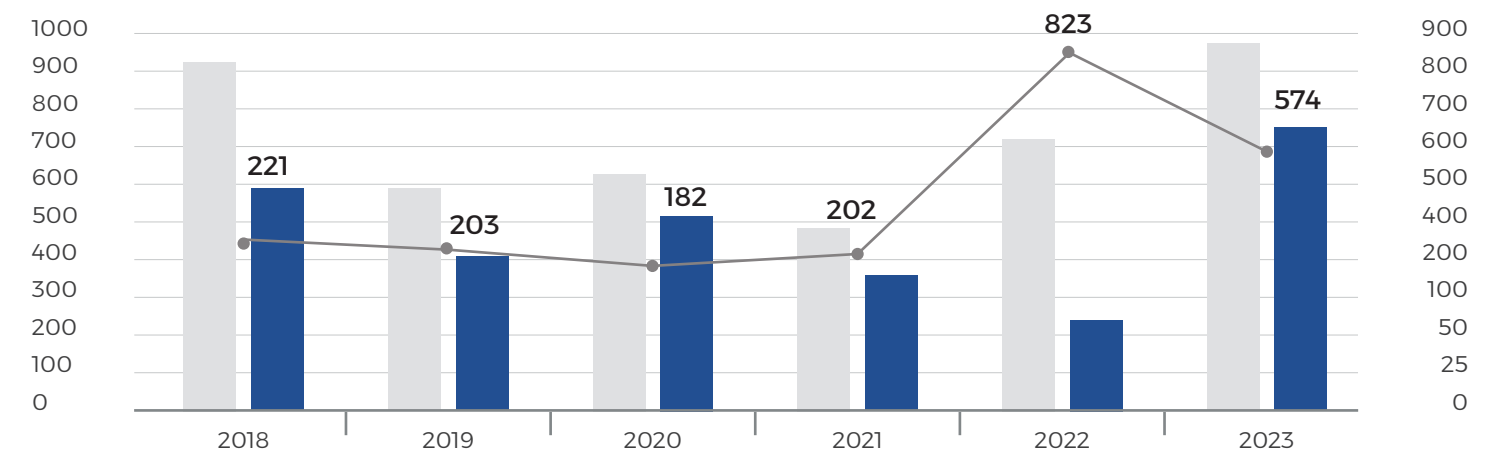
## Key Services

- Investment
- Property Management
- Asset Management
- Real Estate Development
- Project Management

## Business and Financial Performance

- Launched Phase 2 of the residential project "Reem Hills" on Al Reem Island in the Emirate of Abu Dhabi.
- Total assets grew to AED 21,311 million.
- Equity increased from AED 14,248 million to AED 14,919 million.
- Memorandum of Understanding has been signed with ORA Real Estate Development Group to develop a smart and sustainable city in Chantoot area, Abu Dhabi.
- Restructuring of debts with UAE banks with better terms and conditions.
- Exit from non-operating subsidiaries and non-performing assets.
- Achieved record EBITDA of AED 764 million.

## Revenue & Profitability (AED Mn)



Q Holding PSC Financials as on Dec 31st 2023

## Balance Sheet (AED Mn)

| Years       | 2019  | 2020  | 2021   | 2022   | 2023   |
|-------------|-------|-------|--------|--------|--------|
| Assets      | 7,368 | 7,529 | 12,581 | 19,542 | 21,311 |
| Liabilities | 4,818 | 4,234 | 4,936  | 5,294  | 6,392  |
| Equity      | 2,550 | 3,295 | 7,645  | 14,248 | 14,919 |





## Business Strategy

Modon, formerly Q Holding, is a leading real estate developer known for creating high-end residential and commercial properties.

They focus on fostering thriving communities, implementing sustainable practices, and delivering exceptional lifestyle experiences.

## Real Estate

### MÜDON

#### Modon Properties

Established in 2018, Modon Properties, develops vibrant residential communities, unique hospitality experiences, and world-class sports facilities. Partnering with industry leaders, they shape Abu Dhabi's future by driving socio-economic growth and offering the best experiences for residents and visitors



### Q PROPERTIES للعقارات

#### Q Properties

Q Properties is an integrated part of Modon, in which the company aspires to be a leading real estate developer & asset management company based in the Emirate of Abu Dhabi with a portfolio that aims to deliver diverse range of luxury residential, commercial and leisure properties across the region, setting new standards for design and iconic quality lifestyle communities.

### TAMOUH AMBITIONS UNLIMITED

#### Tamouh

A prominent real estate property developer for residential, commercial, and mixed-used communities, whose remarkable developments include the illustrious of Reem Island and Marina Square in Abu Dhabi.



## Hospitality

### Q HOSPITALITY للضيافة

#### Q Hospitality

Q Hospitality is one of the major master developers & hospitality management company in Abu Dhabi that manages a portfolio of various assets to provide unique investor opportunities.



## Investment & Real Estate

### ريم للإستثمار REEM INVESTMENTS

#### Reem Investments

Reem Investments is a leading diversified investment company in Abu Dhabi with a portfolio of investments and real estate. Reem Investments targets best investment opportunities in the region to ensure sustainable financial returns.



## Investment

### Q INVESTMENT للإستثمار

#### Q Investment

Q Investment, the investment arm of Modon, is a private joint stock company that was established in 2004, and acquired by Q Holding in 2017. With a continued strategic focus on diversification, Q Investment focuses on staying significant to business opportunities and facilitate a healthy and channeled growth, in sync with the planned strategy to explore, engage and evolve with stability and consistent profitability.



## Events & Lifestyle

### ADNEC مجموعة أدنيك GROUP

#### ADNEC

ADNEC Group, is a multi-award winning venue offering organisers of exhibitions, conferences, and events outstanding facilities spread over a total space of 153,678 square meters.

ADNEC Group is added during 2024 to Modon.







Developing vibrant and unique  
leisure destinations





# غذاء Ghitha

ADX Symbol: GHITHA  
Listing Date: 22 December 2020

[ghitha.com](http://ghitha.com)





# 2.4 Ghitha



## Business Profile

Ghitha Holding PJSC is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates and a subsidiary of International Holding Company PJSC (ADX: IHC). Ghitha emerged as an investment holding company, with its portfolio of subsidiaries, associates and joint ventures consisting of: Al Ain Farms, Apex Investment PSC (ADX: APEX), Al Ajban Poultry, Alliance Food Company, Zee Stores International, Agrinv (Al Hashemiya), Royal Horizon Holding, Abu Dhabi Vegetable Oil Company, MIRAK, NRTC

Group, Invictus Investments PLC (ADX: INVICTUS), Anina Culinary & Al Jaraf Fisheries. The Group is collectively engaged in dairy, poultry, agriculture, food commodities, edible oils, and fish farms, covering the entire spectrum from manufacturing to distribution. Ghitha is committed to delivering excellence and innovation in every facet of operations, ensuring superior quality and service across global markets.

## Highlights

-   
 Asset growth  
**32%**
-   
 Revenue growth  
**100%**
-   
 Employees  
**10,000+**
-   
 Subsidiaries  
**60+**
-   
 Dairy Market Share  
**22%**
-   
 Countries of Operations  
**4**

## Key Management

  
**Dr. Mohd Somar Nassouh Ajalyaqin**  
 Chairman

  
**Falal Ameen**  
 CEO

## Key Markets

- UAE
- KSA
- Oman
- Yemen
- Kuwait
- Bahrain
- Qatar
- Pakistan
- India
- Egypt



## Key Products

- Food Commodities
- Dairy
- Poultry
- Agriculture
- Fish Farms
- Edible Oil
- Livestock

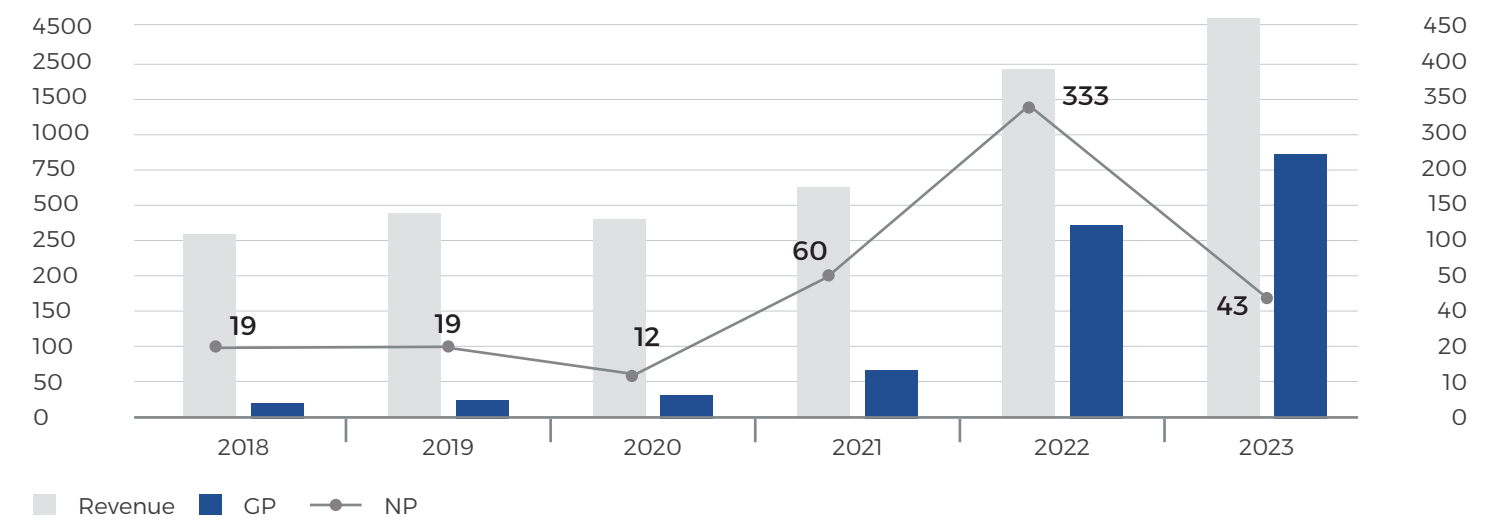
## Key Services

- Manufacturing
- Import and export
- Trading and distribution
- Catering
- Facility management
- Wrapping and re-packing

## Business and Financial Performance

- a. Formation of business verticals - Fruits & Vegetables, Manufacturing, Distribution, Dairy & Protein, Commodity Trading & Investment & Agriculture
- b. Acquisition of 51% of Al Ain Farms, 45% of Anina Culinary Art and Secured exclusive distribution rights of Del Monte in KSA and UAE for the distribution of fresh fruits.
- c. 60+ Subsidiaries, 3 Associates & 2 Joint Ventures
- d. Alain Farms was awarded 'Most admired Brand Campaign of the Year' by Images RetailME.
- e. NRTC participated in "A Culinary Sustainability Experience Event" COP 28 UAE

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years              | 2019 | 2020 | 2021  | 2022  | 2023  |
|--------------------|------|------|-------|-------|-------|
| <b>Assets</b>      | 191  | 310  | 1,489 | 5,366 | 7,065 |
| <b>Liabilities</b> | 52   | 149  | 526   | 1,569 | 2,650 |
| <b>Equity</b>      | 140  | 161  | 963   | 3,797 | 4,415 |





## Business Strategy

Business-driven investments are at the heart of positively influencing the world, with a focus on creating opportunities and enhancing the well-being of communities, governments, and individuals.

In alignment with “Abu Dhabi’s Economic Vision 2030” and the “UAE’s Next 50”

development strategies, Chitha actively engages in various businesses with a strong emphasis on preparing for the future, fostering creativity, bolstering resilience, and driving the transformation of the food sector, across all its vertical

## Trading and Distribution



### Zee Stores International LLC

Zee Stores has been in the trading and distribution of food and household products. The company is involved in importing, re-packing, wrapping, storing and distributing dry, canned, chilled, frozen, processed and fresh food products as well as household items, stationery, disposables, cosmetics and chemicals, in addition to offering allied onshore and offshore gas field services.



### Royal Horizon Holding

Established in 2008 as Royal Horizon’s local roots and extensive experience with government departments help the group understand and value the preferences of UAE nationals. Royal Horizon also provides quality products and numerous services to the private sector.

## Manufacturing



### Al Ajban Poultry

UAE’s leading chicken producer (est. 1981). Offers fresh & frozen chicken, vertically integrated from breeding to processing.



### Al Ajban Fodders

Al Ajban Fodders Factory is one of the leading institutions in animal feed, food crops, production, and distribution. It produces more than 25 poultry and fish feed products, which contribute to meeting the needs of livestock in various emirates.



### Abu Dhabi Vegetable Oil Company (ADVOC)

ADVOC established in 1998, has been continually innovating and creating new ways to bring even more healthy and improved edible oils.



### Al Jaraf Fisheries

Al Jaraf Fisheries L.L.C was incorporated on 30 July 2005. The principal activities of the Company are commercial activities on land-based aquaculture, sea-based aquaculture and retail sale of fresh fish and marine animals.



### Alliance Foods Company (Asmak)

Leading Middle East seafood (est. 1999). Processes, distributes, and exports fresh/frozen seafood across GCC, MENA, and Europe. Asmak supplies top retailers, food service businesses, and catering institutions.



### Al Ain Farms

The largest integrated dairy and poultry company in UAE, Al Ain Farms has undertaken a pivotal, role in ensuring the finest food products to the people of the country. All our products are made with love, locally, in Al Ain, the heart of the UAE, and delivered fresh around the country on a daily basis.



## Fruits & Vegetables



### NRTC

Leading Middle East fresh produce importer & exporter (40+ years). Caters to local & international markets, supplying premium fruits & vegetables to Dubai and beyond.



## Investment



### APEX Investments

APEX Investment P.S.C is a diversified investment holding company, with investment across sectors including Commercial Catering, Facilities Management, Contracting and Auxiliary business, Investments, Tech and Big Data, among others.



### Anina Culinary Art Ltd.

Anina is reshaping the future of the food industry by merging art with unique technology through a culinary experience of meals from upcycled vegetables.

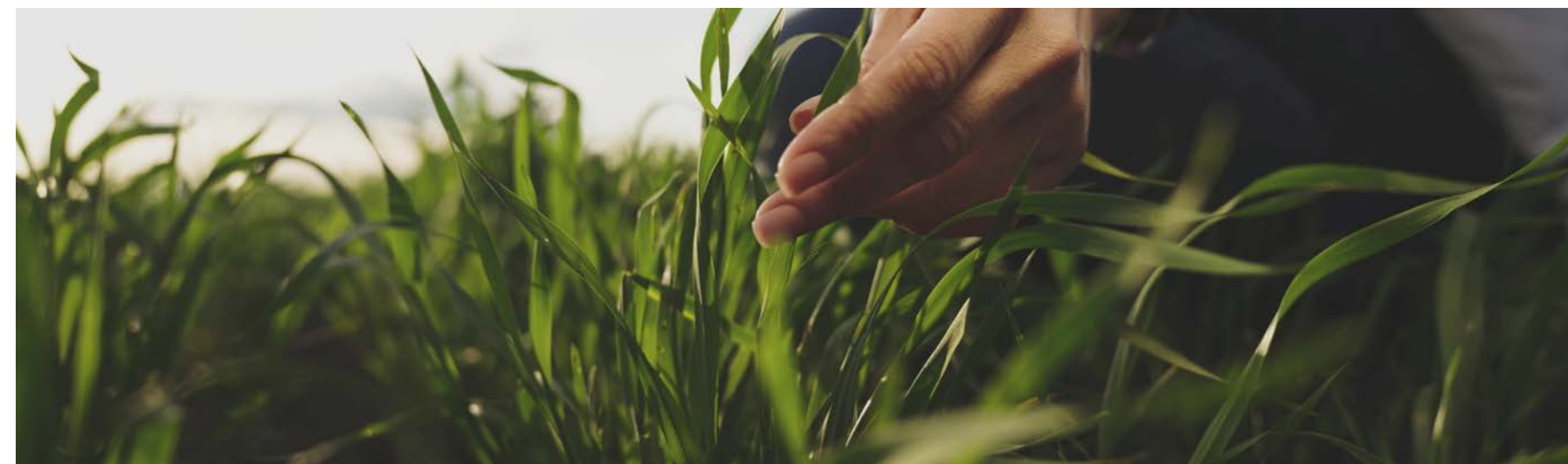


## Agricultural



### AGRINV (Al Hashemeya)

Purposed with reclaiming and equipping commercial land plots with the basic facilities that make it suitable for cultivation







Fresh produce, high-quality protein, and innovative food solutions across MENA







ADX Symbol: ASM  
Listing Date: 29 August 2021

[alseermarine.ae](http://alseermarine.ae)



# 2.5 Al Seer Marine



## Business Profile

Al Seer Marine is a global maritime organization headquartered in Abu Dhabi. Our extensive service portfolio encompasses commercial shipping, yachting, boat building, large-scale 3D printing, unmanned vessel platforms and capabilities, and cutting-edge technological innovations. We seamlessly integrate top-tier services, innovative technological solutions, and a proven track record of operational excellence.

Whether it's operating a fleet of superyachts with luxurious precision, owning & operating a fleet of commercial vessels, employing innovative additive manufacturing processes, or engineering futuristic unmanned vessels, Al Seer Marine stands as a beacon of expertise, capability, and excellence, capable of transforming any maritime vision into a reality.

Our comprehensive service approach ensures a seamless journey from conception to realization, leveraging the latest in commercial ship and yacht management innovations. Our dedicated boat building team not only excels in additive design techniques and precision builds but also offers extensive training and expert maintenance, ensuring the longevity and performance of our creations. With a workforce of over 1200 professionals representing 50 diverse nationalities, they stand ready to consistently deliver superior results, embodying our commitment to excellence with each project undertaken.

## Highlights

-   
 Revenue growth  
**10.8%**
-   
 Employees  
**1200+**
-   
 Subsidiaries  
**18**
-   
 Joint Ventures  
 A. ABGC DMCC: BGN Joint Venture for VLGC carriers.  
 B.nD-Tec Industries LTD.: Damen JV for Naval Shipbuilding

## Key Management

  
**Readh Faraj  
Ahmed Alkindi**  
 Chairman

  
**Guy  
Neivens**  
 CEO

## Advanced Technologies

- Unmanned Systems
- 3D Printing
- Digital Solutions
- Plasma technologies for industrial waste recycling

## Key Products

- Argos - 11M USV (Unmanned Surface Vessel)
- Typhon - 20 M USV (Unmanned Surface Vessel)
- Catamaran 48ft leisure boat.

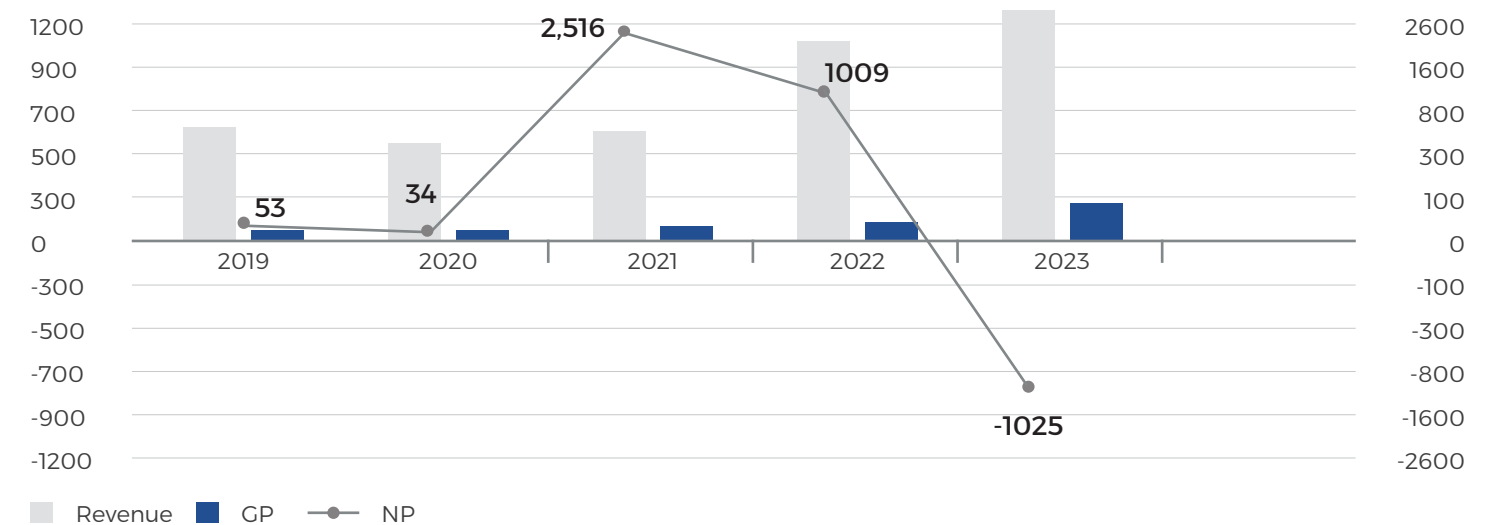
## Key Services

- Cargo
- Commercial Management of ships
- Freight trading and operating
- Yachting
- Large Scale 3D Printing
- Maintenance & Technical Support
- Supply Logistics Services
- Integrated Logistic Support (ILS)
- Training Services
- Unmanned System Consultancy

## Business and Financial Performance

- Revenue of AED 1,232 Billion, achieving a 10.8% growth
- Business has been developed over organically over the past 2 years. Current trading fleet of 12 ships including three commercially managed ships, and ships owned through JV's.
- Fixed long term charters of 510- years for the owned trading fleet securing revenues and hedge
- Achieved a Guinness World Record in 2023, with ambitions for global recognition in 3D printed vessels by 2024.
- Initiated the use of bio-based materials, aiming for 25% of production by 2025.
- Commercial fleet current market value is AED 3.5 billion which is substantially higher than book value. The fleet has been strategically financed. Achieved a 35% reduction in carbon footprint over three years.
- Reduced waste generation by 80% from manufacturing processes.
  - Largest 3D Printed Water Taxi Guinness World Records title for the Largest 3D Printed Boat, Crafted from 67% recycled materials with 11.98-meter length.
  - 3D Printed Pavilion for Dubai Design Week A remarkable stand, measuring 8.9m x 8.9m x 4.2m, showcasing our commitment to innovation and precision of our latest project unveiled at Dubai Design District.

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years              | 2019 | 2020 | 2021  | 2022  | 2023  |
|--------------------|------|------|-------|-------|-------|
| <b>Assets</b>      | 477  | 718  | 6,122 | 9,613 | 9,090 |
| <b>Liabilities</b> | 231  | 438  | 325   | 2,686 | 3,188 |
| <b>Equity</b>      | 246  | 280  | 5,797 | 6,927 | 5,902 |





# Business Strategy

Al Seer Marine's business strategy is centered on becoming a global leader in the maritime industry, driven by a vision of value creation for shareholders and customer satisfaction. Focusing on delivering innovative, sustainable

solutions in commercial shipping, maritime operations, and boatbuilding, while maintaining financial competitiveness.

## Blue Economy

We're a key player on crucial maritime trade routes, providing global shipping solutions. Our advanced LPG Tankers ensure safe transportation of liquefied petroleum gases, while modern Crude and Product Tankers prioritize safety and sustainability. Efficient Bulk Carriers enhance diverse dry cargo handling, optimizing supply chains. Supported by meticulous financial, operational, and market risk management, our economically efficient cargo solutions provide access to freight quotes, enhancing overall efficiency in cargo management.



## Construction & Manufacturing

Boat building excellence marked by precision, innovation, and craftsmanship. We meet the latest safety and quality standards, delivering top-notch vessels for diverse applications. Experienced naval architects create innovative designs exceeding customer expectations, while our expert engineers utilize innovative technology and proven methods to achieve outstanding results.



## Defense & Security

Expertise in designing and manufacturing unmanned platforms with seamless system integration. Our core competencies extend to essential maintenance and technical support. We excel in training individuals for efficient equipment operation and offer on-field mentoring to ensure optimal performance throughout the operational life of their unmanned technologies.



## Innovation & Sustainability

Committed to innovation and sustainability, our training programs and investments impart the latest technologies and best practices. Leveraging on our 3D printing capabilities, we develop innovative solutions for sustainable manufacturing and maritime operations. Our maintenance services promote environmentally friendly practices, ensuring optimal and eco-conscious operations.



## Yachting

A trusted business built on discretion, serving demanding clients with valuable floating assets. Our vision is to help owners and families enjoy every aspect of superyacht ownership. Our team delivers the best service, valuable advice, and trusted guidance, ensuring every owner understands what it takes to get the best out of superyacht ownership.







A paragon of maritime mastery



Start of 3D Large-Scale Printer Al Seer Marine—January 2023





بالمز الرياضية  
PALMS SPORTS

ADX Symbol: PALMS  
Listing Date: 21 December 2020

[palmssports.com](http://palmssports.com)





# 2.6 Palms Sports



## Business Profile

Established in 2011, Palms Sports PJSC, a UAE-based company under International Holding Company PJSC (IHC), specializes in niche sports, particularly Jiu-Jitsu and martial arts, targeting UAE nationals. Acknowledged by the UAE government, Palms Sports manages extensive sports initiatives and global professional sports promotion, emphasizing the importance of sports in daily life. Post its' IPO on the Abu Dhabi Stock Exchange in December 2020, the company has expanded its growth and revenue channels through strategic investments

both domestically and internationally, fortifying its standing within the ever-evolving sports landscape. As one of the 8 listed companies under IHC, Palms Sports is determined to assist the community in integrating 'sports and leisure' into the very fabric of day-to-day life. With aspirations to attain a prominent position in the global sports industry, Palms Sports is proactively involved in acquisitions and remains committed to promoting a dynamic and healthy lifestyle.

## Highlights

-   
 Asset growth  
**80%**
-   
 Revenue growth  
**91%**
-   
 Employees  
**14,500**
-   
 Subsidiaries  
**14**
-   
 Jiu Jitsu Black-Belt Coach  
**700+**

## Key Management

  
**H.E. Abdulmenem Al Hashemi**  
 Chairman

  
**Fouad Darwish**  
 Chief Executive Officer

## Key Markets

- UAE



## Key Products

- Sports Equipment
- Sports Apparel
- Sportswear
- Spare Parts Trading

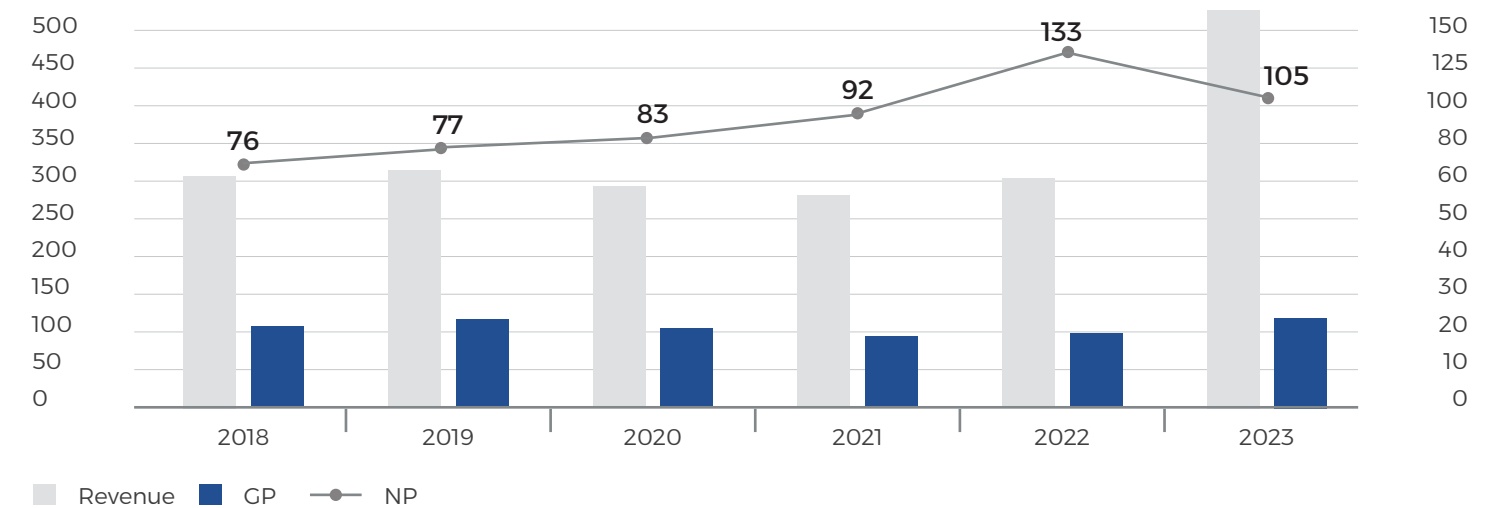
## Key Services

- Sports Recruitment and Staffing
- Sports Curriculum Development
- Sports Event Management
- Advertisements and Event Management
- Health Club and Training Center
- Security Services

## Business and Financial Performance

- Palms Sports has diversified its portfolio by acquiring services providing companies that include security services, advertising, wholesale, etc.
- Palms Sports successfully elevated its operational profit by a remarkable 48% and achieved an impressive year-on-year revenue growth of 91%.
- Palms Sports was awarded a lucrative contract to expand the School Jiu-Jitsu Training Program to include 97 schools from the Northern Emirates and an additional 32 schools in Abu Dhabi.
- Palms Sports has successfully secured a contract with the National Guard for Jiu-Jitsu training, providing comprehensive and specialized programs to enhance the skills and readiness of their personnel.
- Palms Sports has successfully renewed the NSA contract for an additional four years.

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years       | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|------|------|------|------|------|
| Assets      | 310  | 281  | 376  | 533  | 960  |
| Liabilities | 74   | 46   | 47   | 67   | 389  |
| Equity      | 236  | 235  | 329  | 466  | 571  |





## Business Strategy

UAE-focused sports leader, emphasizing Jiu-Jitsu and martial arts. Offers customized training programs and manages large-scale events. Post-IPO, focuses on diversified growth through acquisitions and strategic

investments, aiming to seamlessly integrate sports into people's lives and solidify its industry leadership.



### Pyxis Events - Sole Proprietorship - LLC

- Conferences and Symposiums organization and Management
- Processing and production of advertising gifts
- Organizing Exhibitions Sports
- Exhibitions organization and Management Design, production and installation of billboards
- Marketing Operations Management
- Organization And Event Management
- Parties and Events organizing Onshore And Offshore Oil and Gas Fields And Facilities Services
- Advertisements Designing and Production



### Khabib Gym by Palms Sports - Sole Proprietorship - LLC

- Jiu-Jitsu club
- Body Building Club
- Men Health Club
- Women Health Club
- Women Body Fitness Club
- Men Body Fitness Club
- Cold and Hot Beverages
- Snack Selling (Cafeteria)



### AI Qudra Sport Management LLC

- Buildings Maintenance
- Interior Design Implementation Works(Decor)
- Facilities Management Services
- Sports Services and Contracting
- Onshore And Offshore Oil and Gas Fields And Facilities Services



### AI Qudra General Trading - Sole Proprietorship - LLC

- Sports Clubs and Facilities Management and Operation
- General Trading
- Onshore And Offshore Oil and Gas Fields And Facilities Services

### Robocom Investments LLC

- Management Services of Companies and Private Institutions
- Commercial Enterprises Investment, Institution and Management



### Securiguard Middle East - LLC - OPC (ABU DHABI)

- Security Services Hospitals
- Security Services Bank
- Airport Security Services
- Security Services Hotels
- Public security guarding services.
- Onshore And Offshore Oil and Gas Fields And Facilities Services
- Security Services Vital Installations
- Security Services Events

### Securiguard Middle East CO - LLC (DUABI)

- Event Security & Bodyguard Services
- General Security Guard Services

### Secure Facilities General Maintenance - LLC - OPC

- Buildings Cleaning Services
- Cleaning the outside (interface) Buildings
- Central Air-Conditioners Maintenance
- Onshore And Offshore Oil and Gas Fields And Facilities Services
- Buildings Maintenance

### Securiguard Parking Management - LLC - OPC

- Valet Parking Services
- Car Parking and Squares Management and Operation



### Al Rabeeh School LLC

- Preliminary (Intermediate) Education
- Public Elementary Education
- Nurseries
- Kindergartens



### Al Rabeeh Academy LLC

- Preliminary (Intermediate) Education
- Secondary Education
- Public Elementary Education
- Nurseries
- Kindergartens



### Direct Trading LLC

- Bicycles & Spare Parts Trading
- Sports Equipment Trading
- Sports Wear Trading





Redefining lifestyle through dynamic sports and cultivating impactful and innovative experiences.









# 2.7



## Emirates Stallions Group

### Business Profile

ESG Emirates Stallions Group is a prominent conglomerate headquartered in Abu Dhabi, with diversified interests spanning various sectors. Comprising twenty-seven subsidiaries across five distinct industries, ESG boasts a versatile project portfolio encompassing Manpower Supply, Workers/Staff Accommodation, Real Estate Development, Consultancy, Design, Project Management, Construction, Infrastructure, Marine works, Landscaping, and Hospitality Management – all consolidated under one umbrella.

entities, as well as investors, catering to every phase of a project. Established in 2008 and based in Abu Dhabi, ESG has witnessed substantial growth, extending its operations to over 20 countries across the Middle East, Asia, Africa, Europe, and the Americas.

True to its vision to “Be a leading force in building a resilient future,” ESG has placed itself at the center of the UAE’s economic boom, stressing its core values of “integrating for impact, creativity, adaptability, and driving client success.”

Adopting a holistic approach, ESG positions itself as a comprehensive solution provider for public and private

### Highlights

|                             |                                |                           |                           |                                    |
|-----------------------------|--------------------------------|---------------------------|---------------------------|------------------------------------|
|                             |                                |                           |                           |                                    |
| Asset growth<br><b>168%</b> | Revenue growth<br><b>70.5%</b> | Employees<br><b>4,695</b> | Subsidiaries<br><b>27</b> | Launched:<br><b>ESGHospitality</b> |

### Key Management

|  |  |  |  |
|--|--|--|--|
|  | <b>H.E. Matar Suhail Ali al Yabhouni Aldhaheri</b><br>Chairman |  | <b>Kayed Ali Khorma</b><br>Chief Executive Officer |
|--|--|--|--|

### Key Markets

- Middle East
- Africa
- Europe
- America

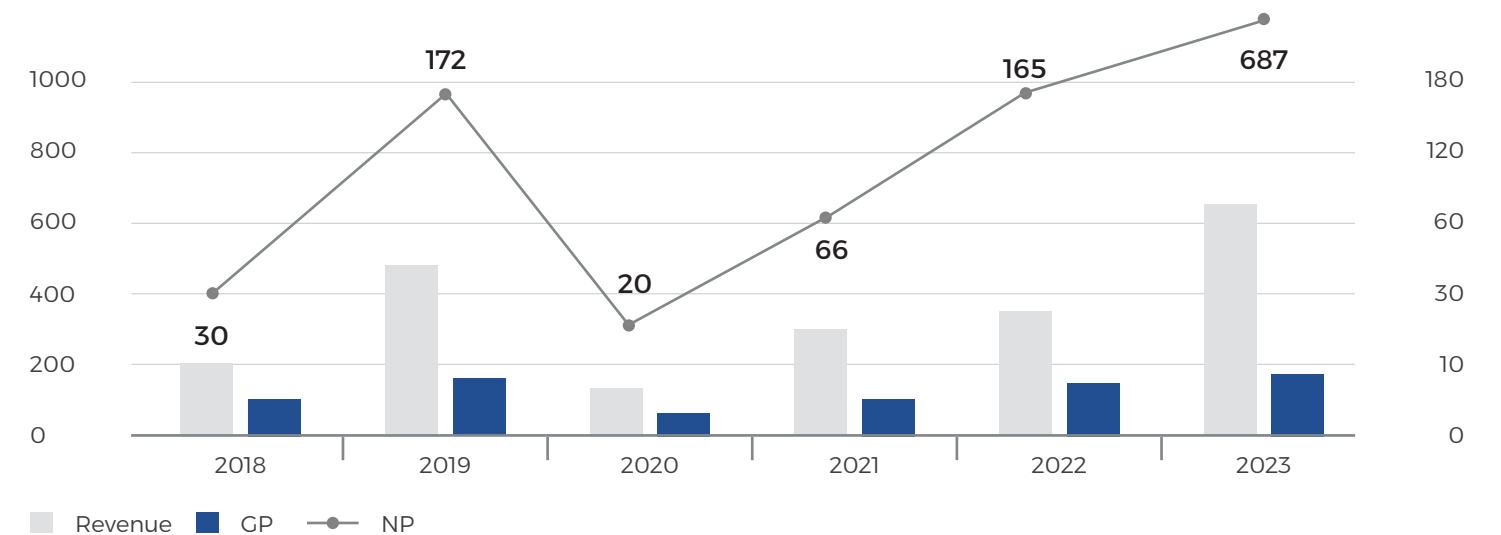
### Key Services

- Manpower Supply
- Workers & staff accommodation
- Real Estate Development Management
- Retail
- Consultancy
- Design
- Project Management

### Business and Financial Performance

- Acquired Tri Star which is equivalent to 23.91% of Kezad Communities, the sole owner of Al Eskan Al Jamae, a key provider of staff housing services in the UAE
- Launched the AED 320 million staff accommodation project “Century Village”, a joint venture with “Q Holding”, located on Al Reem Island in Abu Dhabi.
- Partnered with Hilton to Develop Mallside Residence and Hotel, Curio Collection by Hilton, at Dubai Hills Estate
- Expanding into Manpower supply vertical by the acquisition of majority stake in United International Group (UIG)
- Expanded into Furniture Retail vertical by acquiring 60% majority stake in AFKAR Investments

### Revenue & Profitability (AED Mn)



### Balance Sheet (AED Mn)

| Years       | 2019 | 2020 | 2021 | 2022  | 2023  |
|-------------|------|------|------|-------|-------|
| Assets      | 611  | 394  | 805  | 1,144 | 3,060 |
| Liabilities | 97   | 96   | 268  | 386   | 773   |
| Equity      | 514  | 298  | 537  | 758   | 2,287 |





## Business Strategy

ESG's comprehensive portfolio forms a cohesive ecosystem where divisions collaborate seamlessly, offering everything from development and consultancy to design, project management, construction,

landscaping, and hospitality management. This integrated approach provides both turnkey solutions and individual expertise.

## Construction

**ABU DHABI LAND GENERAL CONTRACTING**  
AN ESG COMPANY

A lauded contractor that provides multidisciplinary services to the construction sector, aiding in the completion of a variety of civil and maritime infrastructure projects.



## Landscaping & Agriculture

**GULF DUNES LANDSCAPING & AGRICULTURAL SERVICES**  
AN ESG COMPANY

Gulf Dunes Landscaping creates inspiring indoor and outdoor spaces by offering design consultation, soft and hard landscaping, and landscape management and maintenance.



**ESGAGRO**  
AN ESG COMPANY

ESG Agro specializes in the cultivation and marketing of high-quality agricultural products, utilizing advanced technology and an efficient distribution network while preserving our natural resources, including water, energy, and land.

## Workers / Staff Accommodation

**PROGRESSIVE REAL ESTATE DEVELOPMENT**  
AN ESG COMPANY

Founded to run a worker housing facility in Abu Dhabi, the firm provides necessary support services for its clients such as 24-hour security, catering, housekeeping, maintenance, and transportation.

**TRI STAR INVESTMENT**  
AN ESG COMPANY

TRI STAR Investment LLC is an Abu Dhabi-based limited liability company engaged in across; investments, commercial brokerage, and commercial enterprises



**CENTURY VILLAGE REAL ESTATE INVESTMENT**  
AN ESG COMPANY

Century Real estate Investment is an owner operator of workers accommodation in Abu Dhabi. Developed the company's largest accommodation facility on 150,000 sqm offering 20,000 beds and employing more than to 100 staff

## Real Estate Development & Services

**ROYAL LUXURY HOTEL MANAGEMENT**  
AN ESG COMPANY

JV between ESG Hospitality and Montgamerie, to manage the hotel in Dubai Hills. Partnered with with Hilton under Mall Side Residences and hotel Curio by Hilton

## Engineering & Hospitality

**ROYAL DEVELOPMENT COMPANY**  
AN ESG COMPANY

A leading UAE-based real estate development management company, RDC's services encompasses all development solutions from inception to completion, including Development Management, Hospitality Development and Strategy, Investment Property and Finance Management, as well as Sales, Marketing, and CRM

**ROYAL ARCHITECT PROJECT MANAGEMENT**  
AN ESG COMPANY

A consultancy that uses its design and engineering, project management, and sustainable development expertise to bring original architectural visions to life.



**ESG HOSPITALITY**  
AN ESG COMPANY

ESG Hospitality is the Hospitality arm of Emirates Stallions Group, Marking a New Era in Luxury and Innovation. The new hospitality arm is working towards unveiling its inaugural project by year-end. The new projects will include international brands in the hospitality sector.

## Interior & Decoration

**VISION FURNITURE & DECORATION FACTORY**

A premier provider of interior design and engineering services, is celebrated for its world-class quality, workmanship, and functional aesthetics throughout the region

**Decovision**

A key player in furniture & joinery production, renowned for its exceptional craftsmanship and innovative design ethos



**AFKAR FINANCIAL & PROPERTY INVESTMENTS**  
AN ESG COMPANY

**OC HOME**

OC Home offers the best mid-century modern furniture and homeware collection catering to millennials and generation-z. With fresh and vibrant designs, the company showcases a captivating collection that competes with the latest market trends.

**2XL**

Established in 2000, 2XL Home is the UAE's most sought-after company, representing the epitome of luxury living. This iconic Emirati home furnishing brand presents premium furniture, lighting and home decor

## Manpower Supply

**UNITED INTERNATIONAL GROUP MANPOWER RECRUITMENT**  
AN ESG COMPANY

A leading provider of qualified labour and comprehensive Manpower Supply in the United Arab Emirates.

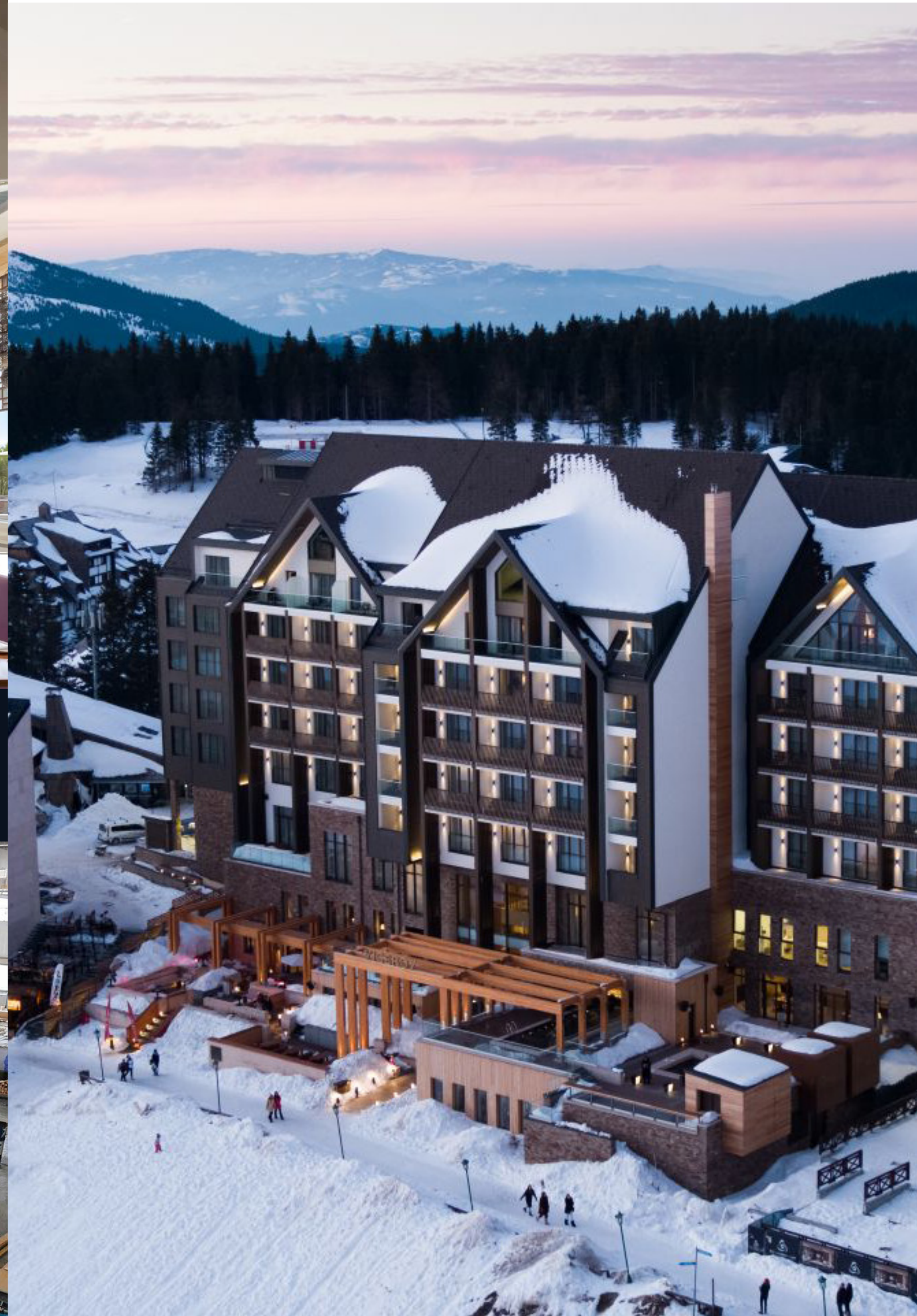
**ALPHA HUB DOMESTIC WORKERS SERVICES CENTER**  
AN ESG COMPANY

**HOWDRA EMPLOYMENT SERVICES**  
AN ESG COMPANY

**CAREER LINE FOR EMPLOYMENT**  
AN ESG COMPANY

**CENTURY HUMAN RESOURCES & LOGISTICS**  
AN ESG COMPANY





Investments, Real Estate Development & Construction services, Interior & Decoration, Landscaping, Workers & staff accommodation, and Manpower Supply.







ADX Symbol: EASYLEASE  
Listing Date: 27 December 2020

[easylease.ae](http://easylease.ae)



# 2.8 EasyLease



## Business Profile

Easy Lease is a trailblazer in the mobility sector, specializes in corporate motorcycle leasing solution, we offer tailored solutions with a fleet exceeding 25,000 motorcycles. Established in the UAE and extending our footprint to KSA and Bahrain, our operations span all seven emirates. Backed by 24/7 services across 10 centers, we achieve an annual service completion surpassing 480,000, ensuring efficient and reliable business mobility.

Beyond motorcycles, our diverse portfolio includes Easy Lease Vehicle Rental, offering a wide array of vehicle leasing services.

Luxury car limousine services are delivered through Easy Lease Lomosien, while Sheel specializes in towing, recovery, and roadside assistance. Qube Car Parking Management excels in parking solutions and valet services. Uplift & 1885 operates as a third-party logistics provider, ensuring efficient deliveries. Yallow Technologies contributes to innovation with advanced mobility technology. Captains Club UAE offers a unique boating club experience. Fully Charged leads in supplying and installing advanced electric chargers. Ripe Events provides versatile services, from containers, kiosk and food trucks rentals to event management.

## Highlights

|                              |                              |                           |                           |                              |                                 |
|------------------------------|------------------------------|---------------------------|---------------------------|------------------------------|---------------------------------|
|                              |                              |                           |                           |                              |                                 |
| Asset growth<br><b>38.3%</b> | Revenue growth<br><b>32%</b> | Employees<br><b>4,695</b> | Subsidiaries<br><b>12</b> | Service Centers<br><b>10</b> | Motorbike Fleet<br><b>25000</b> |

## Key Management

|  |  |  |  |
|--|--|--|--|
|  | <b>H.E Matar Suhail Ali Al Yabhouni Al Dhaheri</b><br>Chairman |  | <b>Ahmad Mohamed Al Sadah</b><br>Group Chief Executive Officer |
|--|--|--|--|

## Key Markets

- UAE
- KSA
- Bahrain

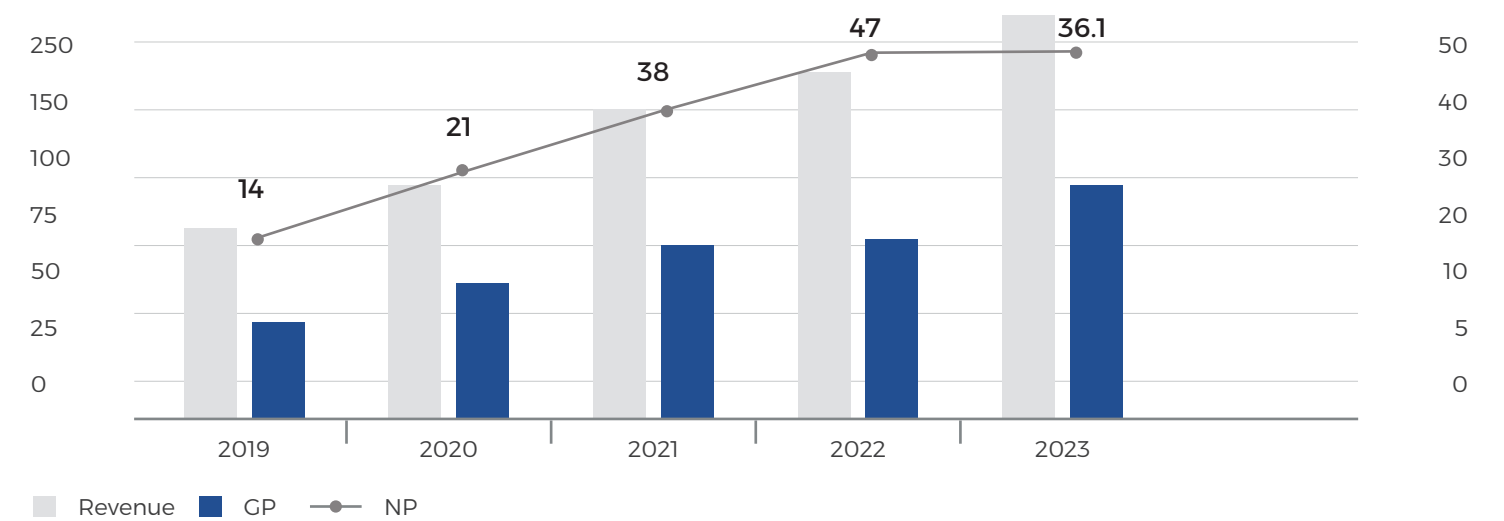
## Key Services

- Mobility Leasing
- Roadside assistance
- service centers
- Maritime
- charging stations supply and infrastructure
- logistics
- Technologies
- limousine services
- Parking and Valet Management
- Lifestyle

## Business and Financial Performance

- Set Objective: Achieve a 30% reduction in emissions by 2030.
- Substituted 5% of the fleet with electric vehicles as a start, leading to a 2% reduction in emissions in the initial year. Ongoing efforts focus on electrifying the entire fleet progressively year by year.
- Created a training plan for 2,200 individuals annually by 2023.
- Implemented safety features and awareness programs, leading to a 10% reduction in accidents within the first year.
- Obtained ISO 14001 certification, reflecting global commitment to environmental responsibility.

## Revenue & Profitability (AED Mn)



## Balance Sheet (AED Mn)

| Years       | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|------|------|------|------|------|
| Assets      | 54   | 80   | 130  | 272  | 376  |
| Liabilities | 32   | 33   | 43   | 126  | 182  |
| Equity      | 22   | 47   | 87   | 146  | 194  |





## Business Strategy

Easy Lease is dedicated to leading the future of mobility through a versatile strategy. We prioritize ongoing expansion across all mobility sectors to diversify our portfolio and address evolving customer demands. Embracing cutting-edge technology ensures operational efficiency and innovative solutions throughout our services. Sustainability is

paramount in our mission, with a commitment to contributing to a greener, more eco-friendly future. Through rigorous R&D efforts and an unwavering pursuit of excellence, Easy Lease aims to establish itself as the unequivocal leader in delivering seamless, sustainable, and sophisticated mobility solutions globally.

## Motorcycle Leasing

"As a leading corporate motorcycle leasing provider, Easy Lease Motorcycle Rental operates across the UAE and has expanded into KSA and Bahrain. Our technology-driven operations feature a fleet exceeding 25,000 motorcycles, supported by 24/7 service across 10 centers, providing an annual service surpassing 480,000, to our fleet. Our commitment to efficient and reliable business mobility is underscored by cutting-edge technology, ensuring optimal performance and client satisfaction."



## All type of Vehicle Leasing

"Easy Lease Vehicle Rental, our flagship subsidiary, offers a diverse range of vehicles on a leasing basis, backed by cutting-edge technology including AI and IoT. Tailored for individual and corporate clients, our flexible short-term and long-term options, coupled with advanced tech integration, provide a seamless and tech-driven mobility solution for our valued customers."

## Road Side assistant & Towing services



"Established by EasyLease, Sheel, a leading road assistance company, employs cutting-edge technologies, such as mobile apps and platforms to provide a one click away orders for their users. Specializing in towing and recovery, Sheel's fully-equipped trucks are designed for various challenging tasks, reinforcing EasyLease's commitment to delivering comprehensive mobility services, including advanced roadside assistance and vehicle recovery."



- Ride Hailing
- Limousine Services

### Easy Lease Limousine LLC

Specializing in luxury car limousine services, this subsidiary meets the demand for high-end transportation options, providing an elevated experience for discerning customers.

- Parking Management
- Valet services

### Qube Car Parking Management LLC

Through the acquisition of Qube Car Parking Management, EasyLease reinforces its commitment to enhancing the overall parking experience. This subsidiary specializes in parking management, e-charging infrastructure, valet services, and the management of impounded vehicle areas.

## 3PL Delivery services



### Uplift & 1885

"As the forefront of the delivery services sector in the UAE, Uplift & 1885 stands as a cutting-edge third-party logistics provider (3PL). Backed by technology, it delivers efficient and reliable solutions to businesses and individuals, leveraging a fleet of over 5,000 delivery riders. These dedicated riders each accomplish an impressive average of 15 deliveries in a 12-hour shift, resulting in an extraordinary 150,000 deliveries per day and an annual capacity of approximately 54.75 million deliveries. This commitment to innovation and service excellence reinforces Uplift & 1885's position as a leader in the dynamic logistics landscape."



## Technology arm



### Lynix Tech & Yallo Technologies

"Easy Lease's foray into the maritime sector is highlighted by the acquisition of The Captains Boat and Ships Trading. As owners of the esteemed boating club brand, The Captains Club, members enjoy seamless booking and personalized boat experiences."

## Maritime Lifestyle



### The Captains Boat and Ships Trading LLC

"Easy Lease's foray into the maritime sector is highlighted by the acquisition of The Captains Boat and Ships Trading. As owners of the esteemed boating club brand, The Captains Club, members enjoy seamless booking and personalized boat experiences."

## EV chargers' infrastructure Supply, and installation. Sustainable Mobility



A leading entity in the, supply, and installation of advanced electric chargers, Fully Charged is distinguished by contemporary, high-quality technologies. It has successfully installed over 5,000 charging devices nationwide and anticipates doubling this number in the next year, strategically expanding services in the GCC region and North Africa.



## Events Management



### Ripe Events

"Ripe Events, a strategic acquisition, reinforces EasyLease's influence in the mobility leasing sector. Offering container and commercial kiosk rentals, food trucks, parking facility management, and drive-through services, this collaboration empowers Ripe Events within EasyLease's diversified portfolio. Together, they strive to unlock new avenues for growth, both domestically and internationally."





Driving Innovation in Future  
Mobility Solutions





# IHC Subsidiaries, Key Associates and Joint Ventures







**Sirius**  
international  
holding





# 2.9 Sirius



## Business Profile

Sirius International Holding, a subsidiary of IHC (International Holding Company), is a global Abu Dhabi-based holding company that leverages disruptive technologies to drive cross-sector digital transformation and engineer sustainable solutions to combat climate change.

With a vision to drive profound change and ignite the possibilities of a better future, Sirius has an expansive

portfolio of more than 20 subsidiaries with over 9,000 employees operating globally, each contributing to shape today's digital, climate and health ecosystems in over 15 countries. Sirius' comprehensive approach encompasses a transformative journey into a digitally interconnected world, empowering Governments, businesses, and communities to excel through groundbreaking technological innovations.

## Highlights



Revenue growth  
**1864%**  
from 2022 to 2023



Employees  
**9000+**



Subsidiaries  
**20+**



Countries of Operations  
**9**

## Key Management



**Ajay Bhatia**  
Chief Executive Officer

## Key Services

- Government Digitalization
- AI & Blockchain Solutions
- Smart Utilities
- Digital Transformation
- HealthTech
- Sustainability and Climate Solutions

## Key Markets

- MENA
- Africa
- Asia
- Europe
- Australia



## Business and Financial Performance

- Recorded unprecedented fair value gains of c.1.13 billion from key strategic investments.
- Secured contracts in India and Azerbaijan for provision of smart meter licenses of c.112 million.
- Acquired new subsidiaries pertaining to healthcare and blockchain businesses in line with Sirius' vision.
- Sirius, through its subsidiary S3, will harness industrial and technological solutions for de-carbonization, methane capture and reduction, clean energy efficiency, and water recovery and efficiency, as a catalyst to positive change and diminishing environmental impact.
- Ownership transfer of Green Energy Investment Holding RSC LTD, Green Enterprise Investment Holding RSC LTD, Green Vitality LTD and IHC 80% ownership of Rebound Limited to Sirius, a milestone in combating climate change.
- Creating a blockchain-based registry and exchange, while installing over 500 million smart meters for power, water, and gas. This combined solution will help save an estimated 1.1 billion tons of CO2e Investing in...





## Business Strategy

Sirius distinguishes itself through a strategic and forward-looking investment approach, across diverse technology sectors while maintaining a commitment to long-term prosperity. The investment strategy is centered around a complete ecosystem that not only seeks financial gains but also contributes positively to the evolution of technology and digital solutions.

Sirius is establishing a transformative journey towards a digitally interconnected world, where governments, businesses, and communities thrive through technology. Sirius' comprehensive approach encompasses a range of initiatives designed to reshape the way we interact with technology and information.

## Sustainability



### Esyasoft

Esyasoft is an engineering and IT company that specializes in Smart Grid technologies. Connected to 22+ million meters and having deployed the largest smart-grid projects in UAE and India makes Esyasoft a pioneer in the Smart Grid sector and provides utilities an end-to-end grid modernization solutions.



### Rebound

Rebound Platform for trading quality-assured recycled plastics has a growing portfolio of members in more than 60 countries globally, including the Middle East, North Africa, Europe, and Asia. Rebound certifies buyers and sellers in accordance with its own protocol and the Basel Convention regulations.



### S3 - Smart Sustainability Solutions

S3 aims to revolutionize the climate economy by delivering innovative end-to-end viable solutions, focusing on four segments: Methane, Carbon, Circular Economy, and Water Efficiency. S3 will deploy capital and management resources on an unprecedented scale, becoming one of the largest companies dedicated to combating climate change.



### Botanical Water Technologies

Botanical Water Technologies utilizes patented Water Harvesting Units to transform any fruit and vegetable concentration facility or sugar mill into a sustainable source of clean drinking water. The Botanical Water Exchange, an award-winning trading platform developed with Fujitsu, facilitates seamless, transparent, and efficient trading of water and Water Impact Credits allowing enterprises to achieve their sustainability targets.

## Healthcare



### Apeiro

Apeiro supports governments in empowering its citizens and healthcare providers with personalized knowledge when and where they need it. The winds of healthcare reform, the mobile revolution and accelerating investments in healthcare is where we see an ocean of opportunities to make health systems sustainable.



### CMC - Canadian Medical Centre

The Canadian Medical Center boasting highly expert practitioners and surgeons from the top educational hospitals around the world, including 30+ specialties and home healthcare service to meet the needs of our patients.



### Atlas Medical

Founded in 1975, Atlas Medical champions healthcare advancement in the UAE. Atlas imports and distributes cutting-edge medical equipment, while educating healthcare professionals on new technologies to improve patient outcomes.



### Sanimed

Established in 2020 by molecular biology and pathology experts, Sanimed rapidly expanded from a single Abu Dhabi facility to a multi-center network serving Abu Dhabi, Sharjah, and the Northern Emirates.

## Technology



### Oxinius Holdings

Oxinius Holdings creates and develops transformative digital solutions for governments and businesses. With a mission to harness technology for real-world challenges, we prioritize genuine governance and business needs, ensuring our products resonate with the end-users. Our commitment is to excellence, user-centric design, and new approaches that can set us apart in the tech industry.



### Cybergate

CyberGate was founded with an objective to provide Cyber Security Services that would improve the overarching Cyber Security position of the UAE. CyberGate has the in-house depth and breadth of information and Cyber Security expertise required to respond to the most technical information security challenges related to both information and operations.

### Tramos

Tramos is dedicated to spearheading digitalization efforts and transformative changes in the world, fully operated by experts from our team and our subsidiaries. Together we have built an eco-system of solutions for a digital future.



### New Emerging Technologies

New Emerging Technologies provides a full scope of ability to process any big data and provide real time visibility and insights tailored to Government needs.



### Guardtime

Guardtime, a blockchain pioneer, secures real-world applications for demanding clients. With over 10 years of R&D, they contribute to the Alphanill public chain, enabling secure and versatile tokenization for both online and offline use.



## Investment



### Adani

Adani Group is a diversified organization in India comprising 7 publicly traded companies. It has created a world class transport and utility infrastructure portfolio that has a pan-India presence. Adani Group is headquartered in Ahmedabad, in the state of Gujarat, India. Over the years, Adani Group has positioned itself to be the market leader in its transport logistics and energy utility portfolio businesses focusing on large scale infrastructure development in India with O & M practices benchmarked to global standards. With four IG rated businesses, it is the only Infrastructure Investment Grade issuer in India.



### Burjeel

Burjeel Holdings's premium healthcare brand, Burjeel is the most comprehensive private tertiary healthcare provider in UAE. The Burjeel hospitals have been at the forefront of healthcare services in the region and have emerged as the Center of Medical Excellence across the UAE.



2.0



# 2.10 2PointZero



## Business Profile

2PointZero is a next generation holding company headquartered in the UAE, pioneering advancements across a multitude of sectors. With a vision that transcends boundaries, 2PointZero is dedicated to weaving a legacy of innovation, sustainability, and global inclusivity.

Founded with the ambition to lead in financial services, investment banking, technology, AI, and more, 2PointZero unites industry leaders under one transformative umbrella. The 2PointZero portfolio, reflects its commitment to

excellence and strategic growth in the digital and crypto ecosystems, resource management, and beyond. As a beacon of diversified excellence, 2PointZero empowers its constituent companies to foster sustainable ecosystems, achieve technological breakthroughs, and ensure financial resilience.

## Highlights



Business Sectors  
6



Countries  
15+



Exp. Assets  
367 Bn+



Subsidiaries  
7+

## Key Management



H.H. Sheikh Zayed bin Hamdan bin Zayed Al Nahyan  
Chairman



H.E. Mariam bint Mohammed Almhairi  
CEO

## Key Markets

- MENA
- Africa
- USA
- South America
- Europe



## Key Services

- Private Equity and Alternative Investments,
- Venture Capital,
- Credit & Asset Management,
- Financial Services (including Micro Financing and Insurance)
- Investment Banking,
- Public Markets,
- Artificial Intelligence (AI) and Technology,
- Mineral and Resource Management,
- Digital and Cryptocurrency Ecosystems





## Financial Services



### Chimera

Chimera Investments, established in 2007, is an Abu Dhabi-based private investment firm that boasts significant global influence and acumen. It manages a diverse portfolio of equities and seeks value-creation opportunities in line with its investment philosophy. As part of the Royal Group, Chimera contributes to a conglomerate with over 60 entities across various industries, employing 20,000 people. In 2023, Chimera launched ChimHaeres Investment Holding with Haeres Capital, acquired Vionnet, and sponsored and anchored ADC Acquisition Corporation, the first regional SPAC. Chimera also oversees subsidiaries Lunate and Beltone.

## Lunate

### Lunate

Lunate, (pending regulatory approvals), is a major independent global alternative investment manager, managing over AED 400 billion in assets. Lunate primarily invests in private markets, including Buyouts, Growth Equity, Venture Capital, Private Credit, and Real Assets, with selective investments in Public Equities and Credit. Lunate aims to be a leading private markets solutions provider, targeting institutional investors, pension funds, and family offices, with a focus on generating superior risk-adjusted returns. Recently, Lunate launched ALTERRA at COP28, the world's largest private climate investment vehicle, aiming to steer private finance towards climate action and promote a more equitable climate finance system.

## Beltone

### Beltone Holding

Beltone Holding (EGX: BTFH.CA) is a leading financial services provider with a multi-decade track record of success in the MENA region. The Company offers a comprehensive and growing set of financial solutions such as brokerage, investment banking, asset management, equity research, and private equity, in addition to end-to-end non-banking financial institutions (NBFIs) including leasing, factoring, consumer finance, venture capital, mortgage finance and microfinance. The Company is driven by a vision to redefine the financial ecosystem in the region by capitalizing on global expertise, knowledge and disruptive, value-accretive solutions that unlocks limitless opportunities for clients, to drive market value and impactful results.

## Mining & Resources



### International Resources Holding (IRH)

Headquartered in Abu Dhabi, IRH specializes in unlocking the mineral value chain with a strategic focus on energy transition minerals and key resources such as Copper, Cobalt, Nickel, Lithium, 3T (Tin, Tantalum & Tungsten), Manganese, and Graphite. IRH plays a pivotal role in advancing in-country value addition across Africa and beyond, building ecosystems through strategic collaborations, and improving infrastructure and living standards. The company has over 20 assets under negotiation and more than 22,000 square kilometers under exploration in various countries.

## Investment Holding

## Sagasse

### Sagasse Investments

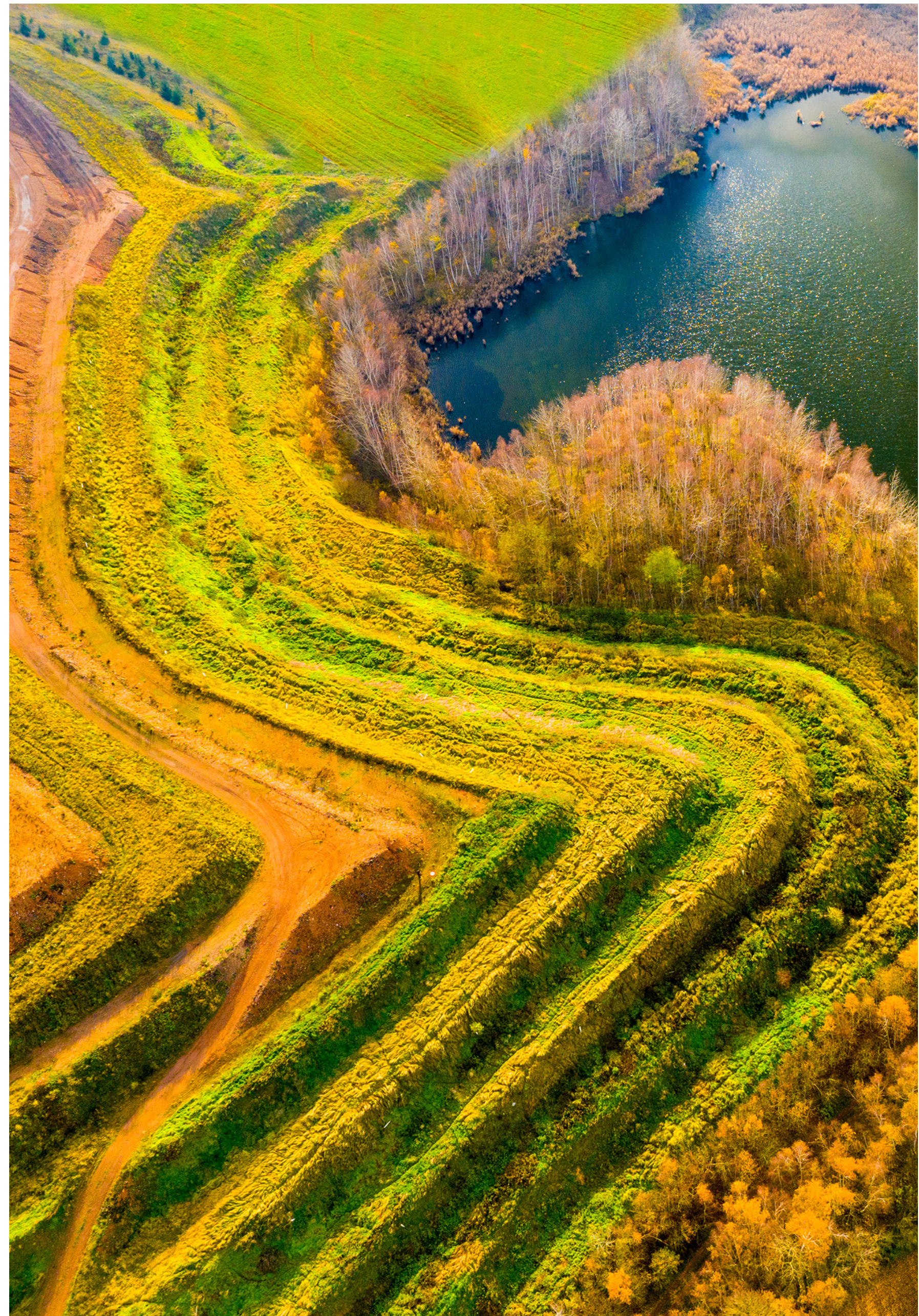
Sagasse Investments is a dynamic investment company operating as a specialized purpose vehicle, dedicated to strategic investments in select companies. With a primary focus on the Middle East, Sagasse is positioned as a key player in the region's economic landscape while maintaining flexibility to explore opportunities in diverse global markets. Beyond its core investment portfolio, the company engages directly in equities, cash instruments, and premium cash and debt securities, demonstrating a commitment to a well-rounded investment approach.

## Crypto Technology



### Citadel

Citadel Technologies, is a leading player in the cryptocurrency mining industry and operates a state-of-the-art crypto mining facility in Abu Dhabi, UAE. The company specializes in Bitcoin extraction and is committed to sustainable and efficient mining practices. IHC recently acquired a 10% stake in Phoenix Group, which manages the 'Citadel Project'. Citadel's facility is recognized as the Middle East's largest crypto-mining facility.





# 2.11 Arena



## Business Profile

Arena brings projects to life by designing and building spaces that make a lasting impression. We have the expertise, creativity, and commitment to transform empty spaces into vibrant places.

Our renowned expertise makes a permanent impact on temporary space by designing, building and managing impressive infrastructure and interiors that enhance every event or facility; positively impacting the customer experience

by delivering the Arena service quality promise on time, every time.

Arena structures and temporary environment solutions meet the needs of major global and private events, conferences and exhibitions, and government and industry.

## Highlights



Countries  
11



Employees  
1,311



Temporary Seating  
155,000



Temporary Structures  
620,000sqm

## Key Management



**Peter  
Abraam**  
Chairman



**Paul  
Berger**  
CEO

## Key Services

- Temporary, modular & industrial structures
- Event Overlay
- Demountable and permanent seating solutions
- Furniture hire & party rentals
- Ice rinks
- Fencing & barriers
- Scaffolding
- Flooring solutions



arenagroup.com

## Business and Financial Performance

- Full rebrand of Arena Group globally
- Launch of a new company vision and mission, to re-enforce the global rebrand to position Arena as more than just an event company
- Accessed new markets and customers to grow the company beyond events and reduce profit seasonality.
- Completion of the acquisition of Arena Aztec Shaffer & Stadium Solutions
- Opening of Arena's second global office in USA
- Appointment as partner and supplier of the Paris 2024 Olympic and Paralympic Games

## Subsidiaries





# 2.12

## International Securities



### Business Profile

International Securities is an Abu Dhabi-based UAE SCA regulated brokerage firm that specializes in equity and derivatives trading on ADX, DFM, and Nasdaq Dubai. International Securities was renamed from Integrated Securities in 2019, after becoming part of IHC on November 1, 2019. But our history goes back to 2001 when brokerage license was originally obtained as a brokerage division of First Gulf Bank (now First Abu Dhabi Bank). The International

Securities model was built around one simple idea, putting the client first. It is from here that we were able to grow hand in hand with our distinguished clients over the years.

Being one of the most esteemed financial organizations in the United Arab Emirates, the company offers valuable equities research and advisory services that keep clients ahead of the curve.

### Highlights

|   |   |   |   |
|---|---|---|---|
| <br>Asset growth<br><b>21%</b> | <br>Revenue growth<br><b>56%</b> | <br>Awards<br><b>7</b> | <br>SCA Financial Advisor<br>of the Year |
|---|---|---|---|

### Key Management

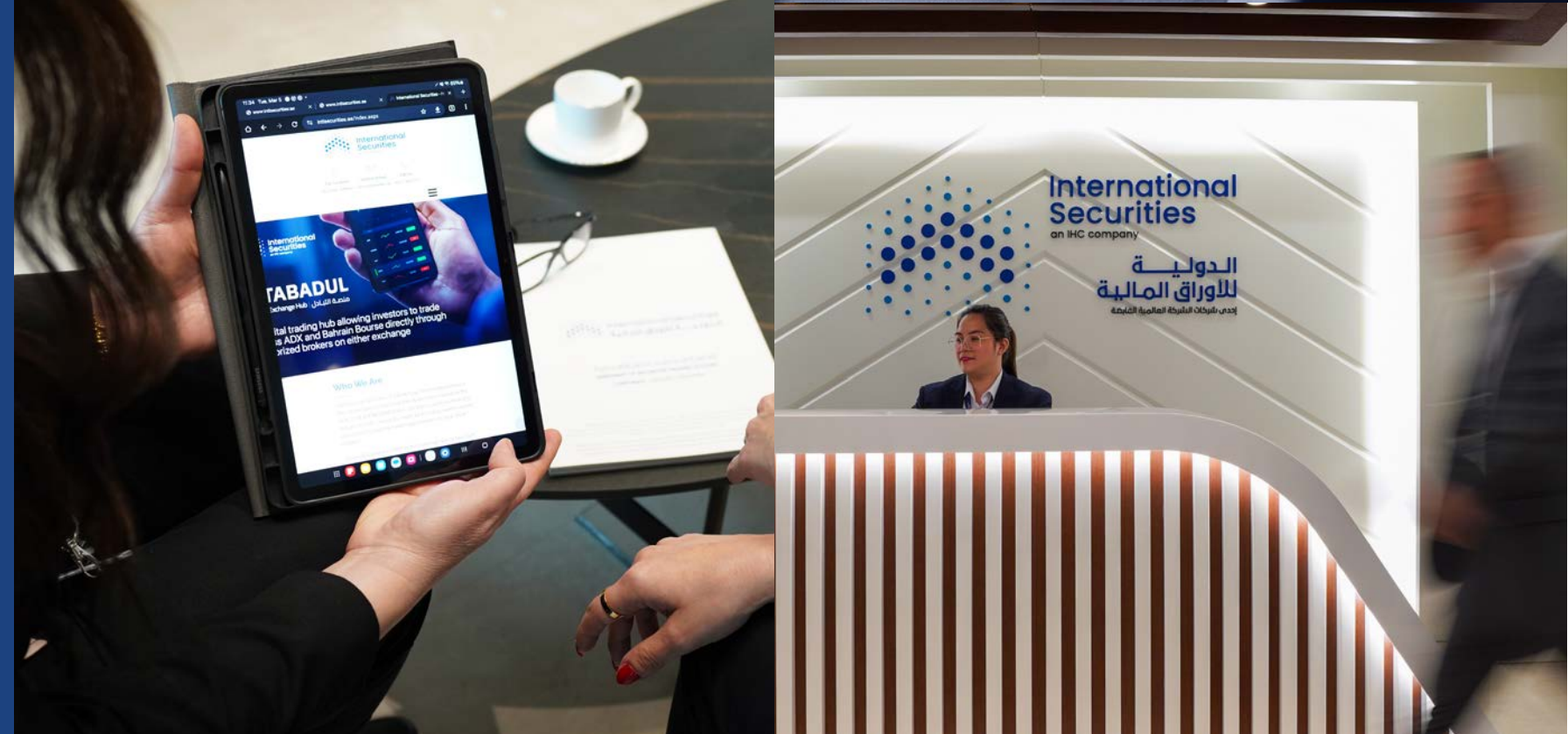


### Key Services

- Equities
- Research and Advisory
- Derivatives
- IPO Underwriting
- ETFs
- Private Placement
- Margin Trading
- Financial Advisor
- Short Selling
- Listing Advisor

## Business and Financial Performance

- a. Completed five IPOs and one capital increase / PIPE transaction in Abu Dhabi in 2023
- b. Market turnover of AED 361 billion in 2023
- c. Crossed the milestone of 29,000-client; of which more than 60% are active
- d. Introduced digital client onboarding using AI for faster onboarding
- e. Won seven awards in the last four years
- f. Hold research, advisory, and financial consulting license in the UAE
- g. Obtained SCA Listing Advisory license in 2023





# 2.13 Apex Investment



## Business Profile

- 01. Apex Services: Operates; Catering, Facility Management, Laundry, QHSE and Academic Learning & Accreditation to Industrial scale clients across Oil & Gas, Military, Mining, Construction and Humanitarian Aid - Apex Services is one of the largest fully integrated Services Provider in the UAE.
- 02. Apex Structures: Provide bespoke solutions in field hospitals, labor camps, production of high-quality cement. Through our special projects we focus on design and build of renewable and green energy - Apex Structures is a strategic platform for expansion outside of the UAE.
- 03. Apex Investments: Manages investments into equity, facilitates early and mature investments through JV's and manages M&A activity - Apex Investments secures complimentary assets that support both Apex Services and Structures

## Highlights

|   |   |  |  |
|---|---|--|--|
| <br>Asset growth<br><b>AED 2.2 Billion</b> | <br>Revenue growth<br><b>AED 728 Million</b> | <br>Employees<br><b>5,037</b> | <br>Subsidiaries<br><b>11</b> |
|---|---|--|--|

## Key Management

|   |   |
|---|---|
| <br><b>H.E. Khalifa Khouri</b><br>Chairman | <br><b>Mark Blackwell</b><br>CEO |
|---|---|

## Key Geographies

- UAE
- KSA
- Africa







ADX Symbol: APEX  
 Listing Date: 16 March 2004

## Business and Financial Performance

- a. Completed one of the largest holistic transformations and restructuring programs in 2023, moving away from Covid related businesses to 'business as usual' with operational and financial performance ranked in top quartile globally.
- b. Successfully mobilized 2,000+ staff for offshore projects, which has been recognized as an industry best practice and benchmark by Clients regionally
- c. Successfully turnaround & Strategic focus for on-shore Services, RAK Cement went from major losses in 2022 to breakeven in 2023.
- d. Reset all corporate policies and frameworks to not only ensure 'best practices' but also ensure 100% align with SCA requirements.
- e. Net Profit exceeded the 2023 budget by 26%, cash conversion cycle increased 40% and cash position increased 323%

## Investments

|  |  |
|--|--|
| <br>Niche Turkish rotisserie chicken restaurant based in Dubai and Turkey                             |  |
| <br>Drone operator with focus on critical package delivery across Abu Dhabi currently in trial phase |  |
| <br>Abu Dhabi based ready mix concrete service provider supporting development in Abu Dhabi         |  |

## Apex Services

- Apex Catering
- Apex Facility Management
- Apex Waste Management
- Apex HSEQ
- Apex Academy



## Apex Structures

- RAKCC
- Energy (Solar & Wind)
- Labour Camps and Hospitals





# 2.14

## Royal Cinemas

**ROYAL**  
CINEMAS سينما

### Business Profile

Cine Royal Cinema LLC is a chain of Cineplex with 41 screens across four locations in the Emirate of Abu Dhabi. Royal Cinemas is ISO 9001:2015 certified and is the first Cineplex to bring 3D Technology to cinemas in Abu Dhabi. The company is particularly invested in making the silver screen experience comfortable, enjoyable and technologically unmatched.

Realizing the power of cinema and the joy and cultural voice that it can bring to societies, Royal Cinemas was established in

Abu Dhabi in November 2007 as a subsidiary of International Holdings Company (IHC). Luxury, comfort, and the best viewing experience are the foremost priorities for Royal Cinemas. To this end, we have four viewing classes available to suit every viewer: Standard, KIDS, VIP, Royal Plus and Royal Class. Cine Royal also provides Private Home Theatre services as a value addition to its valuable customers. All viewers are guaranteed the very best in terms of high-definition picture and sound quality.

### Highlights



Revenue growth  
5.35%



Employees  
104



Increase of Customers  
155,000



Cineplex Screens  
41

### Key Management



**Falal Ameen**  
CEO

### Key Services

Cinemas provide a range of services including state-of-the-art movie screenings, comfortable seating, concessions, and special events such as premieres, birthday party and school fieldtrips. Additionally, many cinemas offer amenities such as online ticketing, and fast track tickets at kiosk to enhance the overall movie-going experience for our customers.



[cineroyal.ae](http://cineroyal.ae)





# 2.15

## Reset MENA



### Business Profile

Reset is an Abu Dhabi based, accredited government ESCO company, offering specialized energy re-engineering services. Our focus is to help clients optimize building efficiency within their facilities, reduce costs and conserve resources. Through technical audits, we identify energy-saving opportunities and design customized retrofitting solutions. This cradle-to-grave approach includes project design, financing, implementation, and post-implementation measurement & verification (M&V) to guarantee project success and quantify actual energy savings.

Reset also offers their clients a savings guarantee, risk management during the implementation phase of the project,


and perform measurement & verification (M&V) activities to quantify actual energy savings post implementation.

Reset tailors a comprehensive set of measures to address its clients' needs – these include energy and water systems, like; heating, ventilation, air conditioning, lighting, building management systems etc. Each solution is a bespoke offering based on design optimization, which ensures Reset can deliver the savings outlined. Savings typically vary from 15%-35%, based on the building type, arrangements, and set-up. These savings add real value to our client's operations and assets.

### Highlights

|   |  |   |   |
|---|--|---|---|
| <br>Asset growth<br><b>47%</b> | <br>Revenue growth<br><b>5%</b> | <br>2023 Energy Audits<br><b>500</b> completed | <br>Potential Carbon Emission Reduced<br><b>40,000</b> tons/year |
|---|--|---|---|

### Key Management



**Frederic Cantin**  
General Manager

### Key Services

- Energy Audit
- Energy Performance Contracting through guaranteed and shared savings offering.



## Business and Financial Performance

- ADNOC awarded Reset a project to conduct detailed energy audits at 300 of their buildings in Abu Dhabi City and Ruwais City. The project is now completed and the outcome of the report under ADNOC's review. This project is in line with ADNOC decarbonation program and goals towards the implementation of a greener United Arab Emirates.
- In collaboration with Abu Dhabi Culture and Tourism, Reset successfully completed energy audits in around 160 hotels in Abu Dhabi Emirate. As part of the project, reports showing utility cost saving potential from 2 up to 45% based on each hotel arrangement and set-up were submitted. This project provides hotels' owners with a list of solutions and financial options that would help them enhance energy efficiency at their own facilities.
- During COP28, Reset announced the implementation of two energy performance contracts with ADCB for 10 years and Mismak properties for 2 years. Those projects will contribute to 18% and 25% energy savings through reduced electricity consumption at Mismak properties and ADCB respectively and reduce 17,500 tons of CO2 in the next 10 years.



**RESET partners with ADCB to reduce 16,500 tons of CO2 in the next 10 years**

RESET, the leading UAE-based energy service company and a subsidiary of IHC, has entered into a partnership with Abu Dhabi Commercial Bank (ADCB) which will result in energy savings of 25% annually across the bank's office buildings in Abu Dhabi





# 2.16 Shory



## Business Profile

Shory is an insurtech company that uses technology to make insurance easier. Shory develops and operate various platforms and applications that cater to retail, SME and corporate clients. The company brings value to the customers through its website/app or through the various integrated embedded application that serves both B2C and B2B segments. Shory has the largest growing corporate insurance operation in the country servicing corporate clients in all insurance needs from general and medical to very specialized fields of insurance such as marine and cyber.

## Highlights

|  |  |  |
|--|--|--|
|  |  |  |
| Asset growth<br><b>128%</b>  | Revenue growth<br><b>845%</b>  | Employees<br><b>226</b>  |

## Key Management



**Suliman  
Alfallaj**  
CEO

## Key products

- Shory Online Motor Platform
- Shory Online Medical Insurance Platform for Individuals and SMEs
- Shory Integrated platform for Visit Visa
- Shory Aber
- Shory Corporate

shory.com

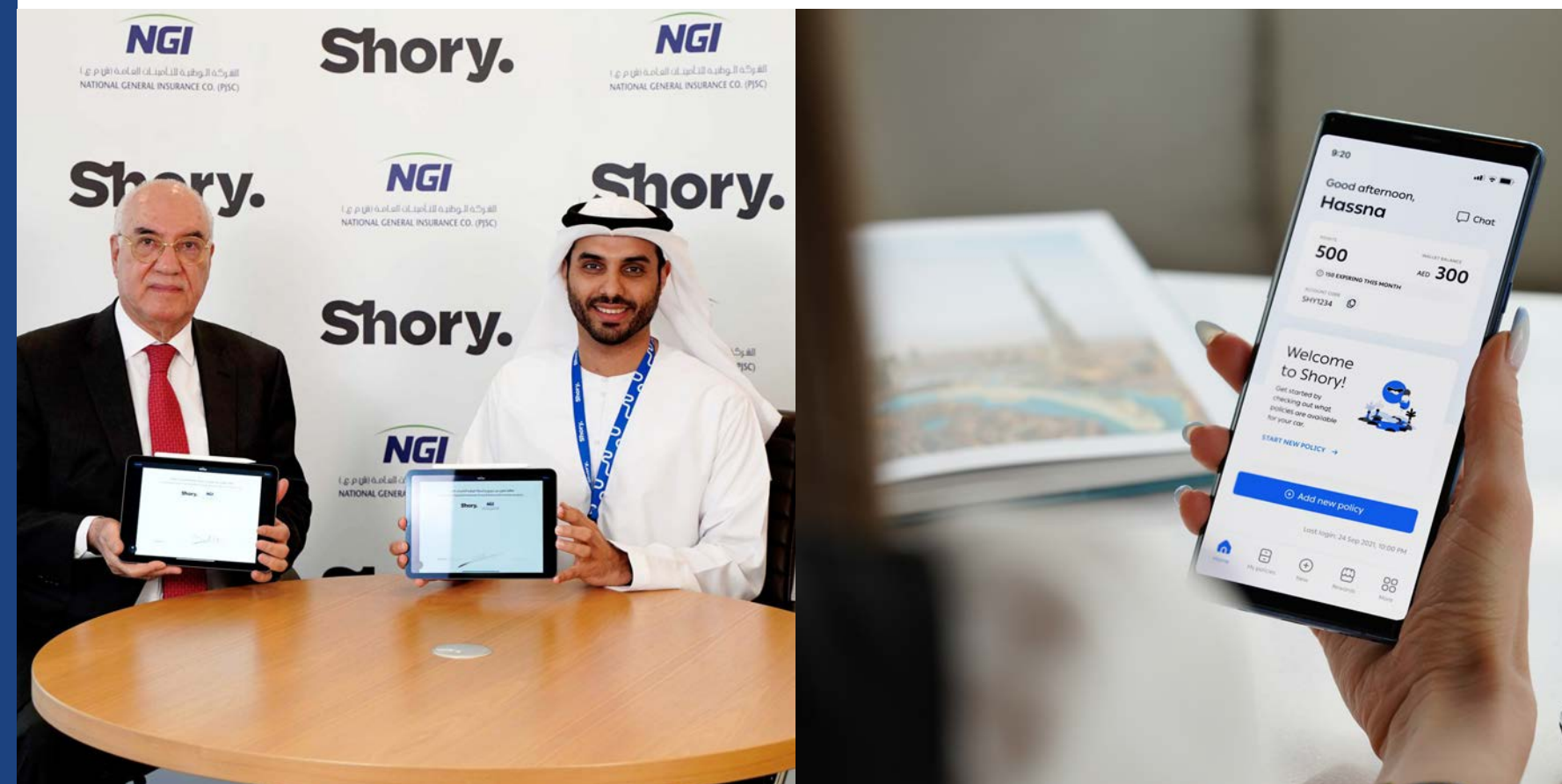


## Key services

- Insurance Technology
- Insurance consultation

## Business and Financial Performance

- The highest growing insurance business in the region with explosive growth in both operations and revenue,
- Multiplied Revenue 8 times during 2023 and expected to further accelerate in 2024.
- The company is maintaining a solid financial position even during its founding years with large investments in its digital infrastructure and platforms that will yield enormous return on investment over the years and reshape the insurance industry.





# 2.17 Emircom



## Business Profile

Emircom, a leading ICT provider headquartered in Abu Dhabi, UAE, established in 1984, has championed digital transformation since they embarked on their journey. Leveraging innovation to think, deploy, and operate sustainable solutions, their integrated team and comprehensive suite of ICT solutions prioritize efficiency. In partnership with tech giants like Cisco and Dell Technologies, they deliver custom-tailored ICT solutions across diverse industries, meeting specific needs and verticals with agile paradigms to match each sector.

Expanding their reach, Emircom ventured into prefabricated container manufacturing in 2023, securing contracts with

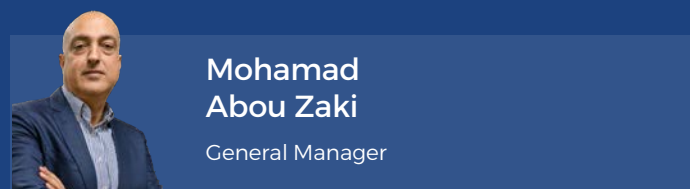
prestigious clients like NEOM and Etihad Rail. This initiative reflects their commitment to sustainability, with designs focused on energy efficiency. Furthermore, by offering bespoke and vendor-neutral containerized data center solutions, they showcase their adaptability and client-centric approach.

Emircom leverages AI-driven analytics to refine decision-making and operational excellence. This solidifies their position as a leading pioneer in the ICT industry and reaffirms their commitment to providing sustainable, cutting-edge solutions.

## Highlights

|   |   |   |   |
|---|---|---|---|
|  |  |  |  |
| Asset growth<br><b>13%</b>  | Revenue growth<br><b>16%</b>  | Employees<br><b>1,073</b>   | Countries of Operations<br><b>4</b>   |

## Key Management



## Key Services

- System Integration Managed Services,
- Next Generation SaaS ,
- SOC, IOT & AI,
- Public DC

emircom.com



## Business and Financial Performance

- 2023 Turnover: Reached a record AED 1.5 billion, with the highest-ever sales increase of 16% and EBITDA up by 14%.
- Data Center Completion: Constructed a scalable facility in ICAD Mussafah with advanced infrastructure, ready for immediate deployment.
- Sustainability Initiative: Partnered with Cisco at COP28 to present sustainability-focused solutions.
- Industry Recognition: Secured Cisco's 2023 MEA Security Partner and UAE Customer Service Partner of the Year awards; received Dell's 2023 Excellence in ISG Sales award.
- Appreciation Award: Awarded the Etisalat Appreciation Award for 2023.

## ICT and Managed Services \_ DO \_



## Manufacture of Prefab Data Centres



## NOC/Managed Services





2.18



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

# Emirates Reem Investments

## Business Profile

Emirates Reem Investments Company PJSC have been answering the refreshment needs of the UAE since 1980 with the natural mineral water from the prime and pristine Hatta Mountain range and distribution of trading products including the category of Hygiene, functional water, Juice, CSD, Energy Drink, protein bar, Confectionaries & Cereals.

The company subsidiary is one of the leading plastic production manufacturers of packaging products for beverage

and food industries in the middle east, providing a variety of packaging products.

ERIC is listed on Dubai Financial Market with clear objective of enhancing its portfolio through business combinations and new product developments.

## Highlights



Revenue growth  
77%



Employees  
209



Countries of Operations  
5+

## Key Management



H.E. Mohamed  
Haji Al Khoori  
Chairman



Eman  
Waqas Pervaiz  
General Manager

## Key Markets

- UAE
- Oman
- Kuwait
- Bahrain
- Sudan



DFM Symbol: ERC  
Listing Date: 31 July 2005

erc.ae

## Key products

- Water - 5G, Zero Sodium & Alkaline
- Juice - Origina (Mango, Strawberry, Orange, Apple & Blackcurrent)
- Hygiene - Facial Tissue, Toilet Roll and Kitchen Roll
- CSD - Tropia
- Confectionaries & Cereals - Minions & Nickelodeon
- PET Preform
- Closures
- Shrink Sleeves

## Business and Financial Performance

- Evergreen Acquisition - acquired a 100% stake of the Evergreen Plastic Manufacturing LLC.
- 5 Gallon Launch - ERC have officially launched Jeema Water 5 Gallon bottles in UAE.
- Origina Juice Launch - Origina juice beverage brand made from natural based ingredients with high nutritional values packed in pouches with a wide range of 5 unique flavours (Mango, Strawberry, Orange, Apple & Blackcurrant).
- Snackiz By ERC - Officially launched kettle cooked Stix with the finest handpicked potatoes, fresh ingredients and lots of tasty Stix flavors like Salted, Tomato, Chilly and Black Truffle.
- Salted Stix, Tomato Stix, Chilly Stix, Black Truffle Stix.
- Jeema Zero Sodium & Alkaline - Launched Zero Sodium & Alkaline Water as a Initiation of functional water category along with 5G to complete the availability of all water SKU's.
- Hydration Partner for Dubai Half Marathon.
- Completed an internship in association with Emirates Schools Establishment for Emirati students.
- Certified Sales Team Training - A 360-degree Sales training was successfully completed to enhance customer service.







# 2.19

## Royal Technology Solutions

### Business Profile

Royal Technology Solutions is the foremost system integrator and provider of IT services in the Middle East. The company was founded in 2010, is ISO 9001:27001:45001 Management Standard certified, and conforms with all other IT industry standards, certifications, and criteria. It works with its clients using a combination of high-level business and technical experience, broad understanding of new technologies, and a mature and competent delivery and services infrastructure, which further strengthens Royal Technology's position as the top IT company in the UAE.

With the highest level of accreditation, RTS has established strong ties with industry tech giants including HP, Dell, Cisco, Huawei, Palo Alto, Mandiant, Force Point, Force Scout, ExtraHop, Cybereason, Algosec, Ivanti, MobileIron, RSA, Swivel Secure, Schneider, Alcatel, Fortinet, Crestron, and many others; all in addition to an ecosystem of complementary vendors. This robust structure enables RTS to deliver a wealth of best-of-breed solutions to its customers through its pre-sales, post-sales, and project implementation teams.

### Highlights

|                            |                              |                         |
|----------------------------|------------------------------|-------------------------|
|                            |                              |                         |
| Asset growth<br><b>88%</b> | Revenue growth<br><b>18%</b> | Employees<br><b>150</b> |

### Key Management

**Akhtar Saeed Hashmi**  
Chief Executive Officer

### Key Markets

- UAE

### Key Services

- Solution Design, Consultancy and Professional Services
- Support and Maintenance
- Project Management

### Key products

- Server and Storage Infrastructure, Business Continuity and Disaster Recovery, Back Up and Cyber Resilience, Virtual and Cloud Computing Solutions, Data Centre Physical Critical Infrastructure, Secured Wired and Wireless Network, Automation and Orchestration Solution (AIOP's, SECOP's), Artificial Intelligence and Machine Learning Solutions, Information and Cyber Security Solutions
- Voice Communication, ERP Solutions, Document Management, Mobile Application Development, Website Development, and Software Applications
- Data Centre Management (Network Critical Physical Infrastructure, DC Infrastructure Management Solutions, DC Civil and Electromechanical Construction, DC Consultancy Services, DC Monitoring Solutions, DC Maintenance Contract Services)
- Audio Visual Systems, IPTV Solutions, Digital Signage, Cinemas, Home Automation, and Network Infrastructure, Large Format Outdoor Displays and Venue Audio solutions, Experience Centre and Immersive Cubes,
- Integrated Surveillance and Security Systems, Lighting Control Systems, Building Automation, and Parking Management Systems.

#### ELV Solutions

- CCTV
- Access Control
- Structured Cabling
- Digital Signage
- SMATV
- AV System
- Building Automation Solutions
- Integrated Security and ELV Solutions
- Home Automation Solutions

#### IT Applications

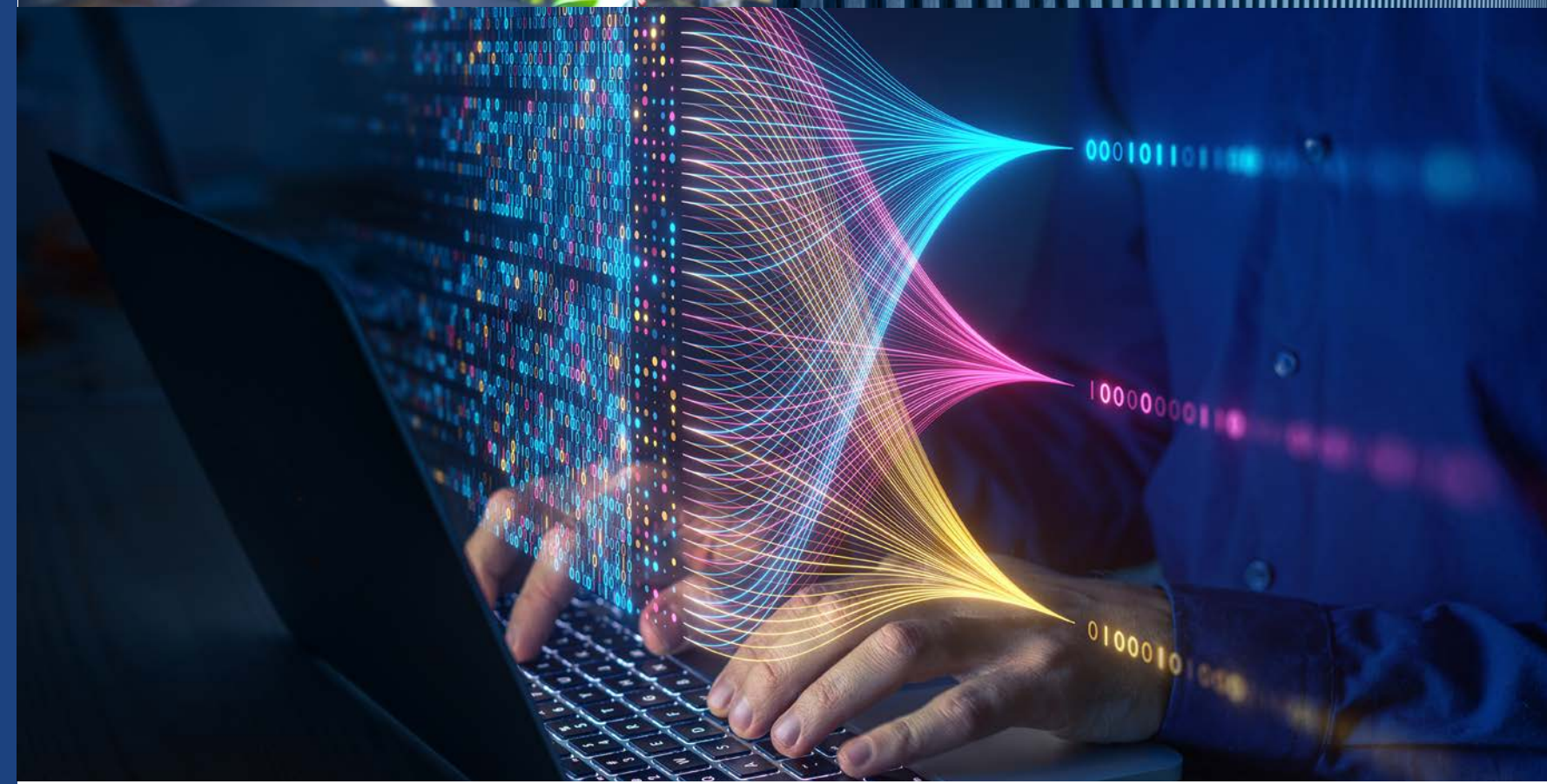
- ERP
- Document Management
- Mobile Application
- Development
- Website Development
- Facility Management

#### ICT Solutions

- Network Infrastructure
- Business Continuity and
- Disaster Recovery Solution
- IT Security
- Servers and Storage
- Virtualisation and Cloud
- Computing
- Voice Communication

#### Services and Support

- Solution Design and
- Professional Services
- Support and Maintenance
- Project Management







# 3.0 Corporate Governance

- 3.1 Introduction
- 3.2 Group Governance Structure
- 3.3 Board of Directors
- 3.4 Board of Directors' Committees
- 3.5 Executive Management
- 3.6 Related Parties Transactions
- 3.7 Risk Management, Internal Control and Compliance
- 3.8 External Auditor
- 3.9 Violations Committed by the Group during the year 2023
- 3.10 Corporate Social Responsibility
- 3.11 Sustainability Initiatives
- 3.12 Shareholding and Share Price Information
- 3.13 Investor Relations Affairs
- 3.14 Special Resolutions presented to General Assembly meetings held during 2023.
- 3.15 Emiratization Percentage in the Company as of 2023 (excluding unskilled labour)
- 3.16 Significant Events During 2023
- 3.17 Initiatives and Innovations during 2023







# 3.1 Introduction

International Holding Company ("IHC", "Company", "Group"), established in 1999 is one of the largest publicly listed holding companies in the MEA region with an international presence extending across Asia, Europe and Americas.

IHC continued to make progress on its financial and strategic aims, despite high market and macroeconomic volatility during the last few years. IHC, driven by one of its main objectives of 'diversifying the non-oil economy' of the UAE, the responded proactively and robustly to the changing dynamics, pursuing several opportunities in order to continue to deliver year-on-year increased shareholder value.

**IHC's journey of substantial growth has been augmented by the value system that:**

- Delivered growth**  
Across our growing portfolio.
- Diversified investment**  
Enhanced performance by diversifying the group's investments.
- Established new Ecosystems**  
Increased value by establishing new business ecosystems.
- Invested in multiple sectors**  
Provided sustained returns by investing in multiple sectors, across the globe.

This report gives an overview of IHC's corporate governance systems and procedures as of 31st December, 2023, and has been posted on the Abu Dhabi Exchange (ADX) website and the Group's website.

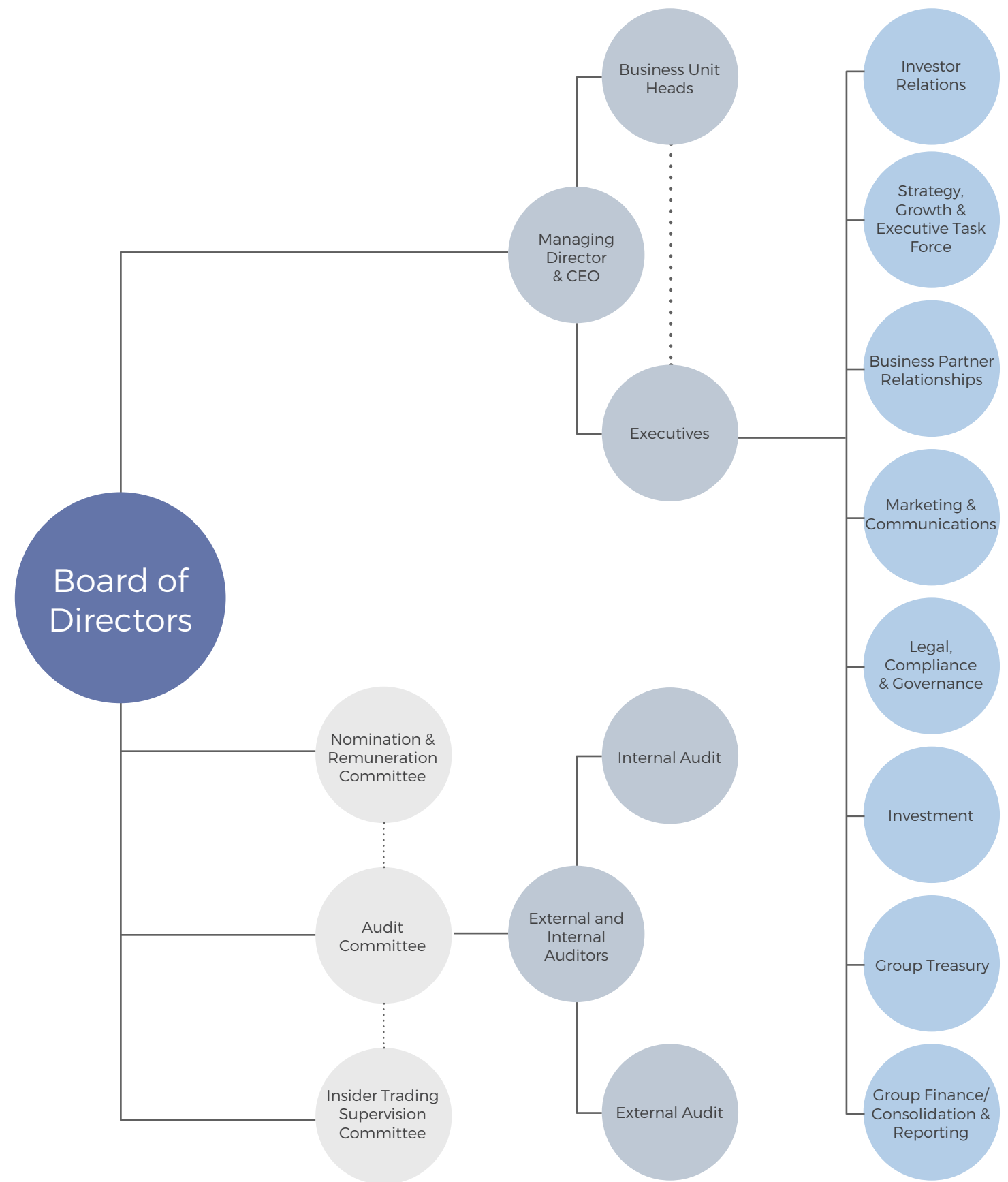
This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020) and the format of this report is as prescribed by SCA.

# 3.2 Group Governance Structure

IHC has been organized into eight verticals and its operating Business Units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations as below:



**IHC's Group Structure is as below:**





### 3.2.a Corporate Governance within IHC

The shareholders are the ultimate decision-makers in respect of the direction of the Company. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's direction.

IHC is managed by the Board of Directors comprised of five members, elected by the Ordinary General Assembly through secret ballot, for a period of three years. The Board of Directors elects the Chairman and the Vice Chairman from among its members. The position of the Chairman of the Board of Directors and the position of the Managing Director & CEO are separate.

The Board of Directors (the "Board") and the management of IHC together with its subsidiaries, (the "Group") strive to attain and uphold a high standard of corporate governance and to maintain sound and well-established corporate governance practices for the interest of shareholders and other stakeholders including, but not limited to, customers, suppliers, employees, and the general public. The Company abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes reviews of its corporate governance system to ensure it is in line with international and local best practices.

The Board delegates and gives clear directions to the management as to their powers of Management and the circumstances in which the Management should report back or obtain prior Board approval. Management for the purpose of this Corporate Governance Report refers to the Company's Managing Director & CEO, Business Unit Heads and the Executives heading various functions within the Company. They are responsible for the day-to-day operations, management and administration of the Group under the leadership of the Managing Director & CEO. The Management provides periodical updates to the Board to enable Board members to discharge their duties more effectively. Members of our Management are frequently invited to attend Board meetings to report and engage in discussion with the Board in respect of strategy, budget planning, progress and performance updates. This is to ensure that the Board has a general understanding of the Group's business so that they can make informed decisions for the benefit of the Group. Members of the Management are required to answer any questions or challenges posed by the Board. All Board members also have separate and independent access to our Management.

The Board has established Committees, namely the Audit Committee, Nomination and Remuneration Committee and Follow-up and Insiders Transaction Supervision Committee, to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

The Board is also responsible for ensuring that Management maintains a system of internal control that provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations and has delegated the responsibility for oversight of the Internal Control to the Audit Committee. The Internal Control Department (ICD), along with an outsourced service provider, performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit Committee reviews the effectiveness of the ICD.

### 3.2.b Role of the Board

The Board is responsible for the overall conduct of the Company's affairs and monitors the performance of the management. The Board has established a Charter, which among other matters, recognizes their role, responsibilities, functions, and powers, both collectively and individually.

**The Board's roles and responsibilities as set out in the Board Charter include:**

- 01 Appointment of the Chairman and Vice Chairman of the Board.
- 02 Reviewing Board composition and performance.
- 03 Approving formation, dissolution, and performance of Board Committees.
- 04 Approve and monitor Group's Strategy (including subsidiaries), Business Plan, Annual Budget, and any amendments thereto.
- 05 Reviewing financial performance considering the Strategy, Business Plan and Budget of IHC, ensuring that where necessary, corrective action is taken
- 06 Approving investment related decisions on Mergers, Acquisitions, Reorganization and Exits.
- 07 Establishing, promoting, and maintaining proper processes and controls to preserve the integrity of accounting and financial records and reporting.
- 08 Approving the risk management framework of IHC, including risk appetite, maximum limits, or indicators of risk appetite, receiving regular reports from IHC management on all actual and anticipated strategic risks confronting IHC Group, including updates from the Audit Committee, as appropriate.
- 09 Adopting and overseeing implementation of Corporate Governance practices.
- 10 Establishing and overseeing Subsidiary Governance.
- 11 Recruitment, Termination, Reward, Compensation and Benefit Matters for IHC Managing Director & CEO and Senior Management of IHC.
- 12 Determining and reviewing authorities delegated to the Managing Director & CEO.





### 3.2.c Delegation of Authority to the Board Members and Executive Management

There is a formal schedule of matters reserved for the Board's decision, which are specified in IHC's Delegation of Authority Policy Framework.

IHC Board, through a Power of Attorney, has delegated the Chairman and Vice-Chairman to represent, attend, act, and sign (with wide authorities) on behalf of the Company, its subsidiaries and its affiliates in all matters, disposals, transactions, and other acts that each of the Company, the

subsidiaries and/or the affiliates may carry out or assume. The Power of Attorney is provided for a period of 3 years and is attested by the notary public.

The Managing Director & CEO may further delegate authority to a Business Unit's management part of his authorities on operational matters necessary to run the business. The delegation of authorities has been effected through a notarized Power of Attorney. IHC Senior Management holds monthly meetings with business units to review the performance, discuss strategic issues and agree on action plans.

### 3.2.d Corporate Governance Policies

The Board has reviewed and approved an updated Delegation of Authority Policy Framework in 2023 to ensure efficient and effective decision-making which balances empowerment against controls.

**There are various other policies and guidelines listed to promote and enhance higher Corporate Governance standards which are currently reviewed by the Board:**

- Corporate Governance Manual covering the roles and responsibilities of all stakeholders involved in governance processes, including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, Managing Director & CEO, Senior Management, Internal Audit/Internal Control, External Audit, Board and Committees Secretary and other stakeholders.
- Code of Conduct and Business Ethics to guide the conduct of Directors and Employees
- Board of Directors Charter for effective functioning of the Board.
- Charters for effective functioning of the Board Committees, namely Audit Committee, Nomination and Remuneration Committee and Follow-up and Insiders Transaction Supervision Committee.
- Conflict of Interest Policy setting forth requirements for the avoidance and management of potential and actual conflicts of interest involving the Group.
- Anti-Fraud Policy to facilitate the development of controls that will aid in the detection and prevention of fraud and provide an overall framework for managing suspected cases of fraud.
- Whistleblower Policy whereby employees can, in confidence, report on matters where they feel malpractice is taking place, or if ethical/integrity standards are being compromised.
- Disclosure and Transparency Policy provides guidelines to ensure that IHC makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
- Compliance Management Policy to promote a culture of good corporate governance and compliance practices, and gain assurance through its governance arrangements that the Group is in conformance with its legal and policy obligations.
- Investment Policy provides framework and guidelines to IHC Senior Management and IHC's Investment Function on investment strategy and process (new investments, effective monitoring of the performance of portfolio companies and exiting/divesting in investments).

### 3.2.e Subsidiary Governance

IHC Group has been organized into various sector focused verticals, and the operating business units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations. The Board recognizes that all the subsidiaries contribute to and are responsible in their respective areas for implementation of good Corporate Governance practices. IHC's "Subsidiary Governance" process are as below:

- 01 Establishment of Strategic Plans for subsidiaries and a monitoring process for review of actual performance vs Strategic Plan.
- 02 Independent Boards and Committees have been established for the effective functioning and monitoring of the listed Subsidiaries and Affiliates.
- 03 For unlisted Subsidiaries, where IHC does not fully own the subsidiary, organizational governance is based on the shareholders' agreement or other constitutional documents applicable to the Subsidiary.
- 04 The Delegation of Authority Policy framework lists the matters reserved for IHC shareholders, IHC Board, Subsidiary Board/ IHC Managing Director & CEO (where the Subsidiary Board is not established) and subsidiary management.
- 05 IHC Managing Director & CEO with support from IHC Executive Management oversees operations of the Group. To the extent permissible, IHC Managing Director & CEO may delegate authority to the Business Unit Management in accordance with the Delegation of Authority Policy Framework.





# 3.3

## Board of Directors

The Board currently has five members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors and a Non-Independent Executive Director. The composition of the Board has remained consistent during the reporting period ended 31st December 2023.

The current Board members completed their tenure of three (3) years and were re-elected through voting process for another term of three (3) years at the Annual General Assembly meeting held on 19th April 2023.

The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience, and diversity to develop and support the Company's vision and strategic objectives.

| Board of Directors                                 | Role  | Category                            | Member Since |
|--|---|-------------------------------------|--------------|
| <b>H.H. Sheikh Tahnoon Bin Zayed Al Nahyan</b>     | <b>Chairman - Board of Directors</b>  | <b>Independent, Non-Executive</b>   | <b>2020</b>  |
| <b>Dr. Mhd Somar Nassouh Ajalyaqin</b>             | <b>Vice Chairman - Board of Directors</b><br><b>Chairman - Nomination and Remuneration Committee</b><br><b>Vice Chairman - Audit Committee</b>  | <b>Independent, Non-Executive</b>   | <b>2020</b>  |
| <b>Mr. Syed Basar Shueb</b>                        | <b>Board Member &amp; Managing Director &amp; CEO</b><br><b>Chairman - Follow-up and Insiders Transaction Supervision Committee</b>   | <b>Non - Independent, Executive</b> | <b>2019</b>  |
| <b>Ms. Sofia Abdellatif Lasky</b>                  | <b>Board Member</b><br><b>Chairwoman - Audit Committee</b><br><b>Vice Chairwoman- Nomination and Remuneration Committee</b>   | <b>Independent, Non-Executive</b>   | <b>2020</b>  |
| <b>Mr. Mohammed Nasser Saif Howaiden Al Shamsi</b> | <b>Board Member</b><br><b>Member - Audit Committee</b><br><b>Member - Nomination and Remuneration Committee</b><br><b>Member - Follow-up and Insiders Transaction Supervision Committee</b> | <b>Independent, Non-Executive</b>   | <b>2020</b>  |

## Profile of Board Members

The table below shows the names, roles, experience, and capacities of the current Board of Directors.



**His Highness Sheikh Tahnoon bin Zayed al Nahyan**

Chairman, Independent/Non-Executive

His Highness Sheikh Tahnoon bin Zayed al Nahyan has been the Chairman of International Holding Company (IHC) since April 2020. His Highness also chairs a number of leading business groups in the UAE, such as First Abu Dhabi Bank (FAB), ADQ (formerly Abu Dhabi Developmental Holding Company PJSC) and G42, the leading Artificial Intelligence and Cloud Computing group.

In March 2023, UAE President His Highness Sheikh Mohammed bin Zayed Al Nahyan appointed Sheikh Tahnoon bin Zayed al Nahyan as Deputy Ruler of Abu Dhabi, the UAE capital, he was also appointed as the Chairman of the Abu Dhabi Investment Authority.

Sheikh Tahnoon bin Zayed al Nahyan is the National Security Adviser of the UAE, a position which he has held since 2016, by appointment of the late President of the UAE, His Highness Sheikh Khalifa bin Zayed al Nahyan.

In December 2020, His Highness was announced as a member of the Board of a new entity, the "Supreme Council for Financial and Economic Affairs", which was been set up to oversee Abu Dhabi's financial, investment and economic affairs, including the management of natural resources.



## Profile of Board Members



### Dr. Mhd Somar Ajalyaqin

Vice Chairman,  
Independent/Non-Executive

Chairman - Nomination &  
Remuneration Committee

Vice Chairman - Audit  
Committee

Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing to the company almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.

Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on merger and acquisition strategies and the tactical growth of companies, integral to the successful overall performance of IHC.

He holds a degree in DAA from Syria, and during his tenure at IHC, he has been instrumental at Board level in all matters relating to business acquisitions and dynamic investment opportunities.



### Mr. Syed Basar Shueb Syed Shueb

Board Member,  
Chief Executive Officer  
& Managing Director

Chairman - Follow-up and  
Insiders Transaction  
Supervision Committee

Syed Basar Shueb has been CEO, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group CEO of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, Limited, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.

In addition to being Vice Chairman of Alpha Dhabi Holding (ADH), Syed Basar was elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry, besides his Board membership in Invictus Investment PLC.

An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Top 10 Middle East's CEOs by Forbes in 2023; Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC continually being in the top performers of the Abu Dhabi Bourse's listed companies.



### Ms. Sofia Abdellatif Lasky

Board Member,  
Independent /  
Non-Executive

Chairwoman of  
Audit Committee

Vice Chairwoman -  
Nomination & Remuneration  
Committee

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 19-year tenure at Royal Group.

She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a bachelor's degree in management information technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH), Aldar Properties and National Corporation for Tourism and Hotels. Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.



### Mr. Mohammed Nasser Al Shamsi

Board Member,  
Independent/Non-Executive

Member - Audit Committee

Member - Nomination &  
Remuneration Committee

Member - Follow-up  
and Insiders Transaction  
Supervision Committee

Mohammed Nasser Al Shamsi was appointed as Board member of IHC in April 2020. Mohammed is an International Affairs Specialist at Presidential Level in the UAE Ministry of Presidential Affairs. His role involves managing the strategic relationships with foreign governments, diplomatic missions and international institutions.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates University and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts and played an active role in international relations.

Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.

## The Board Secretary

The Board Secretary is the point of communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters.

**Ms. Linda Ballout** IHC's Investor Relations Officer, has been Board Secretary since 2020. Linda reports to the Board in relation to all secretarial responsibilities.

### The Board Secretary has the following key responsibilities:

- Working closely with the Board of Directors and Executives in the planning of Board of Directors' meetings as well as the mechanism of meetings (attendance, conference calls, virtual / online attendance etc.)
- The creation and timely distribution of the Agenda for Board meetings as well as General meetings.
- Recording and distributing the minutes of Board of Directors / Committees' meetings.
- Maintaining of a full contact list of Board Members, including Board Members' appointment dates, term of appointments and Board Member biographies.
- Updating, maintaining, and securing safe storage of the minutes and other legal/related documents.
- Knowledge of the meeting procedures, decision-making rules, governance policies.
- Providing regular disclosures/announcements on the Board Meetings' results and financial decisions.
- Managing external correspondence and ensuring that requests made of the Board of Directors, or that are relevant to the governance of the Company, are reported and responded to in a timely manner.
- Preparing presentations and other communication materials for meetings.
- Maintaining the information and data disclosed to regulators, markets, or the public, and those posted on the Company's website.
- Managing all formal correspondence.
- Assisting in the preparation and review of key regulatory filings, corporate Annual Reports, and other reports, as well as other announcements regarding material events.



## Diversity - Women's representation in the Board of Directors in 2023

In keeping with the Company's commitment to gender diversity, IHC is proud to have one female on the Board and IHC actively seeks to recruit more female employees across all areas of the Company's operations.

## Key focus areas for the Board during 2023

During 2023, the Board of Directors focused and made decisions on various areas as below:

- Appointment of Chairman and Vice Chairman of the re-elected Board of Directors on 28th April 2023.
- Appointment of the Board Committees and the Committee members on 28th April 2023.
- Approved updated and revised Delegation of Authority Policy to determine the powers delegated to IHC, Board Members And Executive Management.
- Approved the Annual Budget and Business Plan.
- Acquisitions of various strategic investments including investments outside UAE and investments in various IPOs as a cornerstone investor.
- Approval of various ESG and Community initiatives
- Review and approval of Quarterly and Annual Financial Statements.
- Restructuring of various business units under the core Verticals.
- Reviewed updates from the Management on Group performance.

## Transactions of the members of the Board of Directors, their spouses, and their children, in company securities during the year 2023

| Name                                      | Position/Relationship         | Shares held as at 31 December 2023 | Total Sale during 2023 | Total Purchase during 2023 |
|---|-------------------------------|------------------------------------|------------------------|----------------------------|
| <b>Golden S Investment SPV RSC LTD</b>    | Company owned by Board Member | 10,000,000                         | -                      | -                          |
| <b>Black Horse Investment SPV RSC LTD</b> | Company owned by Board Member | 18,214,285                         | -                      | -                          |
| <b>Lion Heart Investment SPV RSC LTD</b>  | Company owned by Board Member | 65,571,428                         | -                      | -                          |





## Board Remuneration

- I. The Board of Directors' remuneration is set forth in the Articles of Association of the Company, subject to the provisions of Federal Decree Law no (32) of 2021 on commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.
- II. The Company may also pay additional expenses or fees or monthly salary to an extent determined by the Board of Directors for any of its members, if the member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company beyond his or her normal duties as a member of the Board of Directors of the Company. In all cases, Directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserves.
- III. Total Remunerations Paid to the Members of Board of Directors in 2023
  - No remuneration has been paid to the Board of Directors for the year 2022.
  - AED 100,000,000 has been proposed as remuneration for the Board of Directors for the year 2023, subject to approval by the shareholders at the General Assembly.
- IV. **Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2023.**
  - No allowances were received for attending the sessions of the Board of Directors and the Committees emanating from the Board for the year 2023.
- V. **Details of additional allowances, salaries or fees received by a Board Member, during the year 2023, other than the allowances for attending the Committees.**
  - No allowances, salaries, or additional fees were disbursed during the year 2023.

## Board meetings and attendance of Board Members

Statement of the number of meetings held by the Board of Directors during the fiscal year. The Board of Directors had convened four meetings during 2023 as follows:

| No. | Meeting Date                  | Attendance           | Proxy | Absent | Names of Absent Members |
|-----|-------------------------------|----------------------|-------|--------|-------------------------|
| 1   | 10 <sup>th</sup> March 2023   | 5 (2 Via Video-call) | -     | -      | -                       |
| 2   | 11 <sup>th</sup> May 2023     | 5 (2 Via Video-call) | -     | -      | -                       |
| 3   | 3 <sup>rd</sup> August 2023   | 5 (2 Via Video-call) | -     | -      | -                       |
| 4   | 7 <sup>th</sup> November 2023 | 5 (2 Via Video-call) | -     | -      | -                       |

Below are details of Board Meetings attendance during the year 2023 as follows:

| Board of Directors                      | No. of Absences | First Meeting<br>10/03/2023 | Second Meeting<br>11/05/2023 | Third Meeting<br>03/08/2023 | Fourth Meeting<br>07/11/2023 |
|---|-----------------|-----------------------------|------------------------------|-----------------------------|------------------------------|
| H.H. Sheikh Tahnoon Bin Zayed Al Nahyan | -               | ✓                           | ✓                            | ✓                           | ✓                            |
| Dr. Mhd Somar Ajalyaqin                 | -               | ✓                           | ✓                            | ✓                           | ✓                            |
| Mr. Syed Basar Shueb                    | -               | ✓                           | ✓                            | ✓                           | ✓                            |
| Ms. Sofia Abdellatif Lasky              | -               | ✓                           | ✓                            | ✓                           | ✓                            |
| Mr. Mohammed Nasser Alshamsi            | -               | ✓                           | ✓                            | ✓                           | ✓                            |





## Summary of Board resolutions passed during 2023

### I. Board Resolutions passed by circulation.

| Sr No | Resolution Date | Resolutions Passed  |
|-------|-----------------|---|
|       |                 | Board Election, Committees, and Authority Delegation:   |
|       |                 | <b>1. Board Election Outcomes:</b>  |
|       |                 | <ul style="list-style-type: none"> <li>H.H. Sheikh Tahnoon Bin Zayed Al Nahyan: Chairman of the Board</li> <li>Dr. Mohamed Somar Nassouh Ajalyaqin: Vice-Chairman</li> <li>Mr. Syed Basar Shueb Syed Shueb: Managing Director</li> </ul>  |
|       |                 | <b>2. Board Committees Appointments:</b>  |
|       |                 | <ul style="list-style-type: none"> <li>Audit Committee: Ms. Sofia Abdellatif Lasky (Chairman), Dr. Mohamed Somar Nassouh Ajalyaqin, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members).</li> <li>Nomination and Remuneration Committee: Dr. Mohamed Somar Nassouh Ajalyaqin (Chairman), Ms. Sofia Abdellatif Lasky, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members).</li> <li>Follow-up and Insiders Transaction Supervision Committee: Mr. Syed Basar Shueb Syed Shueb (Chairman), Mr. Fawad Zahid, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members).</li> </ul> |
| 1     | 28th April 2023 |   |
|       |                 | <b>3. Power of Attorney and Delegation:</b>   |
|       |                 | <ul style="list-style-type: none"> <li>Chairman and Vice Chairman granted Power of Attorney.</li> <li>Vice Chairman's authority delegated to the Managing Director.</li> </ul>  |
|       |                 | <b>4. Group Delegation of Authority Policy:</b>   |
|       |                 | <ul style="list-style-type: none"> <li>A new policy approved, superseding the previous one, detailing powers for the IHC Group, Board members, and Executive Management.</li> </ul>   |

### II. Resolutions Passed at the Board Meetings

| Sr No | Board Meeting Date            | Resolutions Passed   |
|-------|-------------------------------|--|
| 1     | 10 <sup>th</sup> March 2023   | <ul style="list-style-type: none"> <li>Approval of the audited financial statements for the year ended 31 December 2022.</li> <li>Approval to hold Shareholders' General Assembly Meeting on 19 April 2023</li> <li>Recommendation to the General Assembly not to distribute any dividends to Shareholders for the year ended 31st December 2022</li> <li>Recommendation to the General Assembly not to allocate any remuneration for the Members of the Board of Directors for the year ended 31st December 2022</li> <li>Approved the Company's Management Discussion &amp; Analysis Report for 2022.</li> <li>The Board has approved initiating the transfer process of Chimera Investment LLC to IHC.</li> </ul> |
| 2     | 11 <sup>th</sup> May 2023     | <ul style="list-style-type: none"> <li>Approved the Company's Board of Directors resolutions issued by circulation on 28/04/2023.</li> <li>Approval of the Financial Statements of Q1 2023.</li> </ul>   |
| 3     | 3 <sup>rd</sup> August 2023   | <ul style="list-style-type: none"> <li>Approval of the Financial Statements of Q2 2023.</li> </ul>   |
| 4     | 7 <sup>th</sup> November 2023 | <ul style="list-style-type: none"> <li>Approval of the Financial Statements for Q3 2023.</li> </ul>  |

### III. Other Board Resolutions (Authorization Resolutions)

| Sr No | Resolution Date     | Resolutions Passed   |
|-------|---------------------|--|
| 1     | 01st February 2023  | <ul style="list-style-type: none"> <li>Approval for Sirius International Holding Limited, a subsidiary of the Company, to incorporate 'Quantum Solutions Limited' and 'SSI Holding Limited'.</li> </ul>  |
| 2     | 10th February 2023  | <ul style="list-style-type: none"> <li>Approval for Sirius International Holding Limited, a subsidiary of the Company, to incorporate, 'Apeiro Limited', focusing on developing Treasury Financial Systems and Applications.</li> </ul>  |
| 3     | 17th February 2023  | <ul style="list-style-type: none"> <li>Approval granted for IHC Capital Holding LLC, a subsidiary of the Company, to subscribe to shares in ADNOC GAS PLC as a cornerstone investor.</li> </ul>  |
| 4     | 02nd March 2023     | <ul style="list-style-type: none"> <li>Approval for International Tech Group - Sole Proprietorship L.L.C., a subsidiary of the Company, to subscribe to a 15% shareholding in the initial public offering (IPO) of Presight AI Holding PLC as a cornerstone investor.</li> </ul>   |
| 5     | 25th April 2023     | <ul style="list-style-type: none"> <li>Approval for IHC Capital Holding LLC, a subsidiary of the Company, to acquire additional shares of Grupo de Inversiones Suramericana 'Grupo Sura', a Latin American company listed on the Colombian Stock Exchange, resulting in an increased stake of 1.64% in Grupo Sura by IHC Capital Holding LLC.</li> </ul> |
| 6     | 11th May 2023       | <ul style="list-style-type: none"> <li>Approval granted for the full acquisition of WFC Holding LLC by the Company, through its subsidiary Reach Global Services Holding 1 SPV Limited, from the current shareholders ESG Capital Holding LLC and ZMS Holding SP LLC.</li> </ul>   |
| 7     | 08th June 2023      | <ul style="list-style-type: none"> <li>Approval for Quant Lase Lab LLC, a subsidiary of the Company, to establish a new entity named 'Cellpro International Manufacturing - Sole Proprietorship LLC' in Abu Dhabi, focusing on the manufacturing of metallic container closures and semi-manufactured plastic products.</li> </ul>                       |
| 8     | 23rd June 2023      | <ul style="list-style-type: none"> <li>Approval for Sirius International Holding Limited, a subsidiary of the Company, to form 'New Emerging Technologies Limited' to focus on computer programming, computer consultancy and facilities management, data processing and hosting, and other IT and computer services.</li> </ul>                         |
| 9     | 03rd July 2023      | <ul style="list-style-type: none"> <li>Approval of Contribution and Joint Venture Agreements between IHC Real Estate, ADNEC Group, and Aldar Properties PJSC.</li> </ul>   |
| 10    | 31st July 2023      | <ul style="list-style-type: none"> <li>Approved the acquisition of a 49% stake in Modon Properties PJSC by IHC through its subsidiary, IHC Capital Holding LLC.</li> </ul>   |
| 11    | 30th September 2023 | <ul style="list-style-type: none"> <li>IHC Capital has approved to sell and transfer its entire shareholding in Rebound to Sirius International Holding Limited.</li> </ul>  |
| 12    | 01st October 2023   | <ul style="list-style-type: none"> <li>Approved IHC Capital's sale and transfer of its entire stakes in Green Energy, Green Enterprises, and Green Vitality to Sirius International Holding Limited, and the increase of Tamouh's shareholding in Sirius.</li> </ul>   |
| 13    | 01st October 2023   | <ul style="list-style-type: none"> <li>IHC Industrial Holding LLC, fully owned by the Company and holding 60% of Afkar Financial and Property Investments LLC, approved to sell and transfer its entire shareholding in Afkar to ESG Capital Holding LLC, a subsidiary of the Company (or any of its subsidiary).</li> </ul>                             |
| 14    | 05th October 2023   | <ul style="list-style-type: none"> <li>Approved International Tech Group - SP LLC, a subsidiary of the Company, to acquire a 10% stake in Phoenix Group PLC as a cornerstone investor.</li> </ul>  |
| 15    | 27th November 2023  | <ul style="list-style-type: none"> <li>Approval granted for Transfer of shares in Modon Properties PJSC and acquire shares in Q Holding PSC</li> </ul>   |
| 16    | 29th November 2023  | <ul style="list-style-type: none"> <li>Approved Sirius International Holding Limited, a subsidiary of the Company, to establish 'Smart Sustainability Solutions Limited'.</li> </ul>   |
| 17    | 12th December 2023  | <ul style="list-style-type: none"> <li>Approval to Incorporate Sirius International Management - Sole Proprietorship LLC, aimed at investing in, Commercial Enterprises investment, Institution and management, as well as Information technology consultancy.</li> </ul>  |



# 3.4 Board of Directors' Committees

## Audit Committee

It is the responsibility of the Committee to provide the Board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organisation:

### Audit Committee Chairman's Acknowledgment

The Chairwoman of the Audit Committee acknowledges responsibility for discharging the Audit Committee's mandate across the Group, including reviews of its work mechanism, and ensuring its effectiveness in line with the approved charter of the Audit Committee.

### Members of Audit Committee as of 31st December 2023

| Sr No | Name                        | Title         | Category                  |
|-------|-----------------------------|---------------|---------------------------|
| 1     | Ms. Sofia Abdellatif Lasky  | Chairwoman    | Non-Executive/Independent |
| 2     | Dr. Mhd Somar Ajalyaqin     | Vice Chairman | Non-Executive/Independent |
| 3     | Mr. Mohamed Nasser Alshamsi | Member        | Non-Executive/Independent |

### Audit Committee Functions

#### Financial Reporting

- Monitoring the integrity of the financial statements of the Group as well as reviewing significant financial reporting judgments that they include.
- Review with the management and the external auditors all significant matters including audit opinions on the quarterly, half-yearly (as applicable) and year-end financial statements and recommend their adoption by the Board.
- Monitor compliance with financial reporting standards and regulatory requirements.
- Review significant accounting and reporting issues.

#### Internal Control and Risk Management

- Ensure that an annual review of internal control system is performed to determine the overall adequacy and effectiveness of IHC Internal Control System.
- Consider the effectiveness of IHC's risk management processes and internal control systems, including information systems, and technology security and control.
- Review the assessment and responses to the risk of fraud, particularly management fraud, as this typically involves overrides of internal controls.

#### External Audit

- Oversee and make recommendations on the appointment of external auditors to the Board, their fees, and any questions relating to their resignation or removal.
- Approving external auditors' terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- Assessing annually their independence and objectivity, considering relevant professional and regulatory requirements and the relationship with the auditor, including the provision of any non-audit services.
- Meet regularly with the statutory auditor to discuss the auditor's remit and any issues arising from the audits.
- Ensure that Senior Management is taking necessary corrective actions to address the findings and recommendations of statutory auditors in a timely manner.

#### Corporate Governance

- Oversee and monitor the implementation of the corporate governance framework within IHC and ensure compliance with the regulatory requirements.
- Review and recommend to the Board the Annual Governance Report submitted to the regulatory authorities.

#### Group Internal Audit

- Review and approve audit plans, budget, staffing, and organisational structure of the Internal Audit Function and related Internal Control activities.
- Review the appointment, resignation or dismissal of the Internal Audit Staff and the internal audit provider, in case of an outsourced service provider.
- Review all reports submitted to the Committee by the Internal Audit Function and monitor management response and reaction to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by Executive Management.
- Review performance of the Internal Audit Function/

Outsourced Internal Audit service provider (as applicable) and evaluate its performance on an annual basis.

- Report to the Board all matters presented to the Audit Committee by the Internal Audit Function/Outsourced Internal Audit service provider.

#### Compliance Monitoring

- Monitor the status of IHC's compliance with applicable laws, regulations, and agreements.
- Review the related parties' transactions with the Company, ensure that there is no conflict of interest, and recommending them to the Board of Directors before their conclusion.

### Audit Committee Meetings During the Year 2023

| Audit Committee Members                        | No. of Absences | First Meeting | Second Meeting | Third Meeting | Fourth Meeting       | Fifth Meeting |
|--|-----------------|---------------|----------------|---------------|----------------------|---------------|
|  |                 | 09/03/2023    | 10/05/2023     | 02/08/2023    | 22/08/2023           | 06/11/2023    |
|  | Auditor         | External (EY) | External (EY)  | External (EY) | Internal (Protiviti) | External (EY) |
| <b>H.H. Sheikh Tahnoon Bin Zayed Al Nahyan</b> | -               | ✓             | ✓              | ✓             | ✓                    | ✓             |
| <b>Dr. Mhd Somar Ajalyaqin</b>                 | -               | ✓             | ✓              | ✓             | ✓                    | ✓             |
| <b>Mr. Mohamed Nasser Alshamsi</b>             | -               | ✓             | ✓              | ✓             | ✓                    | ✓             |

## Nomination and remuneration committee

### Nomination and Remuneration Committee Chairman's Acknowledgment

The Chairman of the Nomination and Remuneration Committee acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, reviewing its work mechanism, and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

### Members of Nomination and Remuneration Committee as of 31/2023/12/

| Sr No | Name                         | Title           | Category                  |
|-------|------------------------------|-----------------|---------------------------|
| 1     | Dr. Mhd Somar Ajalyaqin      | Chairman        | Non-Executive/Independent |
| 2     | Ms. Sofia Abdellatif Lasky   | Vice Chairwoman | Non-Executive/Independent |
| 3     | Mr. Mohammed Nasser Alshamsi | Member          | Non-Executive/Independent |



## Committee Functions

- Proposing policies and criteria for membership on the Board and Senior Management. The policy shall consider gender diversity, encouraging the active participation of women.
- Identifying individuals qualified to become Board Members, consistent with criteria approved by the Board, and to recommend to the Board of Director nominees in the next general meeting of shareholders.
- Regularly review the structure, size, and composition (including the skills, knowledge, and experience) required of the Board relative to its current position and make recommendations to the Board with regard to any changes.
- Continuously ensure that independent Directors remain independent throughout the term of their office.
- Conducting an annual evaluation of Board performance and the performance of Board Members and Committees to determine ways of strengthening its effectiveness.
- Review and recommend remuneration proposal for the Board of Directors.
- Identifying the competencies required for Senior Management and the basis of their selection.
- Considering succession planning for Directors and other senior executives in the course of its work, considering the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.
- Periodically review the remuneration practices ensuring the correlation of remunerations and bonuses, including any other deferred options and remunerations and benefits offered to the performance of the company.
- Periodically reviewing executive compensation trends and policies at peer groups of companies and making relevant modifications to its own policies and practices to consider market practice.
- Overseeing any major changes in employee benefit structures throughout the Group.

## Committee Meetings During the Year 2023

| Board of Directors           | No. of Absences | First Meeting | Second Meeting |
|------------------------------|-----------------|---------------|----------------|
|                              |                 | 06/03/2023    | 07/04/2023     |
| Dr. Mhd Somar Ajalyaqin      | -               | ✓             | ✓              |
| Ms. Sofia Abdellatif Lasky   | -               | ✓             | ✓              |
| Mr. Mohammed Nasser Alshamsi | -               | ✓             | ✓              |

## Follow-up and insiders transaction supervision committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of insiders, maintaining their register and submitting statements and periodic reports to the market.

### Follow-up and Insiders Transaction Supervision Committee Chairman's Acknowledgement

The Chairman of the Follow-up and Insiders Transaction Supervision Committee acknowledges responsibility for the committee system in the Company, reviewing its work mechanism and ensuring its effectiveness.

### Members of the Follow-up and Insiders Transaction Supervision Committee till 28th of April 2023.

| Sr No | Member Name                  | Committee Position | Category   |
|-------|------------------------------|--------------------|--|
| 1     | Mr. Syed Basar Shueb         | Committee Chairman | Managing Director & CEO  |
| 2     | Mr. Mohammed Nasser Alshamsi | Member             | Board Member<br>Member - Audit Committee<br>Member - Remuneration and Nomination Committee |
| 3     | Mr. Mohamed Yaser Bader      | Member             | Group CFO - Alpha Dhabi Holding PJSC   |

### Members of the Follow-up and Insiders Transaction Supervision Committee as of 31st December 2023

| Sr No | Member Name                  | Committee Position | Category   |
|-------|------------------------------|--------------------|--|
| 1     | Mr. Syed Basar Shueb         | Committee Chairman | Managing Director & CEO  |
| 2     | Mr. Mohammed Nasser Alshamsi | Member             | Board Member<br>Member - Audit Committee<br>Member - Remuneration and Nomination Committee |
| 3     | Mr. Fawad Zahid              | Member             | Group Finance Controller - IHC   |

## Committee Functions

- Providing guidance to the Board and Senior Management on insider trading.
  - Evaluating where an employee or third party (such as Group's auditors, bankers, lawyers, outsourced employees, professional advisors etc.) may be classified as an insider based on direct or indirect access to "inside information" which may affect the Group's share price, and/or any trading in Group's shares either directly or through others.
  - Maintaining an Insiders Register (both permanent and temporary insiders) and submitting the register to ADX on a periodical basis.
- The register shall include necessary data of the insiders, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data. Providing effective communication to ADX/SCA regarding closed periods, temporary suspension of trading and insider trading.
- Reporting to the Board on an annual basis on all compliance with the regulatory requirements, exceptions noted, and actions taken to address the exceptions.

## Committee Meetings During the Year 2023

| Member Name                  | Position in the Committee | Meeting date | Meeting date |
|------------------------------|---------------------------|--------------|--------------|
|                              |                           | 15/05/2023   | 22/12/2023   |
| Mr. Syed Basar Shueb         | Committee Chairman        | ✓            | ✓            |
| Mr. Mohammed Nasser Alshamsi | Member                    | ✓            | ✓            |
| Mr. Fawad Zahid              | Member                    | ✓            | ✓            |

## Summary of The Committee Work During the Year 2023

The Committee reviewed the rules of dealing for controlling private transactions of conversant persons and reviewed the mechanism of keeping related records. In addition, the Committee followed all necessary procedures to ensure the highest levels of compliance with legislation and best practices for corporate governance.



# 3.5 Executive Management

The following table lists Senior Executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2023:

| Position  | Appointment Date | Total salaries and allowances paid during the year 2023 | Total bonuses paid during the year 2023 | Any other bonuses to be paid in the future for the year 2023 |
|---|------------------|---|---|--|
|   |                  | - in UAE Dirhams  | - in UAE Dirhams                        | - in UAE Dirhams   |
| <b>Executive Board Member and Managing Director &amp; CEO</b> | 29/07/2019       | <b>4,011,700</b>  | -                                       | -  |

# 3.7 Risk Management, Internal Control and Compliance

The Board of Directors acknowledges its responsibility for the Company's risk management and internal control system, its review and its effectiveness.

## Risk Management

Risk Management is the responsibility of the Board and is integral to the achievement of the Company'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. The Group Audit Committee oversee the risk management process and assesses the effectiveness of risk management within the Group.

At IHC level, the risk comes from making a wrong investment. IHC uses external consultants to conduct third party financial and legal due diligence, necessary internal reviews, and approvals before making any investment. Further, there exists risk in IHC's exposure to its subsidiaries

which are publicly traded companies in ADX. The publicly listed companies fall under the supervision of the UAE's Securities and Commodity Authority and all of which have respective Boards that ensure and oversee the management of their respective risks.

The Group's business has now been structured into different verticals based on sectors/industries and operating businesses have been categorized into one of these verticals. The Risk Management responsibility and accountability, therefore, is vested largely in vertical management/business unit management structures. Any risk taken is considered within the scope of the Group's risk appetite and tolerance levels, which are reviewed annually by the IHC Board.

# 3.6 Related parties transactions

The Company has entered into transactions with companies and entities that fall within the definition of a related party under the Corporate Governance Code or the International Accounting Standards 24: Related Party Disclosures. The nature of such transactions relate to the Company's normal course of business and details of such transactions are disclosed in note 35 of the Company's 2023 audited financial statements.

The Company did not conduct transactions with any related parties amounting to 5% or more of Company's capital for the year 2023.





## 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. The objective of the Group's internal control framework is to ensure that appropriate internal controls are established, adequately documented, maintained, reviewed, and adhered across the Group within its normal management and governance processes. Further, maintain the integrity of financial statements and non-financial information and secure reasonable assurance that the Company's financial statements are reliable and address risks, if any, related to financial reporting.

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 Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

### i. The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

### ii. Internal control department profile

In order to adapt with the changing needs of the organisation and to enhance assurance over internal controls and risk management, the Company has continued to outsource the internal audit function during 2023 to the Protiviti business consulting firm (see below), reporting functionally to audit committee.

Considering regulatory requirements and the nature of business complexities, where appropriate subsidiaries that have their own Board and are publicly traded have setup independent internal control function within the respective units reporting to their respective Audit Committee and / or Board.

### iii. Protiviti Profile

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through their network of more than 85 offices in over 25 countries.

Named to the 2023 Fortune 100 Best Companies to Work For list, Protiviti has served more than 80% of Fortune 100 and nearly 80% of Fortune 500 companies. The firm also works with smaller, growing companies, including those looking to go public and with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti has strong presence in Middle East Region with offices in Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar and Saudi Arabia. Protiviti employs over 700 people in the region, giving access to a large pool of skilled and qualified professionals. It is also the largest employer of risk advisory and internal audit

professionals. With specialists and multilingual teams having global as well as regional experience, Protiviti is amongst the fastest growing business advisory firm in the region.

The outsourced Internal Audit Function governs itself by adherence to the Institute of Internal Auditors' mandatory guidance, including the definition of internal auditing, the code of ethics and the international standards for the professional practice of internal auditing (standards).

### iv. Working Mechanism of the Internal Control Department

The Internal Control Department (ICD) is established by the Board of Directors' Audit Committee. The department's responsibilities are defined by the Audit Committee as part of their oversight role.

The objective of the ICD is to provide independent assurance and consulting services through a systematic approach to improving the effectiveness of risk management, internal control, compliance, governance process, and the integrity of the Group's operations.

The audit plan is derived from an independent risk assessment conducted by the outsourced Internal Audit team to identify and evaluate risks associated with the execution of the company strategy, operations, and processes. The plan is designed to address the most significant risks identified within the Group and its business areas. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, the status of management's implementation of agreed actions to address findings identified in the audits.

In 2023, the outsourced Internal Audit team and the audit teams of various subsidiaries issued 89 reports. During the year, no significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

## Compliance

The Compliance function within the Company is headed by Mr. Daud Bin Farooq.

With a career spanning over 15 years, Mr Farooq has diverse legal experience in several jurisdictions, including UAE. His expertise extends across diverse legal sectors, including Mergers and Acquisitions, Projects (incl. Energy, Mining and Real Estate Development), Capital Markets, Corporate Governance and Restructuring along with Strategic Advise to key Stakeholders, Board Members and Senior Executives.

Presently, Mr. Farooq is serving as the Group Head of Legal for IHC. Since assuming the role, Mr. Farooq has successfully advised and ensured completion of substantial number of Transactions (local and cross border), Projects and listings on Capital Markets that have contributed towards the unparalleled growth of IHC Group.

Mr. Farooq is a dual qualified lawyer in jurisdictions of Pakistan and England & Wales.

# 3.8 External Auditor

## Brief about the company's external auditor

Ernst & Young (EY) was appointed as the company's external auditor for the fiscal year 2023, 5th year in succession. Ernst & Young has a presence and operations in more than 150 countries which are organized into three areas - the Americas, Asia-Pacific and EMEA - and further divided into regions. It has been operating in the MENA region for more than 90 years and in the UAE since 1966. All their personnel work in one of their service lines; Assurance, Advisory, Tax, Transactions Services (SaT), or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

Mr. Anthony O'Sullivan is the Engagement Partner for IHC since 2022.

### The scope of the audit for the financial year 2023 is as follows:

|   |  |  |
|---|--|--|
| <p><b>01</b></p> <p>To provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.</p> | <p><b>02</b></p> <p>To provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and</p> | <p><b>03</b></p> <p>To provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".</p> |
|---|--|--|

## External audit fees, services & costs

### Below are the details and breakdowns of the external audit costs paid during 2023:

- The External Audit Services fees of E&Y for 2023 amounted to AED 1,600,000. These fees are against annual audit and interim review of financial statements of IHC.
- The fees for services, which were delivered to the Company in 2023 by other audit firms (other than the Company's auditors) amounted to AED 17,672,349. These fees were against advisory services, namely Outsourced Internal Audit Services, Finance and Accounting Outsourcing Services, Outsourced Corporate Governance Services, Outsource Taxation Services, Purchase Price Allocation and Due Diligence Services (Financial and Legal) for various acquisitions by IHC.

### The firms, which delivered these services were as follows:

|   |   |  |   |
|---|---|--|---|
| Protiviti Member Firm Middle East Consultancy LLC | WTS Dhruva Consultants                  | KPMG Assurance and Consulting Services | Weber Shandwick FPR FZ LLC                      |
| Acquara Management Consultant LLC                 | ESG Integrate FZE                       | Hadef and Partners LLC                 | Emirates International Chartered Accountants Co |
| Adsero Ragy Soliman & Partners                    | Norton Rose Fulbright                   | Brunswick FZ LLC                       | Pricewaterhouse Coopers (PWC)                   |
| Ardent Advisory and Accounting LLC                | Norton Rose Fulbright (Middle East) LLP | Rubikz Consulting FZCO                 | AZB & Partners                                  |



## External auditor’s opinion on the financial statements

The Company’s external auditor did not have any reservations about any item in the interim and annual financial statements during 2023.

# 3.9 Violations Sommitted by the Group During the Year 2023

During 2023, the Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

# 3.10 Corporate Social Responsibility

As a responsible holding company, IHC adopts community-focused Corporate Social Responsibility (CSR) practices through a blend of sponsorships, volunteering, education support projects, and healthcare initiatives, among others.

**The key focus areas of the Group’s CSR strategy are aligned with national priorities and initiatives as well as pressing global challenges, including:**

- 01  
Gender and Inclusivity
- 02  
Employee Health and Well-being
- 03  
Sustainability Drives & Engagement
- 04  
Circular Economy
- 05  
Food Security

IHC and its portfolio partners with renowned non-governmental organizations (NGO) as well as government agencies, and other civil society groups to address social as environmental challenges and support communities. Major local partners include the National Food Loss and Waste Initiative (Ne'ma), The Authority of Social Contribution (Ma'an) and the Emirates Red Crescent.

IHC also sponsors the men’s (UAE Team Emirates) and women’s cycling teams (Team ADQ).

Through these sponsorship agreements, IHC also runs awareness workshops and initiatives to engage with global and local communities to promote cycling, both as a sport and as a

mode of healthy, carbon free transportation. Furthermore, IHC is supporting UAE Team Emirates to achieve its Net-Zero target.

IHC is now using its new Proseed Sustainability Hub to run workshops, seminars and other initiatives that promote employee wellbeing, active participation in the circular economy at work and at home and sustainable living for employees. In 2023, the total amount contributed towards community investments is AED 36,077,703 which mainly includes contribution towards CGS cycling, W Women Sports, KPI Sports etc.

Details about the Corporate Social Responsibilities are provided in IHC’s Environmental, Social and Governance report which is part of the Integrated Report.





# 3.11 Sustainability Initiatives

## COP 28

From November 30 to December 12, IHC made a dedicated multi-subsi- diary 'Thematic Day Program' at COP28. This substantiated our 'Abu Dhabi-to-the-world' sustainability impact showcasing that we are committed to bringing together our multi-subsi- diary, multi-sectoral approach to align each thematic day. At COP28, IHC operated across 3 Zones; Energy Transition Hub, Healthcare Cluster and Technology and Innovation Hub.



**COP28UAE**  
—Climate Supporter—

IHC showcased 19 Subsidiaries, who announced their commitments across multiple sectors. A total of 11 Announcements and 4 Panels were hosted and some of the highlights included announcements in;

**a. Carbon Capture and Methane Abatement, including a partnership between Sirius International Holding with O&G Giants: SOCAR and ADNOC, to explore methane abatement in the O&G Sector**

**b. Finance:**

Sirius International Holding announced, 'S3' which aims to revolutionize the climate economy by delivering innovative end-to-end viable solutions, focusing on four segments: Methane, Carbon, Circular Economy, and Water Efficiency. S3 will deploy capital and management resources on an unprecedented scale, becoming one of the largest companies dedicated to combating climate change

**c. Circular Economy:**

Partnerships with HotPack and Circular Packaging Association to improve the amount of recycled plastics in the economy.

**d. Energy Efficiency & Utilisation:**

Reset's partnerships to reduce fuel and water consumption with ADCB and FAB. Esyasoft announced a JV with Landis & Gyr to provide esyasoft's services and products in the SmartGrid sector and provides utility companies end-to-end grid modernization solutions.

**e. EV Infrastructure:**

Easylease subsidiary 'Fully Charged' to advance EV Infrastructure in the Region by doubling charging devices in the region.

**f. Mobility:**

Easylease and NWTN Partnership to collaboratively focus on Rabdan retail and fleet sales & recovery services for Rabdan EVs and charging in UAE. Emirates Driving Company showcased it's driving education platform along with their 2050 Net Zero Strategy.

**g. Construction:**

Trojan, an IHC sub-subsi- diary displayed their ESG Strategy as well as hosting, with experts from Trojan Construction Group, Royal Advance, Siemens a panel session on, "Achieving Net Zero through Sustainable Built Design"

**h. Real Estate & Urbanisation:**

Q Holding revealed at COP28 their 2040 Sustainability Strategy and the Design Process undertaken to improve the ratings of their projects. Al Dar and Emirates Steel Arkan signed an MoU to utilise Low-Carbon Steel, as they advance on their journey towards achieving Net Zero by 2050.

### Healthcare

- Purehealth, under the IHC umbrella stand, in the Healthcare Cluster, collaborated with Economist Impact on 'The Longevity Equation: Climate Resilience for Health in the Middle East' The report explore the consequences of climate crisis and the need for accelerated climate action in the region
- UAE's women's cycling team, Team ADQ held 2 cycling activations at IHC's stand to increase the awareness and encourage the use of cycles as a mode of a healthier, cleaner transport. and a panel on "Addressing Sustainable practices in Sport"

IHC has hired an external consultant to assist the Board in the development of a Sustainability Report for 2023. Details about the sustainability initiatives are provided in IHC's Environmental, Social and Governance report which is part of the Integrated Report.





# 3.12 Shareholding and Share Price Information

## Share Price

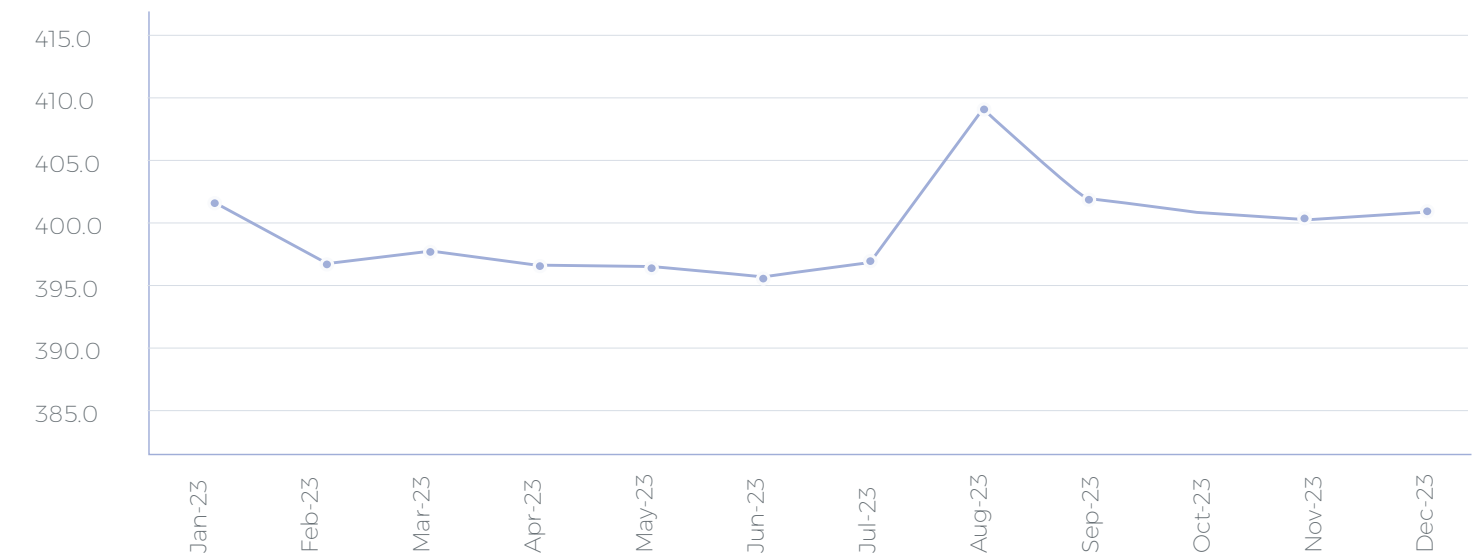
The following table presents the company's highest and lowest share price at the end of each month during 2023, and share performance against market index and sector index as of 31st December 2023:

| Share Price (AED)                      |               |              |               |                | Share Performance       |              |             |             |
|--|---------------|--------------|---------------|----------------|-------------------------|--------------|-------------|-------------|
| Month                                  | HIGH          | LOW          | Closing Price | Market Index   | Financial Service Index | Absolute     | VS Market   | Vs Sector   |
| January                                | 409.9         | 400.2        | 400.2         | 9,811.6        | 16,240.5                | -2.4%        | 1.5%        | 5.7%        |
| February                               | 399.8         | 395.0        | 395.1         | 9,844.8        | 16,387.2                | -1.3%        | -1.6%       | -2.2%       |
| March                                  | 410.0         | 395.0        | 396.0         | 9,430.3        | 15,876.3                | 0.2%         | 4.4%        | 3.3%        |
| April                                  | 398.5         | 395.0        | 395.0         | 9,789.2        | 16,344.8                | -0.3%        | -4.1%       | -3.2%       |
| May                                    | 396.0         | 395.0        | 395.0         | 9,406.6        | 15,807.9                | 0.0%         | 3.9%        | 3.3%        |
| June                                   | 397.0         | 394.0        | 394.0         | 9,550.4        | 16,047.0                | -0.3%        | -1.8%       | -1.8%       |
| July                                   | 396.0         | 395.0        | 395.1         | 9,787.1        | 16,486.2                | 0.3%         | -2.2%       | -2.5%       |
| August                                 | 410.0         | 395.0        | 409.0         | 9,810.2        | 16,713.8                | 3.5%         | 3.3%        | 2.1%        |
| September                              | 409.0         | 400.6        | 400.6         | 9,785.3        | 16,547.8                | -2.1%        | -1.8%       | -1.1%       |
| October                                | 404.0         | 399.5        | 399.6         | 9,343.9        | 16,135.2                | -0.2%        | 4.3%        | 2.2%        |
| November                               | 401.5         | 399.5        | 399.5         | 9,559.6        | 16,347.4                | 0.0%         | -2.3%       | -1.3%       |
| December                               | 401.0         | 399.4        | 399.5         | 9,577.9        | 16,415.4                | 0.0%         | -0.2%       | -0.4%       |
| <b>Overall Performance During 2023</b> | <b>410.00</b> | <b>394.0</b> | <b>399.5</b>  | <b>9,577.9</b> | <b>16415.4</b>          | <b>-2.6%</b> | <b>3.6%</b> | <b>4.5%</b> |



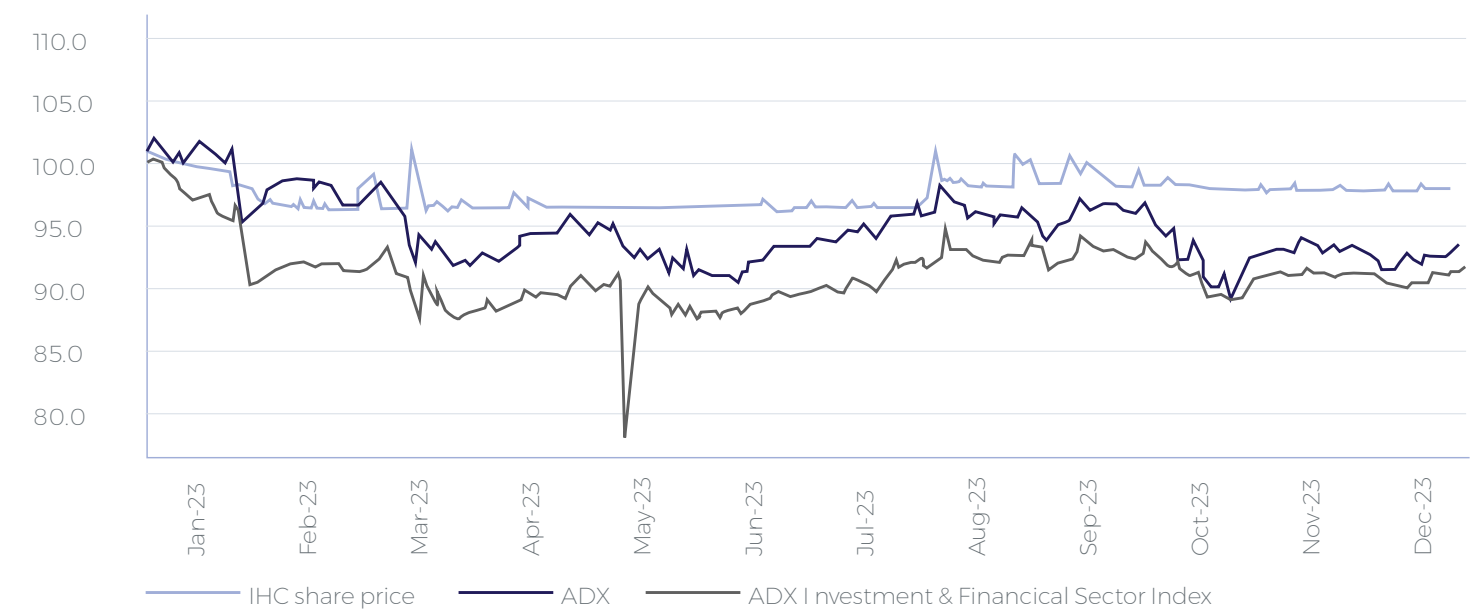
## Company shares price performance during the year 2023

IHC Stock Performance (AED/sh.)



## Performance of the company's shares compared with the ADX index and ADX investment and financial sector index during 2023

IHC Share Price Performance vs. ADX and ADX Investment & Financial Index (all rebased to 100)





## Company shares price performance during the year 2023

| Description           | Governments   | Individuals       | Companies            | Total                |
|-----------------------|---------------|-------------------|----------------------|----------------------|
| <b>UAE</b>            | 58,580        | 20,043,204        | 1,933,751,725        | 1,953,853,509        |
| <b>GCC</b>            | -             | 65,201            | 36,064               | 101,265              |
| <b>Arabs</b>          | -             | 561,620           | 143                  | 561,763              |
| <b>Foreigners</b>     |               | 1,280,054         | 237,743,294          | 239,023,348          |
| <b>Total</b>          | <b>58,580</b> | <b>21,950,079</b> | <b>2,171,531,226</b> | <b>2,193,539,885</b> |
| <b>Percentage (%)</b> | 0%            | 1.00%             | 99.00%               | 100%                 |

## Statement of shareholder ownership reaching 5% or more

| Name of Shareholders                     | Shareholders Share % |
|--|----------------------|
| PAL Group of companies LLC               | 48.56%               |
| Royal Group for Companies Management LLC | 12.64%               |
| <b>Total</b>                             | <b>61.20%</b>        |

# 3.13 Investor Relations Affairs

The Company has established a department specialized in managing the affairs of shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding Corporate Governance Regulations and related circulars.

### A Shareholder Relations Officer has been appointed and holds the following qualifications:

- Holds a degree suitable for the work involved.
- Has experience in managing the affairs of shareholders and legal matters within the state, including companies and banks.
- Is aware of all relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has attended a training workshop on Investor Relations.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A special Investor Relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information, such as a dedicated phone number and e-mail address, providing all reports on financial results whether recorded or published, Financial Year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.

### Information and data disclosed to regulators, markets or the general public are posted on the Company's website at the following link:

<https://www.ihcuae.com/investor-relations/investor-relations>

#### Address:

RG Procurement Building, Second Floor, Khalifa Park, Abu Dhabi - United Arab Emirates.

#### Tel:

02-6448090

#### Fax:

02-6447060

P.O. Box 32619, Abu Dhabi - United Arab Emirates

#### Email:

[linda.b@ihcuae.com](mailto:linda.b@ihcuae.com)

Available to respond to shareholder enquiries from Monday to Friday, 10am to 3pm.










# 3.14 Special Resolutions Presented to General Assembly Meetings Held During 2023.

## IHC general assembly special resolutions

No special resolutions were passed at IHC's General Assembly

## 3.14.a Subsidiary companies' general assembly/ partners' meeting special resolutions

| Sr No | Meeting Date                   | Items / Special Resolutions   | Measures Taken   |
|-------|--------------------------------|---|--|
| 1     | 3 <sup>rd</sup> January 2023   | <b>Alpha Dhabi Holding PJSC</b> <ul style="list-style-type: none"> <li>Amendment to the Articles of Association.</li> <li>Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul>   | Approved  |
| 2     | 22 <sup>nd</sup> March 2023    | <b>Multiply Group PJSC</b> <ul style="list-style-type: none"> <li>Amendments to the Articles of Association.</li> </ul>   | Approved  |
| 3     | 28 <sup>th</sup> November 2023 | <b>Q Holding PSC</b> <ul style="list-style-type: none"> <li>Acquisition of the entire shareholding of ADQ Real Estate and Hospitality Investments LLC and IHC Capital Holding LLC in Modon Properties PJSC and its assets.</li> <li>Acquisition of the entire shareholding of ADQ Real Estate and Hospitality Investments LLC in the following companies               <ol style="list-style-type: none"> <li>Abu Dhabi National Exhibitions Company PJSC</li> <li>Miza Investments LLC</li> <li>Sahel 1 Restricted Limited</li> <li>Sahel 2 Restricted Limited</li> <li>Oryx Action Restricted Limited</li> </ol> </li> <li>Issuance of in consideration for the above acquisitions.</li> <li>Amendments to the Articles of Association to increase the share capital as a result of conversion of bonds into shares and to increase the number of Board of Directors from five (5) to nine (9)</li> <li>Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul> | Approved  |
| 4     | 28 <sup>th</sup> December 2023 | <b>Q Holding PSC</b> <ul style="list-style-type: none"> <li>Appointment of the Board of Directors</li> </ul>  | Approved  |

| Sr No | Meeting Date   | Items / Special Resolutions   | Measures Taken   |
|-------|--|---|--|
| 5     | 7 <sup>th</sup> March 2023<br>16 <sup>th</sup> November 2023                             | <b>Chitha Holdings PJSC</b> <ul style="list-style-type: none"> <li>Amendments to the Articles of Association.</li> <li>Appointment of the Board of Directors</li> </ul>   | Approved                    |
| 6     | 22 <sup>nd</sup> November 2023   | <b>Easy Lease Motor Cycle Rental PSC</b> <ul style="list-style-type: none"> <li>Appointment of the Board of Directors</li> </ul>  | Approved                    |
| 7     | 16 <sup>th</sup> March 2023  | <b>Aldar Properties PJSC</b> <ul style="list-style-type: none"> <li>Authorise the Board of Directors to determine the beneficiaries of social contributions during 2023 subject to social contributions not exceeding 2% of the average net profits of the Company during 2021 and 2022</li> <li>Amendments to the Articles of Association.</li> </ul>  | Approved                    |
| 8     | 28 <sup>th</sup> March 2023  | <b>National Marine Dredging Company PJSC</b> <ul style="list-style-type: none"> <li>Issuance of mandatory convertible bonds to Golden Falcon Marine Construction (or its designee) to acquire certain assets</li> <li>Amendment to the Articles of Association as a result of increase in the share capital from the issuance of mandatory convertible bonds.</li> <li>Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul>  | Approved                    |
| 9     | 12 <sup>th</sup> April 2023  | <b>Apex Investment PSC</b> <ul style="list-style-type: none"> <li>Amendment to the Articles of Association</li> <li>Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul>   | Approved                   |
| 10    | 30 <sup>th</sup> March 2023<br>13 <sup>th</sup> April 2023<br>27 <sup>th</sup> July 2023 | <b>ESG Emirates Stallions Group PJSC ("ESG")</b> <ul style="list-style-type: none"> <li>Sale of 50% stake of one of the subsidiaries of ESG in Aleskan Aljamae to Kizad Communities Development and Services Company LLC ("Kizad").</li> <li>Authorizing the CEO of ESG to execute the above transaction.</li> <li>Sale of 70% stake of one of the subsidiaries of ESG in WFC Holding LLC to Reach Global Services 1 SPV Limited.</li> <li>Authorizing the CEO of ESG to execute the above transaction.</li> <li>Adjustment to the selling price for the sale of 70% stake of one of the subsidiaries of ESG in WFC Holding LLC to Reach Global Services 1 SPV Limited as previously approved on 13<sup>th</sup> April 2023.</li> <li>Authorizing the CEO of ESG to execute the above transaction.</li> </ul> | Approved                  |
| 11    | 28 <sup>th</sup> February 2023   | <b>Al Seer Marine Supplies and Equipment Company PJSC</b> <ul style="list-style-type: none"> <li>Amendment to the Articles of Association of the Company in accordance with the Federal Decree No. 32 of 2021 regarding the Commercial Company's Law (CCL).</li> </ul>  | Approved                  |
| 12    | 16 <sup>th</sup> January 2023<br>27 <sup>th</sup> September 2023                         | <b>Palms Sports PJSC</b> <ul style="list-style-type: none"> <li>Amendment to the Articles of Association.</li> <li>Authorizing the Company's Board to take any action that may be necessary to implement the aforementioned resolution.</li> <li>Proposed increase in Share capital from AED 150 million to AED 165 Million.</li> <li>Accept the Proposal of Ice Holding RSC LTD to become a new shareholder in the Company.</li> <li>Amendment to the Articles of Association post increase in share capital.</li> </ul>   | Approved<br>Not Approved  |



# 3.15

## Emiratization Percentage in the Company as of 2023 (excluding unskilled labour)

**2023**

| Number of Employees | Emirati Citizens | Non-Emirati Citizens | Total  |
|---------------------|------------------|----------------------|--------|
| Total               | 2,686            | 63,224               | 65,910 |
| Ratio               | 4.10%            | 95.9%                | 100%   |

**2022**

| Number of Employees | Emirati Citizens | Non-Emirati Citizens | Total  |
|---------------------|------------------|----------------------|--------|
| Total               | 6,725            | 55,682               | 62,407 |
| Ratio               | 10.78%           | 89.22%               | 100%   |

**2021**

| Number of Employees | Emirati Citizens | Non-Emirati Citizens | Total  |
|---------------------|------------------|----------------------|--------|
| Total               | 1,242            | 20,371               | 21,613 |
| Ratio               | 5.75%            | 94.25%               | 100%   |



# 3.16

## Significant Events

### 2023

- February**

  - 01. Acquisition of 55% Stake in Reach Employment Services L.L.C. for a consideration of AED 315 million.
  - 02. Intention to invest in ADNOC Gas' IPO as a cornerstone investor.
- March**

  - 03. Creation of a multi asset class investment manager, a joint venture between IHC and ADQ to provide a wider range of investment opportunities.
  - 04. 15% investment in Presight AI Holding PLC initial public offering (IPO) as a cornerstone investor.
  - 05. Approval by the Board of IHC to initiate the transfer of Chimera Investment LLC to IHC under common control method.
- April**

  - 06. Re-election of IHC's Board of Directors at the Annual General Meeting on 19th April 2023 for three years.
  - 07. Resolution of the Board members by circulation for the appointment of the Board Sub Committees and the Committee members.
- May**

  - 08. IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, has entered into a Memorandum of Understanding ('MoU') with Grupo de Inversiones Suramericana S.A. ('Grupo Sura'), Grupo Nutresa S.A. and Grupo Argos S.A., along with other business shareholders. Post the MoU being signed by all parties and subject to regulatory and corporate approvals, IHC will exchange its 1.64% shareholding in Grupo Sura for shares in Grupo Nutresa S.A.
- June**

  - 09. Further to the MoU with Grupo de Inversiones Suramericana S.A. ('Grupo Sura'), Grupo Nutresa S.A. and Grupo Argos S.A., along with other business shareholders, a framework agreement for shares swap has been signed, according to which IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, will receive a 2.45% stake in Grupo Nutresa in exchange for its 1.64% stake in Grupo Sura, subject to regulatory and corporate approvals.
- July**

  - 10. IHC Real Estate Holding LLC, a subsidiary of International Holding Company PJSC, along with ADNEC Group have signed a definitive agreement with Aldar Properties PJSC regarding the merger of Eltizam Asset Management Estate LLC (50% owned by IHC Real Estate Holding LLC) with Aldar Estates, a subsidiary of Aldar Properties PJSC to create UAE's largest property and facilities management company, subject to regulatory approvals.
- August**

  - 11. IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, has signed a definitive agreement to acquire a 49% stake in Modon Properties PJSC.
- October**

  - 12. International Tech Group SP LLC, subsidiary of IHC, to invest 10% stake in Phoenix Group PLC
- November**

  - 13. IHC has announced the transfer of four of its key 'green businesses' to Sirius International Holding, an IHC subsidiary, leveraging disruptive technologies to engineer 'sustainability solutions' that combat climate change, and with a dedication to driving digital transformation through investments.
  - 14. Sirius International Holding, a subsidiary of IHC, announces the establishment of Smart Sustainability Solutions (S3), a pioneering climate company, focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy. S3's focus is on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency.



# 3.17 Initiatives and Innovations during 2023



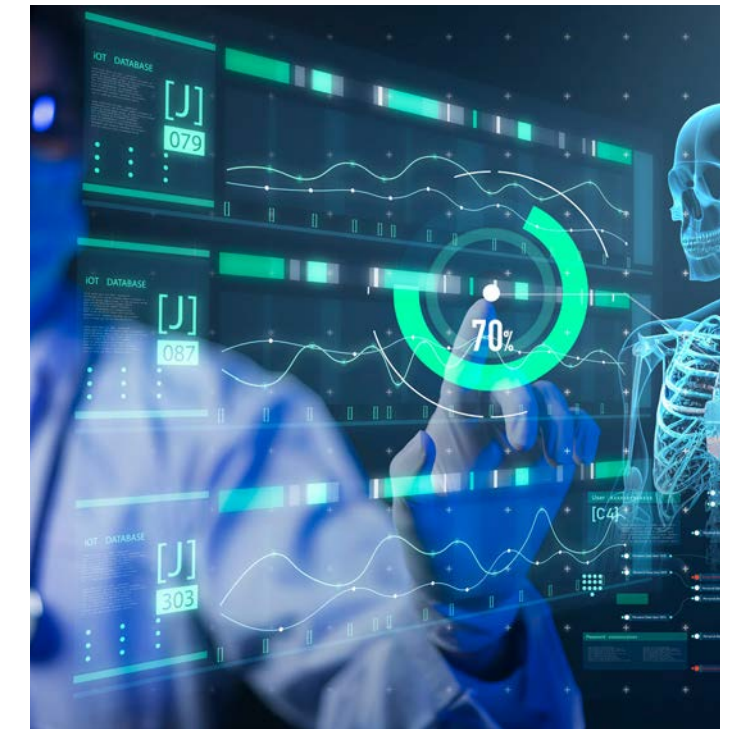
## Sustainability and Community Initiatives

- a. **Proseed Sustainability Hub:** IHC has established Proseed Sustainability Hub to act as the Centre of Excellence towards leveraging the experience and know-how in our organization and our network to infuse ESG through UAE Initiatives. The Hub stands as a robust platform for IHC to enact its own sustainability agenda, frame effective strategies, and enhance IHC subsidiaries' contributions, while forging meaningful partnerships. The Hub will host training sessions, think tanks and events to spark conversations and a higher level of consciousness around sustainability. The Hub will serve as an interactive platform, bringing together our partners and subsidiaries to ideate and implement innovative solutions, enhancing sustainability across our operations and fostering sector-wise growth. The Hub comprises six zones, each depicting IHC's sustainability journey and providing a space for collaboration and promoting wellness.
- b. **Wio bank:** Digital Bank, Wio Bank PJSC has integrated the Mastercard Carbon Calculator into its Wio Personal application, setting a new standard for sustainable banking practices in the region. The Carbon Calculator provides customers with carbon footprint data and insights about the impact of their purchases at a customer level.
- c. IHC has partnered with LVL Wellbeing to launch a new immersive studio and digital wellness offering to all the staff. LVL Wellbeing provides a range of engagement features including original on-demand video content and carefully curated live sessions designed to prioritize employees wellbeing.
- d. IHC launched a new waste management awareness program across its HQ. It included the installation of segregation bins and technology enabled waste management solutions. REE™ is a software company that provides bespoke recycling solutions to tackle the problem of source segregation while providing full transparency and traceability. Rebound is a plastic trading platform that is on a mission to end plastic waste. They do this by providing a fully transparent buying and selling system. <https://www.reecycle.app/IHC>



## AI Initiatives

- a. IHC has encouraged and enhanced the use cases for generative AI within the group and all its departments. IHC shared with all its group subsidiaries a playbook for available AI tools that each sector and business function could leverage to enhance productivity and boost performance. IHC undertook a targeted exercise on building and utilising an internal Generative AI Application that can be utilised by select IHC subsidiaries to enhance financial analysis and performance. Providing the business unit leaders with predictive analysis capabilities and utilising a customizable and modular AI platform that is specific to the company's sector. The aim is to pilot this across several subsidiaries, provide data driven information to leadership and roll-out across the group.
- b. IHC has built and is testing with the development of an AI Platform to enhance synergy and internal development across its portfolio of 500 plus subsidiaries. The AI tool will provide all employees and leadership across the group to easily search and access all services, products and solutions within the group.



## Technology Initiatives

- a. Pure health, an associate entity of IHC, has launched 'Dawak' a new pharmaceutical platform. The platform aims to simplify the way patients access, purchase and consume their medication throughout the UAE.
- b. As part of the strategic fundamentals and as an investment holding company, IHC looked at emerging technologies that can add to and enhance the group's ecosystem offerings. IHC completed investments in Artificial Intelligence, Big Data Analysis, Climate Tech, Bitcoin mining and Crypto-currency.
- c. Establishment of its new subsidiary, Sirius International Holding will lead digital transformation solutions for businesses and governments across the world in multiple sectors; including: energy, climate tech, block chain and crypto currency, business process automation, software development, and health tech.



The Report was approved by

**Dr. Mohamed Somar  
Nassouh Ajalyaqin**  
Chairman - Nomination and  
Remuneration Committee

**Ms. Sofia Abdellatif Lasky**  
Chairwoman -  
Audit Committee

**Mr. Daud Bin Farooq**  
Head - Legal & Compliance







# 4.0 Audited Financial Statements

- 4.1 Directors Report
- 4.2 Consolidated Financial Statements







# 4.1 Directors Report

31 December 2023

*Dear Shareholders,*

On behalf of the Board of Directors, I am pleased to present our report along with the audited consolidated financial statements of International Holding Company PJSC (the "Company" or "IHC") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023.

IHC achieved a solid growth during 2023, while demonstrating the strength of our core businesses, with achievements that are in line with our long-term strategy. The Group's performance during 2023 reflected the clear strategy adopted of enhancing the Group's portfolio through acquisitions, strategic investments, restructuring and diversification.

Below is a summary of the main strategic business acquisitions performed during the year (other acquisitions are included in note 6 to the accompanying audited consolidated financial statements):

- London Square Developments Holdings Limited and its subsidiaries
- ADMO Lifestyle Holding Limited and its subsidiaries
- Reach Global Services Holding 1 SPV Limited and its subsidiaries
- Eltizam Asset Management Estate - Sole Proprietorship LLC and its subsidiaries
- Al Ain Farms for Livestock Production

Below is a summary of the main strategic investment in associates entered into during the year:

- Modon Properties PJSC
- Presight AI Holding PLC
- National Corporation for Tourism and Hotels PJSC
- Kizad Communities Development and Services Company LLC

Financial highlights

IHC's strategic investments and decision making process have yielded an exceptional financial performance for the financial year ending 31 December 2023, with revenues of AED 60,089,440 thousand (2022: AED 50,946,133 thousand) and a net profit after tax of AED 32,954,248 thousand (2022: AED 32,571,200 thousand). Following is a summary of the key financial highlights for the year ended 31 December 2023.

|  |  |  |
|--|--|--|
| <b>AED 60.09 Bn</b><br>(2022: AED 50.95 Bn)<br><b>Revenue</b>        | <b>AED 32.95 Bn</b><br>(2022: AED 32.57 Bn)<br><b>Profit after tax</b> | <b>AED 27.52 Bn</b><br>(2022: AED 12.65 Bn)<br><b>Profit attributable to the owners of the Company</b> |
| <b>AED 264.27 Bn</b><br>(2022: AED 228.03 Bn)<br><b>Total assets</b> | <b>AED 156.74 Bn</b><br>(2022: AED 129.36 Bn)<br><b>Total equity</b>   | <b>AED 12.55</b><br>(2022: AED 6.81)<br><b>Earnings per share (EPS)</b>                                |

# Directors Report

31 December 2023

Board of Directors

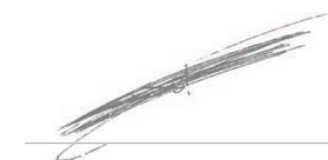
The Directors of the Company are:

|               |   |
|---------------|---|
| Chairman      | H.H. Shk Tahnoon Bin Zayed Al Nahyan        |
| Vice chairman | Dr. Somar Ajalyaqin                         |
| Members       | Mr. Syed Basar Shueb                        |
|               | Ms. Sofia Lasky                             |
|               | Mr. Mohammed Nasser Saif Howaiden Al Shamsi |

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 February 2024.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2024 will be put to the shareholders at the Annual General Meeting.

**On behalf of Board of Directors**

**Chairman**

26 February 2024



# 4.2

## Consolidated Financial Statements

### INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of International Holding Company PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

##### 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 Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the 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 United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



### INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

#### Report on the Audit of the Consolidated Financial Statements continued

##### Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2023, total revenue of the Group amounted to AED 60,089 million (2022: AED 50,946 million) (note 30).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed, or involved component auditors in the performance of procedures to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, substantive audit procedures which included overall analytical procedures at the Group and subsidiary level, and testing on transactions throughout the year, to assess whether revenues were properly recognised.

##### Business combination of entities under common control

During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions are excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 259,505 thousand during 2023 (2022: AED 721,939 thousand).

We performed, or involved component auditors to perform, the following procedures:

- held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details;
- obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of equity;
- assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.





**INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

**Report on the Audit of the Consolidated Financial Statements** continued*Business combinations within the scope of IFRS 3*

During the year, the Group acquired control over the entities disclosed in note 6.2 which were determined to be business combinations as defined by IFRS 3. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement and estimation regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired assets / businesses with those of the Group.

We performed, or involved component auditors to perform, the following procedures:

- Reviewed the share purchase agreements and ownership structures before and after the acquisitions to assess if the acquisitions fulfilled the requirements of business combination under IFRS 3;
- obtained the provisional purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group;
- involved our, or the components auditor's, internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax (EBIT), growth rates and discount rates;
- assessed the independence, qualification and expertise of external valuation specialists engaged by the Group and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

*Fair value of investment properties*

Investment properties amounting to AED 30,676 million (2022: AED 29,602 million) as at 31 December 2023 (note 9) are stated at cost less accumulated depreciation and impairment. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

The valuations were undertaken by internal management specialists and external valuers (the "Valuers"). In determining property valuations, the Valuers apply different valuation techniques including investment and comparable methods. The Valuers take into account property-specific information such as the current tenancy agreements and apply assumptions for discount rates and estimated market rent, which are influenced by prevailing market yields and consider comparable market transactions, to arrive at the valuation.

We involved component auditors in reviewing the property valuation reports and assessed that the valuation approach for each was in accordance with the established standards for valuation of properties and suitable for use in determining the fair value of properties.

**INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

**Report on the Audit of the Consolidated Financial Statements** continued*Fair value of investment properties* continued

We involved component auditors in assessing the external valuers independence, qualification and expertise and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

The component auditors involved their internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, and consideration of reasonableness of the significant assumptions.

We assessed the adequacy of disclosures in line with the requirements of the IFRSs.

*Impairment assessment of goodwill*

The Group has recognised goodwill amounting to AED 5,798 million (2022: AED 5,216 million) arising from the acquisition of subsidiaries operating in multiple segments under business combinations within the scope of IFRS 3 (note 8).

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the respective cash generating units. Assumptions used relate to future cash flows, revenue growth rates, expected inflation rates and discount rates.

As part of our audit procedures, we performed, or involved component auditors to perform the following for CGUs with significant goodwill:

- tested, with involvement of internal valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models for impairment testing including key assumptions relating to growth rates, inflation rates and discount rates;
- analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions;
- compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates; and
- assessed the adequacy of disclosure in line with the requirements of the IFRSs.

*Gain on acquisition of an associate*

During the year, the Group acquired a 49% equity interest in Modon Properties PJSC ("Modon") for consideration of AED 490 million. The Group has significant influence over Modon and accounts for its investment under the equity method of accounting. As disclosed in note 10 to the consolidated financial statements, the Group has recorded a gain of AED 12,194 million for the excess of its share of the net fair values of Modon's identifiable assets and liabilities over the cost of the investment.





**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC** continued**Report on the Audit of the Consolidated Financial Statements** continued*Gain on acquisition of an associate* continued

External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of Modon is a key audit matter as it represents a significant transaction during the year which requires significant judgement and estimation regarding the fair valuation of Modon's identifiable assets and liabilities.

We performed the following procedures:

- reviewed the sale and purchase agreement noting the conditions precedent that are required to be met in order to complete the transaction;
- reviewed Modon's shareholders register to ensure that the ownership in Modon was transferred to the Group.
- ensured that the land plots were transferred to Modon prior to the completion of the transaction and the transfer of the ownership in Modon to the Group.
- obtained the purchase price allocation report prepared by the external valuation specialists engaged by the Group;
- involved our internal valuation specialists in reviewing the purchase price allocation report. The review included discussions with management and the external valuation specialists and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included analysis of the appropriate comparable transactions, together with evidence of demand within vicinity of the valued land plots;
- assessed the external valuation specialists' competence and capabilities and read their terms of engagement with the Group to determine if the scope of their work is sufficient for the audit purposes; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

*Other information*

Other information consists of the information included in the Directors' Report and Annual Report other than the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of our audit report and we expect the Annual Report to be made available to us after the date of this auditor's report. Management is responsible for the other information.

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

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC** continued**Report on the Audit of the Consolidated Financial Statements** continued*Other information* continued

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

*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 IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, 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.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC** continued**Report on the Audit of the Consolidated Financial Statements** continued*Auditor's responsibilities for the audit of the consolidated financial statements continued*

- 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 auditor's 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 auditor's 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC** continued**Report on Other Legal and Regulatory Requirements**

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- I. we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- II. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, the Articles of Association of the Company;
- III. the Group has maintained proper books of account;
- IV. the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;
- V. investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2023;
- VI. note 35 reflects the disclosures relating to material related party transactions and the terms under which they were conducted; and
- VII. based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2023.
- VIII. During the year, the Group made social contributions of AED 18,967 thousand (2022: AED 32,189 thousand).

Signed by:  
 Anthony O'Sullivan  
 Partner  
 Ernst & Young  
 Registration No 687

26 February 2024  
 Abu Dhabi





## Consolidated Statement of Financial Position

At 31 December 2023

|   | Notes | 2023<br>AED'000    | 2022<br>AED'000    |
|---|-------|--------------------|--------------------|
| <b>ASSETS</b>                                       |       |                    |                    |
| <b>Non-current assets</b>                           |       |                    |                    |
| Property, plant and equipment                       | 7     | 20,885,783         | 19,502,124         |
| Intangible assets and goodwill                      | 8     | 9,946,938          | 11,616,475         |
| Right-of-use assets                                 | 29    | 2,077,712          | 2,954,791          |
| Investment properties                               | 9     | 30,675,823         | 29,602,126         |
| Investment in associates and joint ventures         | 10    | 38,060,257         | 7,654,312          |
| Investments in financial assets                     | 11    | 21,840,683         | 26,615,304         |
| Derivative financial instruments                    | 26    | 8,311              | 207,045            |
| Trade and other receivables                         | 14    | 2,922,578          | 2,674,851          |
| Biological assets                                   | 15    | 155,430            | 49,675             |
| Due from related parties                            | 35    | 951                | 951                |
| Loans to related parties                            | 35    | 616,505            | -                  |
| Deferred tax assets                                 | 39    | 135,559            | 106,357            |
|   |       | <b>127,326,530</b> | <b>100,984,011</b> |
| <b>Current assets</b>                               |       |                    |                    |
| Inventories   | 13    | 15,321,904         | 13,001,371         |
| Development work-in-progress                        | 16    | 9,110,394          | 6,367,548          |
| Biological assets                                   | 15    | 40,643             | 35,246             |
| Investment in financial assets                      | 11    | 39,912,437         | 32,176,907         |
| Derivative financial instruments                    | 26    | 24,602             | 41,747             |
| Due from related parties                            | 35    | 1,827,597          | 1,988,332          |
| Loans to related parties                            | 35    | 5,700              | 1,200              |
| Contract assets                                     | 17    | 9,976,615          | 8,128,256          |
| Trade and other receivables                         | 14    | 25,461,145         | 26,139,983         |
| Cash and bank balances                              | 18    | 33,918,559         | 37,230,142         |
|   |       | <b>135,599,596</b> | <b>125,110,732</b> |
| Assets held for sale                                | 19    | 1,348,827          | 1,939,751          |
|   |       | <b>136,948,423</b> | <b>127,050,483</b> |
| <b>TOTAL ASSETS</b>                                 |       | <b>264,274,953</b> | <b>228,034,494</b> |
| <b>EQUITY AND LIABILITIES</b>                       |       |                    |                    |
| <b>Equity</b>                                       |       |                    |                    |
| Share capital                                       | 20    | 2,193,540          | 2,193,540          |
| Share premium                                       | 20    | -                  | 151,188,827        |
| Merger, acquisition and other reserves              |       | 18,243,811         | (109,900,410)      |
| Statutory reserve                                   | 21    | 1,096,770          | 1,096,770          |
| Contributed capital                                 |       | 940,015            | 940,015            |
| Cumulative changes on revaluation of investments    |       | (597,229)          | (146,055)          |
| Currency translation reserve                        |       | (364,533)          | (236,526)          |
| Hedging reserve                                     |       | 28,735             | 22,619             |
| Retained earnings                                   |       | 73,697,738         | 22,701,803         |
| <b>Equity attributable to owners of the Company</b> |       | <b>95,238,847</b>  | <b>67,860,583</b>  |
| Hybrid equity instruments                           | 22    | 1,815,646          | 1,815,646          |
| Non-controlling interests                           |       | 59,682,378         | 59,687,880         |
| <b>Total equity</b>                                 |       | <b>156,736,871</b> | <b>129,364,109</b> |

## Consolidated Statement of Financial Position continued

At 31 December 2023

|   | Notes | 2023<br>AED'000    | 2022<br>AED'000    |
|---|-------|--------------------|--------------------|
| <b>EQUITY AND LIABILITIES continued</b>                   |       |                    |                    |
| <b>Non-current liabilities</b>                            |       |                    |                    |
| Employees' end of service benefits                        | 23    | 1,515,587          | 2,771,254          |
| Lease liabilities   | 29    | 1,896,446          | 2,814,243          |
| Borrowings  | 24    | 36,613,733         | 33,829,725         |
| Non-convertible sukuk                                     | 25    | 5,456,856          | 3,644,812          |
| Trade and other payables                                  | 27    | 5,794,202          | 3,334,080          |
| Loans from related parties                                | 35    | 122,118            | 76,899             |
| Due to related parties                                    | 35    | 2,520              | 3,133              |
| Deferred tax liabilities                                  | 39    | 875,042            | 65,148             |
|   |       | <b>52,276,504</b>  | <b>46,539,294</b>  |
| <b>Current liabilities</b>                                |       |                    |                    |
| Due to related parties                                    | 35    | 1,348,893          | 4,340,517          |
| Loans from related parties                                | 35    | 38,060             | 16,574             |
| Lease liabilities   | 29    | 256,301            | 268,099            |
| Borrowings  | 24    | 6,321,583          | 2,436,992          |
| Non-convertible sukuk                                     | 25    | 46,098             | 37,104             |
| Derivative financial instruments                          | 26    | 12,138             | 50,171             |
| Contract liabilities                                      | 28    | 15,775,359         | 12,023,027         |
| Trade and other payables                                  | 27    | 31,421,160         | 32,950,592         |
|   |       | <b>55,219,592</b>  | <b>52,123,076</b>  |
| Liabilities directly associated with assets held for sale | 19    | 41,986             | 8,015              |
|   |       | <b>55,261,578</b>  | <b>52,131,091</b>  |
| <b>Total liabilities</b>                                  |       | <b>107,538,082</b> | <b>98,670,385</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |       | <b>264,274,953</b> | <b>228,034,494</b> |



Chief Financial Officer



Managing Director



Chairman

The attached notes 1 to 46 form part of these consolidated financial statements.



## Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

|   | Notes | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------|-------------------|-------------------|
| Revenue   | 30    | 60,089,440        | 50,946,133        |
| Cost of revenue   | 31    | (47,049,423)      | (39,268,845)      |
| <b>Gross profit</b>   |       | <b>13,040,017</b> | <b>11,677,288</b> |
| General and administrative expenses   | 32    | (6,099,828)       | (7,456,072)       |
| Selling and distribution expenses   | 33    | (521,173)         | (591,186)         |
| Share of profit from investment in associates and joint ventures                                | 10    | 13,233,218        | 245,820           |
| Investment and other income   | 34    | 6,762,139         | 24,793,442        |
| Fair value gain on revaluation of previously held equity interest                               | 10    | 318,699           | 2,848,679         |
| Gain on disposal of investment in associates and joint ventures                                 | 10    | 493,110           | 63,111            |
| Gain on acquisition of subsidiaries   | 6.2   | 2,998             | 2,183,284         |
| Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal |       | -                 | (7,077)           |
| Gain on derecognition of subsidiaries   | 6.4   | 8,858,361         | 91,044            |
| Finance costs   | 38    | (2,277,366)       | (1,188,259)       |
| Profit before tax   |       | 33,810,175        | 32,660,074        |
| Taxation  | 39    | (855,927)         | (88,874)          |
| <b>Profit for the year</b>  |       | <b>32,954,248</b> | <b>32,571,200</b> |
| <b>Attributable to:</b>   |       |                   |                   |
| Owners of the Company   |       | 27,523,100        | 12,652,578        |
| Non-controlling interests   |       | 5,431,148         | 19,918,622        |
| <b>Profit for the year</b>  |       | <b>32,954,248</b> | <b>32,571,200</b> |
| <b>Basic and diluted earnings per share (AED)</b>   | 36    | <b>12.55</b>      | <b>6.81</b>       |

The attached notes 1 to 46 form part of these consolidated financial statements.

## Consolidated statement of Comprehensive Income

For the year ended 31 December 2023

|   | Notes | 2023<br>AED'000   | 2022<br>AED'000    |
|---|-------|-------------------|--------------------|
| <b>Profit for the year</b>  |       | <b>32,954,248</b> | <b>32,571,200</b>  |
| <b>Other comprehensive loss:</b>  |       |                   |                    |
| <i>Items that may be reclassified subsequently to profit or loss:</i>   |       |                   |                    |
| Foreign exchange difference on translation of foreign operations, net of tax  |       | (376,374)         | (923,505)          |
| Change in fair value of hedging instruments   |       | (412)             | 120,226            |
| Change in the fair value of financial assets carried at fair value through other comprehensive income                         | 11.1  | 1,101             | 3,592              |
| Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal                               |       | -                 | 7,077              |
| Net (loss) gain on debt instruments, hedging instruments and translation of foreign operations reclassified to profit or loss |       | (7,795)           | 18,053             |
| Share of other comprehensive income (loss) of associates and joint ventures   |       | 6,345             | (29,435)           |
| <i>Items that will not be reclassified subsequently to profit or loss:</i>  |       |                   |                    |
| Share of other comprehensive loss of associates and joint ventures  |       | 74,228            | 5,848              |
| Change in the fair value of financial assets carried at fair value through other comprehensive income                         | 11.1  | (542,254)         | (483,862)          |
| Remeasurement loss on defined benefits plans  | 23    | -                 | (35,748)           |
| <b>Total other comprehensive loss</b>   |       | <b>(845,161)</b>  | <b>(1,317,754)</b> |
| <b>Total comprehensive income for the year</b>  |       | <b>32,109,087</b> | <b>31,253,446</b>  |
| <b>Attributable to:</b>   |       |                   |                    |
| Owners of the Company   |       | 26,976,698        | 11,923,621         |
| Non-controlling interests   |       | 5,132,389         | 19,329,825         |
| <b>Total comprehensive income for the year</b>  |       | <b>32,109,087</b> | <b>31,253,446</b>  |

The attached notes 1 to 46 form part of these consolidated financial statements.



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

## Attributable to equity holders of the Company

|  | Share capital<br>AED'000 | Share premium<br>AED'000 | Merger reserves<br>AED'000 | Statutory reserve<br>AED'000 | Contributed surplus<br>AED'000 | Cumulative changes<br>on revaluation of<br>investments<br>AED'000 | Currency<br>translation<br>reserve<br>AED'000 | Hedging<br>reserve<br>AED'000 | Retained<br>earnings<br>AED'000 | Total<br>AED'000 | Hybrid equity<br>interests<br>AED'000 | Non<br>controlling<br>interests<br>AED'000 | Total equity<br>AED'000 |
|--|--------------------------|--------------------------|----------------------------|------------------------------|--------------------------------|---|---|-------------------------------|---------------------------------|------------------|---------------------------------------|--|-------------------------|
| Balance at 1 January 2022  | 1,821,429                | -                        | 16,668,311                 | 910,715                      | -                              | 360,372   | 2,038   | 1,627                         | 7,329,169                       | 27,093,661       | -                                     | 28,938,365                                 | 56,032,026              |
| Profit for the year  | -                        | -                        | -                          | -                            | -                              | (4,990,037)   | (238,564)                                     | 20,992                        | (12,348)                        | (7,289,577)      | -                                     | (588,797)                                  | (1,317,754)             |
| Other comprehensive loss for the year  | -                        | -                        | -                          | -                            | -                              | (4,990,037)   | (238,564)                                     | 20,992                        | 12,652,578                      | 12,652,578       | -                                     | 19,329,825                                 | 31,253,446              |
| Total comprehensive income for the year  | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Transfer to statutory reserve  | -                        | -                        | -                          | 186,055                      | -                              | -   | -   | -                             | (186,055)                       | -                | -                                     | -  | -                       |
| Disposal of investments carried at fair value through other comprehensive income | -                        | -                        | -                          | -                            | -                              | 499,037   | -   | -                             | -                               | 499,037          | -                                     | -  | -                       |
| Business combination of entities under common control (note 6.1(b))              | -                        | -                        | 721,939                    | -                            | -                              | -   | -   | -                             | -                               | 721,939          | -                                     | 74,996                                     | 1,471,904               |
| Acquisition of subsidiaries (note 6.2(b))  | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | 1,126,639                       | 24,420,250       | -                                     | 25,546,889                                 | 25,546,889              |
| Non-controlling interest arising from acquisition of assets (note 6.3(b))        | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | 940,015          | -                                     | 192,600                                    | 192,600                 |
| Capital contributed  | -                        | -                        | -                          | -                            | 940,015                        | -   | -   | -                             | -                               | 940,015          | -                                     | 67,057                                     | 1,007,072               |
| Acquisition of assets from entities under common control (note 10)               | -                        | -                        | 783,364                    | -                            | -                              | -   | -   | -                             | -                               | 783,364          | -                                     | 783,364                                    | 783,364                 |
| Hybrid equity instruments issued during the period                               | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | 689,007          | -                                     | 689,007                                    | 689,007                 |
| Coupon paid on hybrid equity instrument (note 22)                                | -                        | -                        | -                          | -                            | -                              | (51,645)  | -   | -                             | -                               | (51,645)         | -                                     | (1,849,124)                                | (1,849,124)             |
| Dividend paid to non-controlling interest (note 44)                              | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | (27,158,192)                               | (27,158,192)            |
| Acquisition of non-controlling interest (note 6.6(b) & 20)                       | 372,111                  | 151,188,827              | (27,999,543)               | -                            | -                              | -   | -   | -                             | -                               | 23,561,395       | -                                     | 8,600,277                                  | 5,996,797               |
| Non-controlling interest share of newly issued shares (note 6.2(b))              | -                        | -                        | 2,677,257                  | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | (27,248)                                   | (27,248)                |
| Disposal of subsidiaries (note 6.4(b))   | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | (20,000)                                   | (20,000)                |
| Repayment to non-controlling interests of contributed capital                    | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Capital injection by non-controlling interest                                    | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Other equity movement  | -                        | -                        | (2,751,738)                | -                            | -                              | -   | -   | -                             | 2,962,714                       | 210,976          | -                                     | (21,256)                                   | (21,256)                |
| Balance at 31 December 2022  | 2,193,540                | 151,188,827              | (109,900,410)              | 1,096,770                    | 940,015                        | (146,055)   | (236,526)                                     | 22,619                        | 22,701,803                      | 67,860,583       | 1,815,646                             | 59,687,880                                 | 129,364,109             |
| Balance at 1 January 2023  | 2,193,540                | 151,188,827              | (109,900,410)              | 1,096,770                    | 940,015                        | (146,055)   | (236,526)                                     | 22,619                        | 22,701,803                      | 67,860,583       | 1,815,646                             | 59,687,880                                 | 129,364,109             |
| Profit for the year  | -                        | -                        | -                          | -                            | -                              | (4,245,111)   | (28,007)                                      | 6,116                         | 27,523,100                      | 27,523,100       | -                                     | 5,431,148                                  | 32,954,248              |
| Other comprehensive loss for the year  | -                        | -                        | -                          | -                            | -                              | (4,245,111)   | (28,007)                                      | 6,116                         | (546,402)                       | (546,402)        | -                                     | (296,759)                                  | (845,161)               |
| Total comprehensive income for the year  | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Disposal of investments carried at fair value through other comprehensive income | -                        | -                        | -                          | -                            | -                              | (4,245,111)   | (28,007)                                      | 6,116                         | 27,523,100                      | 26,976,698       | -                                     | 5,132,899                                  | 32,109,597              |
| Business combination of entities under common control (note 6.1(a))              | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | 259,505          | -                                     | 328,927                                    | 588,432                 |
| Acquisition of subsidiaries (note 6.2(a))  | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | 593,890          | -                                     | 754,740                                    | 754,740                 |
| Acquisition of assets from entities under common control (note 6.3(a) & 11)      | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Non-controlling interests arising from acquisition of assets (note 6.3(a))       | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | 66,929                                     | 66,929                  |
| Disposal of partial interest in subsidiaries (note 6.5(a))                       | -                        | -                        | 340,733                    | -                            | -                              | -   | -   | -                             | -                               | 340,733          | -                                     | 632,832                                    | 973,565                 |
| Acquisition of non-controlling interest (note 6.6(a))                            | -                        | -                        | (467,249)                  | -                            | -                              | -   | -   | -                             | -                               | (467,249)        | -                                     | (3,563,552)                                | (3,563,552)             |
| Derecognition of subsidiaries (note 6.4(a))                                      | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | (6,232,405)                                | (6,232,405)             |
| Non-controlling interest share of newly issued shares (note 6.2(a))              | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | 190,256                                    | 190,256                 |
| Coupon paid on hybrid equity instrument (note 22)                                | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | (103,289)                       | (103,289)        | -                                     | (4,880)                                    | (4,880)                 |
| Repayment of contributed capital to non-controlling interest                     | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | 498,035                                    | 498,035                 |
| Additional contributions by non-controlling interest                             | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | -  | -                       |
| Transfer of share premium (note 20)  | -                        | (151,188,827)            | 127,659,366                | -                            | -                              | -   | -   | -                             | 23,549,461                      | -                | -                                     | (1,209,205)                                | (1,209,205)             |
| Dividend paid to non-controlling interest (note 44)                              | -                        | -                        | -                          | -                            | -                              | -   | -   | -                             | -                               | -                | -                                     | 193,232                                    | (28,792)                |
| Other equity movement  | -                        | -                        | (222,024)                  | -                            | -                              | -   | -   | -                             | (222,024)                       | -                | -                                     | -  | -                       |
| Balance at 31 December 2023  | 2,193,540                | 151,188,827              | (18,243,811)               | 1,096,770                    | 940,015                        | (597,229)   | (364,533)                                     | 28,735                        | 73,697,738                      | 95,238,847       | 1,815,646                             | 59,682,378                                 | 156,736,871             |

# Consolidated Statement of Cash Flows

For the year ended 31 December 2023

|   | Notes     | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------|-----------------|-----------------|
| <b>OPERATING ACTIVITIES</b>   |           |                 |                 |
| Profit before tax   |           | 33,810,175      | 32,660,074      |
| Adjustments for:  |           |                 |                 |
| Depreciation of property, plant and equipment   |           | 1,637,599       | 1,464,229       |
| Amortisation of intangible assets   | 8         | 348,997         | 302,300         |
| Depreciation of investment properties   | 9         | 894,281         | 687,205         |
| Depreciation of right-of-use assets   | 29        | 278,947         | 224,463         |
| Depreciation of biological asset  | 15        | 16,982          | 5,870           |
| Impairment loss on property, plant and equipment  | 7         | 4,280           | 82,103          |
| (Reversal of) impairment loss on investment properties  | 9         | (85,338)        | 765,540         |
| (Reversal of) impairment loss on development work-in-progress   | 16        | (52,927)        | 235,491         |
| Write-off of project costs relating to development work-in-progress   | 16        | 133,216         | 37,715          |
| Write down of land plots held for sale to net realisable value  | 13        | 109,198         | 71,191          |
| Loss on termination of leases   | 29        | 6,847           | 2,498           |
| Gain on elimination of a lease as a result of business combination  | 29        | -               | (8,390)         |
| Property, plant and equipment written off   |           | 155             | 23,677          |
| Intangible assets written off   | 8         | 11,932          | 6,441           |
| Share of profit from investment in associates and joint ventures  | 10        | (13,233,218)    | (245,820)       |
| Gain on disposal of property, plant and equipment   | 34        | (41,883)        | (326,871)       |
| Gain on disposal of investment properties   | 34        | (28,788)        | (27,952)        |
| Gain on disposal of asset held for sale   | 19 & 34   | (218,348)       | -               |
| Covid-19 rent concession  | 29 & 34   | -               | (386)           |
| Gain on disposal of associates and joint ventures   | 10        | (493,110)       | (63,111)        |
| Gain on acquisition of subsidiaries   | 6.2       | (2,998)         | (2,183,284)     |
| Gain on liquidation of subsidiaries   |           | (4,051)         | -               |
| Gain on derecognition of subsidiaries   | 6.4       | (8,858,361)     | (91,044)        |
| Change in fair value of biological assets   | 15        | 7,369           | (29,332)        |
| Loss on sale of biological assets   | 15        | 42,915          | 1,054           |
| Allowance for slow moving inventories   | 13        | 57,201          | 21,117          |
| Allowance for expected credit losses  | 32        | 382,990         | 450,628         |
| Allowance for (reversal of) ECL on investments carried at amortised cost  | 11.3      | 372             | (20)            |
| Interest and dividend income  | 34        | (1,928,332)     | (840,492)       |
| Fair value gain on revaluation of previously held property, plant and equipment   | 34        | -               | (116,430)       |
| Unwinding of discounting of long-term receivables   | 34        | (146,225)       | (47,808)        |
| Amortisation of deferred income   | 34        | (387,061)       | (116,647)       |
| Loss on reassessment of non-current receivables   | 34        | 169,616         | -               |
| Change in the fair value of financial assets carried at fair value through profit or loss                                     | 11.2 & 34 | (867,965)       | (22,029,776)    |
| Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss | 10 & 34   | (817,627)       | -               |
| Recovery of bad debts written off   | 34        | (23,925)        | (71,496)        |
| Fair value gain on revaluation of previously held equity interest   | 10        | (318,699)       | (2,848,679)     |
| Foreign exchange loss   | 34        | 57,395          | 819,291         |
| Provision for employees' end of service benefit   | 23        | 335,696         | 303,005         |
| Reversal of excess provisions   | 34        | (1,484,332)     | -               |
| Finance costs   | 38        | 2,277,366       | 1,188,259       |
| Operating cash flows before changes in working capital  |           | 11,590,341      | 10,304,613      |
| Working capital changes:  |           |                 |                 |
| (Increase) decrease in inventories  |           | (380,194)       | 821,685         |
| Increase in biological assets   |           | (52,568)        | (7,691)         |
| Decrease (increase) in due from related parties   |           | 85,326          | (12,520)        |
| (Increase) decrease in trade and other receivables  |           | (5,592,221)     | 248,315         |
| Increase in contract assets   |           | (5,724,782)     | (1,047,891)     |
| Increase in development work in progress  |           | (1,615,712)     | (846,970)       |
| Decrease in assets held for sales   |           | 380,051         | 53,372          |
| Increase (decrease) in liabilities associated with assets held for sale   |           | 33,971          | (154,877)       |
| (Decrease) increase in due to related parties   |           | (2,014,342)     | 1,219,962       |
| Increase (decrease) in trade and other payables   |           | 2,987,606       | (739,370)       |
| Increase in contract liabilities  |           | 5,993,461       | 6,757,807       |
| Cash generated from operations  |           | 7,690,937       | 16,596,435      |
| Employees' end of service benefit paid  | 23        | (263,458)       | (191,528)       |
| Tax paid  |           | (120,669)       | (126,257)       |
| Net cash generated from operating activities  |           | 7,306,810       | 16,278,650      |

The attached notes 1 to 46 form part of these consolidated financial statements.



## Consolidated Statement of Cash Flows continued

For the year ended 31 December 2023

|  | Notes | 2023<br>AED'000     | 2022<br>AED'000     |
|--|-------|---------------------|---------------------|
| <b>INVESTING ACTIVITIES</b>  |       |                     |                     |
| <b>INVESTING ACTIVITIES</b>  |       |                     |                     |
| Movement in term deposits and margin accounts with an original maturity more than three months |       | 690,959             | (3,210,534)         |
| Additions to property, plant and equipment   |       | (3,864,450)         | (5,360,766)         |
| Additions to intangible assets   | 8     | (146,427)           | (92,169)            |
| Proceeds from sale of property, plant and equipment  |       | 105,106             | 434,620             |
| Purchase of investment properties  |       | (1,778,993)         | (5,200,853)         |
| Proceeds from assets held for sale   |       | 539,700             | -                   |
| Proceeds from sale of investment properties  |       | 377,156             | 182,444             |
| Purchase of investment in associates and joint ventures  |       | (3,014,746)         | (5,710,252)         |
| Proceeds from disposal and partial disposals of associates and joint ventures                  |       | 96,168              | 983,763             |
| Cash acquired on business combination of entities under common control                         | 6.1   | 54,288              | 92,316              |
| Payment against acquisition of subsidiaries, net of cash acquired                              | 6.2   | (2,071,391)         | 11,786,551          |
| Proceeds from derecognition of subsidiaries, net of cash disposed                              | 6.4   | (5,501,882)         | 686,639             |
| Payment against acquisition of assets  | 6.3   | (374,665)           | -                   |
| Proceeds from disposal of shares of subsidiaries   | 6.5   | 2,694               | 3,520,099           |
| Movement in derivative financial instruments   |       | 182,573             | (277,442)           |
| Capital repayment against joint ventures   |       | 99,145              | -                   |
| Movement in restricted cash  |       | (2,479,614)         | (5,502,339)         |
| Cash paid on acquisition of non-controlling interest   | 6.6   | (250,918)           | (821,397)           |
| Dividend received from associates and joint ventures   | 10    | 241,046             | 526,393             |
| Purchase of investment in financial assets   | 11    | (7,056,045)         | (26,126,265)        |
| Proceed from sale of investment in financial assets  | 11    | 5,057,854           | 1,963,693           |
| Loans to related parties, net of repayment   |       | (621,005)           | 25,000              |
| Interest and dividend received   | 34    | 1,928,332           | 840,492             |
| <b>Net cash used in investing activities</b>   |       | <b>(17,785,115)</b> | <b>(31,260,007)</b> |
| <b>FINANCING ACTIVITIES</b>  |       |                     |                     |
| Proceeds of borrowings, net of repayments  |       | 5,418,852           | 22,405,707          |
| Capital injection by non-controlling interest  |       | 498,035             | 327,136             |
| Dividend paid to non-controlling interest  | 44    | (1,209,205)         | (1,849,124)         |
| Coupon paid on hybrid equity instrument  | 22    | (103,289)           | (51,645)            |
| Hybrid equity instruments issued during the year   | 22    | -                   | 689,007             |
| Non-convertible sukuk  |       | 1,801,656           | (50,465)            |
| Loan from related parties  |       | (96,257)            | 31,549              |
| Finance costs paid   |       | (2,169,924)         | (1,098,768)         |
| Repayment to non-controlling interests towards contributed capital                             |       | (10,000)            | (20,000)            |
| Repayment of lease liabilities   | 29    | (281,891)           | (228,178)           |
| <b>Net cash generated from financing activities</b>  |       | <b>3,847,977</b>    | <b>20,155,219</b>   |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>                    |       | <b>(6,630,328)</b>  | <b>5,173,862</b>    |
| Cash and cash equivalents at beginning of the year   |       | 22,643,185          | 16,478,118          |
| Effect of foreign exchange rate changes  |       | 70,781              | 991,205             |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>  | 18    | <b>16,083,638</b>   | <b>22,643,185</b>   |

Significant non-cash transactions are disclosed in note 6, 10 and 11 to the consolidated financial statements.

The attached notes 1 to 46 form part of these consolidated financial statements.

## Notes to the Consolidated Financial Statements

31 December 2023

### 1 GENERAL INFORMATION

International Holding Company PJSC (the "Company" or "IHC") is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness the Ruler of Abu Dhabi on 23 November 1998. The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates. Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods, providing catering, re-packaging and wrapping services;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- sport enterprises investment, institution, management services;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management & development related services of plots and real estate, including interior design related works;
- performing technical, commercial and contracting services related to marine works;
- importing, maintaining, trading and other services relating to spare parts, industrial machineries and equipment;
- medical and health care services including hospitalisation, management of testing laboratories with their related logistics, operating medical laboratories, distributing medical supplies and devices and management of hospitals and medical clinics;
- wholesale and trading of cosmetics, personal care and other grooming related services;
- motorcycle trading, repairing and rentals;
- engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works;
- engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- oil and gas transmission engineering consultancy oil and gas productions facilities operations and management services;
- tourism related investments, development and management;
- forestry and natural vegetation management including farming, agricultural related investments and management;
- manufacturing and supply of concrete and other industrial products including installation and fabrication of aluminium and glass panels;
- organisation and event management, newspaper advertisement and other services related to advertisement designing and production;
- coaching and training of motor vehicle drivers and management of driving license issuance related services;
- clinkers and hydraulic cements manufacturing, whole sale of cement products trading;
- development, sales, construction, leasing, management and associated services in real estate;
- development, construction, management and operations of hotels, schools, marinas, restaurants, beach clubs and golf courses;
- procurement of manpower related services;
- information and communication technology services including data centres and cyber security services;
- health insurance services;
- manage the production and sale of dairy and poultry products;
- facility management services; and
- education related services.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2024.



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. (32) of 2021.

#### 2.2 Basis of measurement

The consolidated financial statements have been prepared on an historical cost basis, except for investments in financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, biological assets and derivative financial instruments which are stated fair value.

#### 2.3 Functional and presentation currency

The consolidated financial statements are presented in UAE Dirham ("AED"), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

#### 2.4 Basis for consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company's subsidiaries as at 31 December 2023 and 31 December 2022 were as follows:

| Name of subsidiary                                       | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|--|--|------|
|  |                                      |  | 2023   | 2022 |
| IHC Holdings RSC Limited                                 | United Arab Emirates                 | Investment Company.  | 100%   | 100% |
| IHC Companies Management LLC                             | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Utilities Holding LLC                                | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Real Estate Holding LLC                              | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Digital Holding LLC                                  | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Industrial Holding LLC                               | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Food Holding LLC                                     | United Arab Emirates                 | Management and operations of public utilities, restaurant mWanagement, commercial enterprises investments, institution and management. | 100%   | 100% |
| IHC Capital Holding LLC                                  | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| IHC Education Holding LLC                                | United Arab Emirates                 | Education services enterprises investment, institution and management.   | 100%   | 100% |
| IHC Healthcare Holding LLC                               | United Arab Emirates                 | Health services enterprises investment, institution and management.  | 100%   | 100% |
| IHC West Investment - Sole Proprietorship LLC            | United Arab Emirates                 | Agricultural, commercial and industrial enterprises investment, institution and management.  | 100%   | 100% |
| International Aviation Holding - Sole Proprietorship LLC | United Arab Emirates                 | Commercial enterprises investments, institution and management.  | 100%   | 100% |
| Reset Energy LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.              | 65%  | 65%  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |        |
|---|--------------------------------------|---|--|--------|
|   |                                      |   | 2023   | 2022   |
| Diqa Technologies Limited   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.   | 45%  | 45%    |
| ESG Emirates Stallions Group PJSC   | United Arab Emirates                 | Buying, selling and dividing plots and real estate management and developing and leasing of real estate.  | 85%  | 85%    |
| Asmak Al Arab Co. LLC   | Kingdom of Saudi Arabia              | Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in property, plant and equipment of fish farming. | 80%  | 80%    |
| Palms Sports PJSC   | United Arab Emirates                 | Providing sport enterprises investment, institution and management.   | 79.44%   | 79.44% |
| Ghitha Holding PJSC   | United Arab Emirates                 | Trading and import of fresh consumables, canned, preserved and frozen foods.  | 86.90%   | 86.90% |
| Cine Royal Cinema LLC   | United Arab Emirates                 | Establishment, management services, sale of food and cafeteria items and cinema shows.  | 100%   | 100%   |
| International Securities LLC  | United Arab Emirates                 | Share brokerage services.   | 100%   | 100%   |
| Serenity Aviation Holding LLC   | United Arab Emirates                 | Aviation consultancy and commercial enterprises investment, institution and management.   | 50%  | 50%    |
| Acutus Investment - Sole Proprietorship LLC (Formerly "Matrix International Solutions LLC") | United Arab Emirates                 | Commercial enterprises investments, institution and management.   | 100%   | 80%    |
| Multiply Group PJSC   | United Arab Emirates                 | Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading.  | 58.74%   | 58.74% |
| Royal Technology Solutions LLC  | United Arab Emirates                 | Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields' services.  | 100%   | 100%   |
| Easy Lease Motorcycle Rental PSC  | United Arab Emirates                 | Motorcycles trading, motorcycles repairing and motorcycles rental.  | 49.57%   | 49.57% |
| Al Seer Marine Supplies and Equipment Company PJSC  | United Arab Emirates                 | Importing, maintaining and trading of marine machinery and equipment.   | 81.1%  | 81.1%  |
| Qausar Energy Limited   | United Arab Emirates                 | Consultancy, research and development and testing with respect of energy generation.  | 50%  | 50%    |
| Alpha Technologies Limited  | United Arab Emirates                 | Consultancy, research and development and testing with respect of energy generation.  | 50%  | 50%    |
| Tamouh Healthcare Group LLC   | United Arab Emirates                 | Health services enterprise investment.  | 100%   | 100%   |
| West Investments SPV RSC Ltd.   | United Arab Emirates                 | Investment company.   | 100%   | 100%   |
| Retiro Properties LLC   | United Arab Emirates                 | Real estate enterprises investment development, institution and management.   | 100%   | 100%   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |       |
|--|--------------------------------------|---|--|-------|
|  |                                      |   | 2023   | 2022  |
| Playa Properties LLC   | United Arab Emirates                 | Real estate enterprises investment development, institution and management.   | 100%   | 100%  |
| Shory Technology LLC   | United Arab Emirates                 | Information technology network services.  | 70%  | 70%   |
| Alpha Dhabi Holding PJSC   | United Arab Emirates                 | Manage a diverse portfolio of businesses in the UAE and aboard, primarily through its subsidiaries.   | 89.7%  | 89.7% |
| CH Artelligence LLC  | United Arab Emirates                 | Investment holding company.   | 100%   | 100%  |
| Q Holding PSC  | United Arab Emirates                 | Commercial enterprises investment, institution and management and investment in properties.   | 55.6%  | 55.6% |
| Theta Bidco Limited  | United Kingdom                       | Investment holding company.   | 70%  | 70%   |
| Green Transmission Investment Holding RSC Limited  | United Arab Emirates                 | Power transmission and distribution.  | 100%   | 100%  |
| International Tech Group - Sole Proprietorship LLC                                       | United Arab Emirates                 | Information technology and investment holding company.  | 100%   | 100%  |
| Reach Global Services Holding 1 SPV Limited (ii)   | United Arab Emirates                 | Holding company.  | 55%  | -     |
| Avenir Investment RSC LTD (i)  | United Arab Emirates                 | Holding ownership of equity and non-equity assets, real property and intellectual property.   | 100%   | -     |
| Connaissance Investment RSC LTD (i)  | United Arab Emirates                 | Holding ownership of equity and non-equity assets, real property and intellectual property.   | 100%   | -     |
| Augmen Enterprise RSC LTD (i)  | United Arab Emirates                 | Holding ownership of equity and non-equity assets, real property and intellectual property.   | 100%   | -     |
| Slash Data Digital LLC (i)   | United Arab Emirates                 | Information technology network services.  | 70%  | -     |
| <b>Below is the subsidiary of ESG Emirates Stallions Group PJSC:</b>                     |                                      |   |  |       |
| ESG Holding - Sole Proprietorship LLC  | United Arab Emirates                 | Management services of companies and private institutions, land and real estate purchase and sale.  | 100%   | 100%  |
| <b>Below are the subsidiaries of ESG Holding - Sole Proprietorship LLC:</b>              |                                      |   |  |       |
| ESG Companies Management - Sole Proprietorship LLC                                       | United Arab Emirates                 | Management services of the companies and private institutions, commercial enterprises investment, institution and management.   | 100%   | 100%  |
| ESG Capital Holding LLC  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | 100%  |
| <b>Below are the subsidiaries of ESG Companies Management - Sole Proprietorship LLC:</b> |                                      |   |  |       |
| Abu Dhabi Land General Contracting LLC   | United Arab Emirates                 | Technical, building construction & maintenance contracting, general contracting and associated business.  | 100%   | 100%  |
| Royal Architect Project Management LLC   | United Arab Emirates                 | Architectural engineering consultancy, construction and projects management consultancy.  | 100%   | 100%  |
| Gulf Dunes Landscaping and Agricultural Services Company LLC                             | United Arab Emirates                 | Landscaping design and execution. Landscaping, gardening designing and execution, irrigation works, main roads, streets and related works contracting.  | 100%   | 100%  |
| Royal Development Company LLC  | United Arab Emirates                 | Real estate development construction, real estate enterprise investment, development, institution and management, lease management, marketing, economic feasibility, and real estate consultancy. | 100%   | 100%  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of ESG Companies Management – Sole Proprietorship LLC: continued</u></b> |                                      |   |  |      |
| ESG Agro LLC  | United Arab Emirates                 | Agricultural enterprises investment, institution and management.  | 100%   | 100% |
| Tri Star Investment LLC (iii)   | United Arab Emirates                 | Commercial brokers, commercial enterprises investment, institution, and management real estate investment, development, institution and management.                                       | 100%   | -    |
| <b><u>Below are the subsidiaries of ESG Capital Holding LLC:</u></b>                                      |                                      |   |  |      |
| Vision Furniture & Decoration Factory LLC   | United Arab Emirates                 | House & office furniture manufacturing, fireproof wooden doors manufacturing, Onshore & offshore oil & gas fields and facilities.   | 60%  | 60%  |
| Century Village Real Estate Investment LLC (iv)   | United Arab Emirates                 | Real estate lease and management services, development construction, facilities management services.  | 100%   | 100% |
| Century Real Estate Investment LLC (v)  | United Arab Emirates                 | Real estate management.   | 100%   | 100% |
| ESG Hospitality Sole Proprietorship LLC (formerly "Gulf Dunes Real Estate Investments LLC")               | United Arab Emirates                 | Real estate purchase, sale, lease and management, real estate enterprises investment, development, institution and management, land purchase and sale and facilities management services. | 100%   | 100% |
| Afkar Financial & Property Investments LLC  | United Arab Emirates                 | Commercial enterprise investment, institution and management, companies' representation, and real estate enterprise investment and development.   | 60%  | 60%  |
| ESG Commercial International Investments - Sole Proprietorship LLC (i)                                    | United Arab Emirates                 | Commercial enterprises investment, institution and management, tourist enterprises investment, institution and management.  | 100%   | -    |
| Century Human Resources and Logistics LLC OPC (i)   | United Arab Emirates                 | Human resources and logistics consultancy.  | 100%   | -    |
| Progressive Real Estate Development LLC (ii)  | United Arab Emirates                 | Real estate enterprise investment, development, institution and management.   | 80%  | -    |
| <b><u>Below is the subsidiary of Royal Development Company LLC:</u></b>                                   |                                      |   |  |      |
| Royal Development Company d.o.o Beograd – Vracar  | Republic of Serbia                   | Hotel accommodation.  | 100%   | 100% |
| <b><u>Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:</u></b>                      |                                      |   |  |      |
| Royal Dunes Real Estate Development LLC (i)   | United Arab Emirates                 | Real estate development.  | 51%  | -    |
| Royal Luxury Hotel wManagement LLC (i)  | United Arab Emirates                 | Hotel management.   | 51%  | -    |
| <b><u>Below is the subsidiary of Century Human Resources and Logistics LLC OPC:</u></b>                   |                                      |   |  |      |
| United International Group for Manpower Services LLC (ii)   | United Arab Emirates                 | Manpower services.  | 51%  | -    |
| <b><u>Below are the subsidiaries of United International Group for Manpower Services LLC:</u></b>         |                                      |   |  |      |
| Howdra Employment Services LLC  | United Arab Emirates                 | On demand labors supply temporary employment.   | 100%   | -    |
| Career Line for Employment – Sole Proprietorship LLC  | United Arab Emirates                 | Upon request employees provision services.  | 100%   | -    |
| Alpha Hub Domestic Workers Services Center LLC  | United Arab Emirates                 | Domestic workers mediation temporary employment and services.   | 100%   | -    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of Afkar Financial &amp; Property Investments LLC:</u></b> |                                      |   |  |      |
| 2XL Home LLC  | United Arab Emirates                 | Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.                               | 100%   | 100% |
| 2XL Furnishings LLC   | United Arab Emirates                 | Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.                               | 100%   | 100% |
| OC Home Furniture LLC   | United Arab Emirates                 | Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.                               | 100%   | 100% |
| <b><u>Below are the subsidiaries of Ghitha Holding PJSC:</u></b>                            |                                      |   |  |      |
| Ghitha Enterprises Holding RSC (i)  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| Tamween Group LLC   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | 100% |
| Tamween Companies Management LLC  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | 100% |
| <b><u>Below is the subsidiary of Ghitha Enterprises Holding RSC:</u></b>                    |                                      |   |  |      |
| Ghitha Companies Management LLC (i)   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Ghitha Companies Management LLC:</u></b>                |                                      |   |  |      |
| Ghitha Investment Holding LLC (i)   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| Ghitha Trading Holding LLC (i)  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| Ghitha Manufacturing Holding LLC (i)  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| Ghitha Agriculture Holding LLC (i)  | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Ghitha Investment Holding LLC:</u></b>                  |                                      |   |  |      |
| Green Park Investment Sole Proprietorship LLC   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | 100% |
| Ghitha Culinary RSC LTD (i)   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Ghitha Trading Holding LLC:</u></b>                     |                                      |   |  |      |
| Zee Stores International LLC  | United Arab Emirates                 | Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services. | 100%   | 100% |
| Mega Logistics Park Warehouses Management – Sole Proprietorship LLC                         | United Arab Emirates                 | Warehouses management and operations.   | 100%   | 100% |
| <b><u>Below are the subsidiaries of Zee Stores International LLC:</u></b>                   |                                      |   |  |      |
| Royal Horizon Holding LLC   | United Arab Emirates                 | Holding company.  | 60%  | 60%  |
| Delice Supermarket LLC (i)  | United Arab Emirates                 | Supermarket.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Royal Horizon Holding LLC:</u></b>                      |                                      |   |  |      |
| Overseas Foodstuff Trading – Sole Proprietorship LLC  | United Arab Emirates                 | Importing and wholesale of canned and preserved foodstuff trading.  | 100%   | 100% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|--|--|------|
|  |                                      |  | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Royal Horizon Holding LLC: continued</i></b>             |                                      |  |  |      |
| Royal Horizon General Trading - Sole Proprietorship LLC                                      | United Arab Emirates                 | General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff. | 100%   | 100% |
| Royal Horizon Faza'a Stores LLC  | United Arab Emirates                 | Retail and wholesale consumer stores.  | 100%   | 100% |
| <b><i>Below are the subsidiaries of Ghitha Manufacturing Holding LLC:</i></b>                |                                      |  |  |      |
| Al Ajban Poultry LLC   | United Arab Emirates                 | Rearing, hatching, feed processing and sale of poultry products.   | 100%   | 100% |
| Abu Dhabi Vegetable Oil Company LLC  | United Arab Emirates                 | Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.                | 70%  | 70%  |
| Al Jaraf Fisheries LLC   | United Arab Emirates                 | Wholesale of fresh fish and marine animal trading.   | 100%   | 100% |
| WAS Commercial Investment- Sole Proprietorship LLC (ii)                                      | United Arab Emirates                 | Holding company.   | 100%   | -    |
| Al Ajban Fodders Factory LLC (i)   | United Arab Emirates                 | Import, export and production of farm animals' feeds, its concentrates and supplements manufacturing.  | 100%   | -    |
| <b><i>Below is the subsidiary of Abu Dhabi Vegetable Oil Company LLC:</i></b>                |                                      |  |  |      |
| Cebag Middle East LLC  | United Arab Emirates                 | Food and beverages trading.  | 98%  | 98%  |
| <b><i>Below are the subsidiaries of Al Jaraf Fisheries LLC:</i></b>                          |                                      |  |  |      |
| Pristine Caviar - Sole Proprietorship LLC  | United Arab Emirates                 | Wholesale of fresh fish and marine animals trading.  | 100%   | 100% |
| Emirates Fish Farms - Sole Proprietorship LLC  | United Arab Emirates                 | Wholesale of fresh fish and marine animals trading.  | 100%   | 100% |
| Pristine Fish Farm - Sole Proprietorship LLC   | United Arab Emirates                 | Land based aquaculture.  | 100%   | 100% |
| Pristine Seafood Production LLC  | United Arab Emirates                 | Fish and seafood processing and preserving.  | 100%   | 100% |
| <b><i>Below is the subsidiary of WAS Commercial Investment- Sole Proprietorship LLC:</i></b> |                                      |  |  |      |
| Al Ain Farms for Livestock Production  | United Arab Emirates                 | Dairy and livestock.   | 51%  | -    |
| <b><i>Below is the subsidiary of Ghitha Agriculture Holding LLC:</i></b>                     |                                      |  |  |      |
| AGRINV SPV RSC   | United Arab Emirates                 | Investment company.  | 100%   | 100% |
| <b><i>Below is the subsidiary of AGRINVSPV RSC:</i></b>                                      |                                      |  |  |      |
| Al-Hashemiya for Land Reclamation and Cultivation S.A.E.                                     | Arab Republic of Egypt               | Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.                          | 100%   | 100% |
| <b><i>Below are the subsidiaries of Tamween Group LLC:</i></b>                               |                                      |  |  |      |
| Alliance Foods Co. LLC   | United Arab Emirates                 | Trading, processing and packing of seafood products.   | 100%   | 100% |
| NRTC Food Holding LLC  | United Arab Emirates                 | Holding company.   | 41%  | 41%  |
| NRTC International Investment - Sole Proprietorship LLC (vi)                                 | United Arab Emirates                 | Holding company.   | 60%  | -    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |        |
|---|--------------------------------------|---|--|--------|
|   |                                      |   | 2023   | 2022   |
| <b><i>Below are the subsidiaries of NRTC Food Holding LLC:</i></b>                                |                                      |   |  |        |
| NRTC Dubai International Vegetables & Fruits Trading LLC  | United Arab Emirates                 | Fruits & vegetables, food & frozen trading.   | 100%   | 100%   |
| Nassar Al Refaee Vegetables & Fruits Trading LLC  | United Arab Emirates                 | Fruits & vegetables trading, food and beverage trading, frozen poultry trading.   | 100%   | 100%   |
| Nassar Al Refaee Potatoes Trading LLC   | United Arab Emirates                 | Potatoes trading.   | 100%   | 100%   |
| Food Care LLC   | United Arab Emirates                 | Fruits & vegetables trading, food and beverage trading.   | 100%   | 100%   |
| Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC                        | United Arab Emirates                 | Fruits & vegetables canning and packaging.  | 100%   | 100%   |
| Al Rifai Sons Vegetables & Fruits Trading LLC   | United Arab Emirates                 | Fruits & vegetables trading, food and beverage trading.   | 100%   | 100%   |
| Wholes Sale Market Fruits & Vegetables Trading LLC  | United Arab Emirates                 | Retail sale of fruits and vegetables, frozen foodstuff, fresh fish and meat, canned and preserved foodstuff.                    | 100%   | 100%   |
| NRTC International Fruits & Vegetables Trading LLC  | United Arab Emirates                 | Retail sale of fruits and vegetables, frozen food, canned fresh meat.   | 100%   | 100%   |
| NRTC Investment SP LLC  | United Arab Emirates                 | Commercial agricultural enterprises investment, institution and management.   | 100%   | 100%   |
| Mirak Royal Nature Fruit and Vegetables LLC   | United Arab Emirates                 | Trading of baby food items, food and beverage, vegetable, and fruits.   | 100%   | 100%   |
| <b><i>Below is the subsidiary of NRTC International Investment - Sole Proprietorship LLC:</i></b> |                                      |   |  |        |
| NRTC Limited Company  | Kingdom of Saudi Arabia              | Agriculture, forestry and fishing for wholesale and retail trade of fresh produce and repair of motor vehicles and motorcycles. | 100%   | -      |
| <b><i>Below is the subsidiary of Tamween Companies Management LLC:</i></b>                        |                                      |   |  |        |
| Apex Investment PSC   | United Arab Emirates                 | Holding company.  | 51.50%   | 51.50% |
| <b><i>Below are the subsidiaries of Apex Investment PSC:</i></b>                                  |                                      |   |  |        |
| Apex Holding LLC  | United Arab Emirates                 | Investment company.   | 100%   | 100%   |
| Ras Al Khaimah Cement Co. LLC   | United Arab Emirates                 | Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.   | 100%   | 100%   |
| <b><i>Below are the subsidiaries of Apex Holding LLC:</i></b>                                     |                                      |   |  |        |
| Apex Alwataniah Catering Service LLC  | United Arab Emirates                 | Food catering.  | 100%   | 100%   |
| Boudoir Interiors - Sole Proprietorship LLC   | United Arab Emirates                 | Interior design implementation works.   | 100%   | 100%   |
| The Central Tents Company - Sole Proprietorship LLC   | United Arab Emirates                 | Sale and rental of tents.   | 100%   | 100%   |
| Apex National Investment LLC  | United Arab Emirates                 | Commercial enterprises investments, institutions and management.  | 100%   | 100%   |
| R R Facility Management - Sole Proprietorship LLC   | United Arab Emirates                 | Facility management services.   | 100%   | 100%   |
| Support Services and Catering - Sole Proprietorship LLC   | United Arab Emirates                 | Building cleaning services.   | 100%   | 100%   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |        |
|---|--------------------------------------|---|--|--------|
|   |                                      |   | 2023   | 2022   |
| <b><u>Below are the subsidiaries of Apex Holding LLC: continued</u></b>           |                                      |   |  |        |
| Apex Companies Management LLC   | United Arab Emirates                 | Management services of companies and private institutions.  | 40%  | 40%    |
| Apex Alwataniah Logistics - Sole Proprietorship LLC                               | United Arab Emirates                 | Land marine, air shipment and clearance services.   | 100%   | 100%   |
| Apex Construction and Development - Sole Proprietorship LLC                       | United Arab Emirates                 | Real estate development construction.   | 100%   | 100%   |
| Apex UL Investment LLC  | United Arab Emirates                 | Commercial enterprises investment.  | 51%  | 51%    |
| Apex Academy LLC OPC (formerly "Apex Agro Investments - Sole Proprietorship LLC") | United Arab Emirates                 | Agricultural crop trading and investments.  | 100%   | 100%   |
| Apex Commercial Investments - Sole Proprietorship LLC (i)                         | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | -      |
| Apex AGRO Investments Morocco (i)   | United Arab Emirates                 | Agricultural crop trading and investments.  | 100%   | -      |
| <b><u>Below are the subsidiaries of Multiply Group PJSC:</u></b>                  |                                      |   |  |        |
| Multiply Companies Management - Sole Proprietorship LLC                           | United Arab Emirates                 | Management services of companies and institutions.  | 100%   | 100%   |
| MG Communications Holding LLC   | United Arab Emirates                 | Establishing, investing and managing technology projects.   | 100%   | 100%   |
| MG Wellness Holding LLC   | United Arab Emirates                 | Investment, institute and management of health services enterprises.  | 100%   | 100%   |
| MG Digital Holding LLC  | United Arab Emirates                 | Establishing, investing and managing technology projects.   | 100%   | 100%   |
| MG Utilities Holding LLC  | United Arab Emirates                 | Establishing, investing and managing infrastructure projects.   | 100%   | 100%   |
| MG Ventures Holding LLC   | United Arab Emirates                 | Establishing, investing and managing commercial projects.   | 100%   | 100%   |
| MG Entertainment Holding LLC  | United Arab Emirates                 | Entertainment enterprise investment, institution and management.  | 100%   | 100%   |
| Multiply Group International Holding Limited (i)                                  | United Arab Emirates                 | Investments holding company.  | 100%   | -      |
| <b><u>Below are the subsidiaries of MG Ventures Holding LLC:</u></b>              |                                      |   |  |        |
| Spranza Commercial Investment - Sole Proprietorship LLC                           | United Arab Emirates                 | Establishing, investing and managing commercial projects.   | 100%   | 100%   |
| Norm Commercial Investment - Sole Proprietorship LLC                              | United Arab Emirates                 | Investments holding.  | 100%   | 100%   |
| Emirates Driving Company PJSC   | United Arab Emirates                 | Drivers training and road safety education.   | 48.01%   | 48.01% |
| <b><u>Below is the subsidiary of MG Digital Holding LLC:</u></b>                  |                                      |   |  |        |
| PAL Cooling Holding LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects. | 100%   | 100%   |
| <b><u>Below are the subsidiaries of MG Communications Holding LLC:</u></b>        |                                      |   |  |        |
| Viola Communications LLC  | United Arab Emirates                 | Communication, marketing, media and events.   | 100%   | 100%   |
| 24 7 Media Holding Ltd. (ii)  | United Arab Emirates                 | Investment holding company.   | 60%  | -      |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <b><u>Below are the subsidiaries of MG Wellness Holding LLC:</u></b>  |                                      |  |  |      |
| LVL Technology Holding (formerly "Switch Technology Holding") (ii)  | Cayman Islands                       | Operation of a wellbeing streaming service and marketplace via an online platform and in physical studios.   | 49.38%   | -    |
| Omorfia Group LLC   | United Arab Emirates                 | Women and men personal care and other grooming related services, including procuring beauty products and equipment.  | 51%  | 51%  |
| <b><u>Below are the subsidiaries of 24 7 Media Holding Ltd.:</u></b>  |                                      |  |  |      |
| 24-7 Media LLC  | United Arab Emirates                 | Advertising billboards contracting.  | 100%   | -    |
| Media 20-4 Seven DMCC   | United Arab Emirates                 | Public relation management, media studies, consultancies advertising, consultancies services and events management.  | 100%   | -    |
| <b><u>Below is the subsidiary of LVL Technology Holding:</u></b>  |                                      |  |  |      |
| Healthier U Wellness Services LLC   | United Arab Emirates                 | Health enterprise investment, institution and management.  | 100%   | 100% |
| <b><u>Below is the subsidiary of Emirates Driving Company PJSC:</u></b>   |                                      |  |  |      |
| Tabieah Property Investment - Sole Proprietorship LLC   | United Arab Emirates                 | Manage investment properties.  | 100%   | 100% |
| <b><u>Below are the subsidiaries of Omorfia Group LLC:</u></b>  |                                      |  |  |      |
| Bedashing Holding Company LLC   | United Arab Emirates                 | Wholesale cosmetic and make-up trading women personal care and other grooming related services.  | 100%   | 100% |
| Tips & Toes Beauty and Spa Centre LLC   | United Arab Emirates                 | Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.  | 100%   | 100% |
| Jazz Lounge Spa LLC   | United Arab Emirates                 | Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.                                     | 100%   | 100% |
| Ben Suhail Distribution LLC   | United Arab Emirates                 | Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, soap and hair care products trading and beauty and personal care requisites trading. | 100%   | 100% |
| Omorfia Institute of Beauty and Wellness Women Beauty Saloon Works Training - Sole Proprietorship LLC (formerly "Nippers & Scissors training Centre - Sole Proprietorship LLC") | United Arab Emirates                 | Wholesale cosmetics and make-up trading, women personal care and other grooming related services.  | 100%   | 100% |
| Fisio Therapy and Rehabilitation Centre LLC (ii)  | United Arab Emirates                 | Physical medicine and rehabilitation centre and physiotherapy centre.  | 100%   | -    |
| Juice Lounge SPA and Beauty Center LLC (ii)   | United Arab Emirates                 | Ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Bedashing Holding Company LLC:</u></b>  |                                      |  |  |      |
| Bedashing Beauty Lounge - Sole proprietorship LLC   | United Arab Emirates                 | Wholesale cosmetics and make-up trading, women personal care and other grooming related services.  | 100%   | 100% |
| Bedashing Beauty Lounge International Limited   | United Arab Emirates                 | Wholesale cosmetics and make-up trading, women personal care and other grooming related services.  | 100%   | 100% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|---|--|------|
|  |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of Viola Communications LLC:</u></b>          |                                      |   |  |      |
| Purple Printing LLC  | United Arab Emirates                 | Commercial publication printing.  | 100%   | 100% |
| Purple Exhibition LLC  | United Arab Emirates                 | Commercial publication printing.  | 100%   | 100% |
| <b><u>Below are the subsidiaries of PAL Cooling Holding LLC:</u></b>           |                                      |   |  |      |
| PAL Cooling Services LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL First Cooling LLC  | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL Danat Cooling LLC  | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL Saraya Cooling LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL Shams Cooling LLC  | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL Najmat Cooling LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL 4 Reem Cooling LLC   | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| PAL 4 Shams Cooling LLC  | United Arab Emirates                 | Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.         | 100%   | 100% |
| <b><u>Below is the subsidiary of MG Utilities Holding LLC:</u></b>             |                                      |   |  |      |
| PAL 4 Solar Energy LLC (vii)   | United Arab Emirates                 | Installation and maintenance of alternative energy equipment.   | 100%   | 100% |
| <b><u>Below is the subsidiary of PAL 4 Solar Energy LLC:</u></b>               |                                      |   |  |      |
| International Energy Holding LLC   | United Arab Emirates                 | Commercial enterprises, investment, institution and management, power enterprise investment and industrial enterprise investment. | 100%   | 100% |
| <b><u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:</u></b> |                                      |   |  |      |
| Uplift Delivery Services LLC   | United Arab Emirates                 | Delivery services.  | 67%  | 67%  |
| Yallow Technologies LLC  | United Arab Emirates                 | Computer systems & communication equipment software trading.  | 80%  | 80%  |
| 1885 Delivery Services LLC   | United Arab Emirates                 | Delivery services.  | 70%  | 70%  |
| The Captain Boats and Ships Trading LLC  | United Arab Emirates                 | Marine sports club and wholesale trading of ships and boats.  | 55%  | 55%  |
| Easy Lease Vehicles Rental LLC   | United Arab Emirates                 | Rental of vehicles and repairs and maintenance services.  | 100%   | 100% |
| Easy Lease Limousine Luxury Motor Vehicles Services LLC                        | United Arab Emirates                 | Rental of limousine and luxury vehicles.  | 100%   | 100% |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC: continued</u></b>        |                                      |   |  |      |
| Easy Lease Transport Services One Person Company LLC  | Kingdom of Saudi Arabia              | Mobility services.  | 100%   | 100% |
| Easy Lease Motorcycle Rental WLL  | Kingdom of Bahrain                   | Motorcycle rental and trading of motorcycle and accessories including motor peds.   | 100%   | 100% |
| Qube Car Park Management LLC  | United Arab Emirates                 | Car park rental and management of valet parking services.   | 70%  | 70%  |
| Fully Charged Electrical Fitting Contracting LLC (ii)   | United Arab Emirates                 | Electricity transmission and control equipment, solar energy systems installation, electrical fitting contracting.  | 60%  | -    |
| Ripe Exhibition Organizer Co. LLC (ii)  | United Arab Emirates                 | Organisation of events.   | 60%  | -    |
| Lynx Technology Group Ltd. (ii)   | British Virgin Island                | IT services.  | 49%  | -    |
| <b><u>Below is the subsidiary of Easy Lease Vehicles Rental LLC:</u></b>                        |                                      |   |  |      |
| Sheel Vehicle Transport Towing LLC  | United Arab Emirates                 | Recovery services.  | 100%   | 100% |
| <b><u>Below is the subsidiary of 1885 Delivery Services LLC:</u></b>                            |                                      |   |  |      |
| Infinity Logistics Transport LLC (i)  | United Arab Emirates                 | Logistics services.   | 60%  | -    |
| <b><u>Below is the subsidiary of Uplift Delivery Services LLC:</u></b>                          |                                      |   |  |      |
| Uplift Transport Services LLC (i)   | Kingdom of Saudi Arabia              | Delivery services.  | 100%   | -    |
| <b><u>Below are the subsidiaries of The Captain Boats and Ships Trading LLC:</u></b>            |                                      |   |  |      |
| Nautica Marine Services Navy - Sole Proprietorship LLC  | United Arab Emirates                 | Boats repairing and services to onshore and offshore oil and gas facilities.  | 100%   | 100% |
| Delta Marine Equipment LLC  | United Arab Emirates                 | Boats repairing and retail sale of marine equipment and machinery.  | 70%  | 70%  |
| <b><u>Below is the subsidiary of Qube Car Park Management LLC:</u></b>                          |                                      |   |  |      |
| Al Khaleej Cars Parking Management Sole Proprietorship  | United Arab Emirates                 | Car park rental and management valet parking services.  | 100%   | 100% |
| <b><u>Below are the subsidiaries of Palm Sports PJSC:</u></b>                                   |                                      |   |  |      |
| Direct Trading LLC  | United Arab Emirates                 | Distribution company.   | 60%  | 60%  |
| Palms Sports Events LLC   | United Arab Emirates                 | Organisation and event management.  | 100%   | 100% |
| Securiguard Middle East LLC (ii)  | United Arab Emirates                 | Provision of security guards and cleaning services.   | 100%   | -    |
| Secure Recruitment Services LLC OPC (ii)  | United Arab Emirates                 | Provision of recruitment services.  | 100%   | -    |
| Secure Facilities General Maintenance LLC OPC (i)   | United Arab Emirates                 | Building maintenance and cleaning services.   | 100%   | -    |
| <b><u>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:</u></b> |                                      |   |  |      |
| Al Seer Marine Boats Building - Sole Proprietorship LLC   | United Arab Emirates                 | Onshore and offshore oil and gas fields and facilities services and building of motorboats.   | 100%   | 100% |
| Al Seer Marine Services Company LLC   | United Arab Emirates                 | Sea shipping lines agents, customs clearance services, ships management and operation, onshore and offshore oil and gas fields and facilities services, yacht management and running.   | 100%   | 100% |
| Al Seer Marine Training Institute LLC   | United Arab Emirates                 | Security and safety training, computer software training, technical training on electrical and electronic devices, training and rehabilitation of marine cadres, onshore and offshore oil and gas fields and facilities services. | 100%   | 100% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC: continued</i></b> |                                      |  |  |      |
| Project Ceres One Limited   | Cayman Islands                       | Commercial vessel management.  | 100%   | 100% |
| ASM Chartering  | Cayman Islands                       | Commercial vessel management, cargo management and freight services.   | 100%   | 100% |
| Alcor Marine Limited  | Cayman Islands                       | Commercial vessel management.  | 100%   | 100% |
| Alkaid Limited  | Cayman Islands                       | Commercial vessel management.  | 100%   | 100% |
| Castor Marine Limited   | Cayman Islands                       | Commercial vessel management.  | 100%   | 100% |
| Pollux Marine Limited   | Cayman Islands                       | Commercial vessel management.  | 100%   | 100% |
| Acrux Marine Limited  | Cayman Islands                       | Commercial vessel management   | 100%   | 100% |
| Meissa Shipping Ltd   | Cayman Islands                       | Commercial vessel management   | 100%   | 100% |
| Oriental Shipping Limited (i)   | Cayman Islands                       | Commercial vessel management.  | 100%   | -    |
| Bellatrix Maritime Limited (i)  | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| Betelgeuse Maritime Limited (i)   | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| Mintaka Maritime Limited (i)  | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| Rigel Maritime Limited (i)  | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| Saiph Maritime Limited (i)  | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| Tabit Maritime Limited (i)  | Cayman Islands                       | Commercial vessel management   | 100%   | -    |
| <b><i>Below is the subsidiary of Theta Bidco LLC:</i></b>   |                                      |  |  |      |
| Arena Events Group Limited  | United Kingdom                       | Integrated event solutions, designing and delivering temporary environments for a variety of sporting, commercial and cultural events. | 100%   | 100% |
| <b><i>Below are the subsidiaries of Arena Events Group Limited: continued</i></b>                         |                                      |  |  |      |
| AES Americas Ltd  | United Kingdom                       | Holding company.   | 100%   | 100% |
| AES EMEA Ltd  | United Kingdom                       | Holding company.   | 100%   | 100% |
| Arena Event Services Group Ltd  | United Kingdom                       | Temporary infrastructure works.  | 100%   | 100% |
| AES MEA Ltd   | United Kingdom                       | Holding company.   | 100%   | 100% |
| TGP Holdings Ltd  | United Arab Emirates                 | Temporary infrastructure works.  | 100%   | 100% |
| AMEA Gulf Ltd   | United Arab Emirates                 | Temporary infrastructure works.  | 100%   | 100% |
| Asia Tents Arena  | Malaysia                             | Temporary infrastructure works.  | 100%   | 100% |
| Arena Hong Kong   | Hong Kong                            | Temporary infrastructure works.  | 100%   | 100% |
| Ironmonger Limited  | Hong Kong                            | Temporary infrastructure works.  | 100%   | 100% |
| Arena KSA   | Kingdom of Saudi Arabia              | Temporary infrastructure works.  | 100%   | 100% |
| AES Inc   | United States of America             | Temporary infrastructure works.  | 100%   | 100% |
| Arena Stuart Rentals Inc  | United States of America             | Temporary infrastructure works.  | 100%   | 100% |
| AAS Holdco LLC  | United States of America             | Holding company.   | 100%   | 100% |
| Arena Aztec Shaffer   | United States of America             | Temporary infrastructure works.  | 100%   | 50%  |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Arena Events Group Limited: continued</i></b> |                                      |  |  |      |
| Arena ME Holdings LLC   | United Arab Emirates                 | Holding company.   | 100%   | 100% |
| <b><i>Below is the subsidiary of Arena Event Services Group Ltd:</i></b>          |                                      |  |  |      |
| P.J. Steel Construction Limited (ii)  | United Kingdom                       | Steel fabrication powder coating.  | 100%   | -    |
| <b><i>Below is the subsidiary of P.J. Steel Construction Limited:</i></b>         |                                      |  |  |      |
| Stadium Solutions (UK) Limited  | United Kingdom                       | Steel fabrication powder coating.  | 100%   | -    |
| <b><i>Below are the subsidiaries of Arena ME Holdings LLC:</i></b>                |                                      |  |  |      |
| AESG Al Khaimah Contracting LLC   | United Arab Emirates                 | Interior design implementation and décor works   | 100%   | 100% |
| Top Gear Promotions Event Management LLC  | United Arab Emirates                 | Event organising and management.   | 100%   | 100% |
| Top Gear Promotions LLC   | United Arab Emirates                 | Interior decoration and exhibition stand fittings.   | 100%   | 100% |
| Top Gear Promotions Graphics LLC  | United Arab Emirates                 | Promotional and advertising related works.   | 100%   | 100% |
| Top Gear Promotions Décor LLC   | United Arab Emirates                 | Interior design implementation and décor works.  | 100%   | 100% |
| <b><i>Below are the subsidiaries of AES EMEA Ltd:</i></b>                         |                                      |  |  |      |
| AESG Thailand Limited (i)   | Thailand                             | Temporary infrastructure works.  | 100%   | -    |
| AES France (i)  | France                               | Temporary infrastructure works.  | 100%   | -    |
| <b><i>Below is the subsidiary of Shory Technology LLC:</i></b>                    |                                      |  |  |      |
| Shory Insurance Brokers - SP LLC  | United Arab Emirates                 | Insurance brokerage.   | 100%   | 100% |
| <b><i>Below is the subsidiary of Serenity Aviation Holding LLC:</i></b>           |                                      |  |  |      |
| NAS Airport Services LLC  | United Arab Emirates                 | Organising airport ground operations and managing goods shipping stations in airports.   | 51%  | 51%  |
| <b><i>Below is the subsidiary of Tamouh Healthcare Group LLC:</i></b>             |                                      |  |  |      |
| Sirius International Holding Limited  | United Arab Emirates                 | Research and experimental development on natural sciences and engineering. Manufacture of pharmaceuticals, medicinal chemical and botanical products, medical care services. | 83.69%   | 80%  |
| <b><i>Below are the subsidiaries of Sirius International Holding Limited:</i></b> |                                      |  |  |      |
| Quant Lase Lab LLC  | United Arab Emirates                 | Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.            | 100%   | 100% |
| Cyber Gate Defense LLC  | United Arab Emirates                 | Cyber security related services.   | 55%  | 55%  |
| Rebound Limited   | United Arab Emirates                 | Facilitating global trade of recycled plastic.   | 95%  | 80%  |
| Green Energy Investment Holding RSC Limited                                       | United Arab Emirates                 | Implementation of smart technology solutions.  | 100%   | 100% |
| Green Enterprises Investment Holding RSC Limited                                  | United Arab Emirates                 | Solar manufacturing.   | 100%   | 100% |
| Oxinius Holding Limited (i)   | United Arab Emirates                 | Information technology and computer services and programming activities.   | 80%  | -    |
| Quantum Solutions Limited (i)   | United Arab Emirates                 | Applications development in addition to computer programming activities.   | 82.5%  | -    |
| SSI Holding Limited (i)   | United Arab Emirates                 | Holding company.   | 100%   | -    |
| APEIRO Limited (i)  | United Arab Emirates                 | Digitalisation of healthcare related platform.   | 100%   | -    |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of Sirius International Holding Limited: continued</u></b> |                                      |   |  |      |
| Green Vitality RSC LTD (i)  | United Arab Emirates                 | Holding ownership of equity and non-equity assets, real estate property and intellectual property.  | 100%   | -    |
| Finstreet Limited (ii)  | United Arab Emirates                 | Financial services.   | 95%  | -    |
| Smart Sustainability Solutions Limited (i)  | United Arab Emirates                 | Technology and financial treasury activities.   | 100%   | -    |
| <b><u>Below is the subsidiary of Oxinus Holding Limited:</u></b>                            |                                      |   |  |      |
| Spotlightpos Limited (ii)   | Cyprus                               | Information technology related services.  | 100%   | -    |
| <b><u>Below are the subsidiaries of Quantlase Lab LLC:</u></b>                              |                                      |   |  |      |
| Quantlase International Holding SPV RSC Limited   | United Arab Emirates                 | Special purpose vehicle - holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets. | 100%   | 100% |
| Sanimed International Lab and Management LLC  | United Arab Emirates                 | Pharmaceutical studies and research, development and innovation in chemical solutions, geological and geophysical consultancy, studies and research.  | 80%  | 80%  |
| CMC Holding LLC   | United Arab Emirates                 | Health services enterprises investment, institution and management.   | 60%  | 60%  |
| Atlas Medical LLC   | United Arab Emirates                 | Sale, installation, repair and maintenance of scientific, practical and medical equipment.  | 60%  | 60%  |
| Cellpro International Manufacturing - Sole Proprietorship LLC (i)                           | United Arab Emirates                 | Manufacturing of medical consumables.   | 100%   | -    |
| Esyasoft Holding Ltd  | United Arab Emirates                 | Smart utilities and energy efficiency solutions.  | 74%  | 51%  |
| <b><u>Below are the subsidiaries of Esyasoft Holding Ltd:</u></b>                           |                                      |   |  |      |
| Esyasoft UK Limited (i)   | United Kingdom                       | Professional consultancy services.  | 90%  | -    |
| Esyasoft CIS LLC (i)  | Republic of Azerbaijan               | Product and solution using SaaS based technology.   | 90%  | -    |
| Esyasoft Technologies FZE (i)   | United Arab Emirates                 | Professional consultancy services.  | 100%   | -    |
| Esyasoft Technologies Private Limited (i)   | Republic of India                    | Professional consultancy services.  | 100%   | -    |
| Adani Esyasoft Smart Solutions Limited (i)  | United Arab Emirates                 | Electrical power generation, transmission and distribution, telecommunication activities, and computer consultancy activities.  | 100%   | -    |
| <b><u>Below are the subsidiaries of CMC Holding LLC:</u></b>                                |                                      |   |  |      |
| CMC Healthcare Sole Proprietorship LLC  | United Arab Emirates                 | Home health services, management of medical facilities, ambulance services, health consultancy and planning   | 100%   | 100% |
| Canadian Medical Center - Sole Proprietorship LLC   | United Arab Emirates                 | Home health services, medical complex.  | 100%   | 100% |
| CMC First Aid Clinic - Sole Proprietorship LLC  | United Arab Emirates                 | Ambulance services.   | 100%   | 100% |
| Canadian Medical First Aid Clinic Sole Proprietorship LLC                                   | United Arab Emirates                 | Ambulance services.   | 100%   | 100% |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|---|--|------|
|  |                                      |   | 2023   | 2022 |
| <b><u>Below are the subsidiaries of CMC Holding LLC: continued</u></b>                       |                                      |   |  |      |
| Canadian Medical Center and Plastic Surgery LLC  | United Arab Emirates                 | Medical spa center.   | 100%   | 100% |
| Canadian Pharmacy LLC  | United Arab Emirates                 | Pharmacy.   | 100%   | 100% |
| Canadian Medical and Rehabilitation Center   | United Arab Emirates                 | Home health services and medical complex.   | 68%  | 68%  |
| Canadian Medical Center for Surgery and Cosmetic   | United Arab Emirates                 | Performance of day surgery operations.  | 100%   | 100% |
| Al Riyadh Medical Center LLC (ii)  | United Arab Emirates                 | Medical complex.  | 75%  | -    |
| Sky Light Corporate Management LLC (ii)  | United Arab Emirates                 | Specialised dental clinic, manufacturing of customised dental products and trading of imported dental products. | 70%  | -    |
| <b><u>Below are the subsidiaries of Sky Light Corporate Management LLC:</u></b>              |                                      |   |  |      |
| Sky Dental Center - Sole Proprietorship LLC  | United Arab Emirates                 | Specialised dental clinic.  | 100%   | -    |
| Al Najah Technology Dental Laboratory- Sole Proprietorship LLC                               | United Arab Emirates                 | Manufacturing of customised dental products.  | 100%   | -    |
| Zircon Medical Equipment LLC   | United Arab Emirates                 | Trading of imported dental products.  | 100%   | -    |
| Dentech Dental Lab - Sole Proprietorship LLC   | United Arab Emirates                 | Manufacturing of customised dental products.  | 100%   | -    |
| <b><u>Below is the subsidiary of Quantum Solutions Limited:</u></b>                          |                                      |   |  |      |
| Guardtime SA (ii)  | Switzerland                          | Development of blockchain protocols and applications.   | 100%   | -    |
| <b><u>Below is the subsidiary of Spotlightpos Limited:</u></b>                               |                                      |   |  |      |
| Spotlightpos Hellas Single Member PC Software Services                                       | Greece                               | Information technology related services.  | 100%   | -    |
| <b><u>Below is the subsidiary of International Tech Group - Sole Proprietorship LLC:</u></b> |                                      |   |  |      |
| Emircom LLC  | United Arab Emirates                 | Information and communication technology services.  | 54%  | 54%  |
| <b><u>Below are the subsidiaries of Emircom LLC:</u></b>                                     |                                      |   |  |      |
| Telelogix IT Services LLC  | United Arab Emirates                 | Information and communication technology services including installation and maintenance.                       | 100%   | 100% |
| Saudi Emircom Company  | Kingdom of Saudi Arabia              | Supply, installation and maintenance of telecommunication systems.  | 95%  | 100% |
| Emircom Egypt  | Republic of Egypt                    | Information and communication technology services.  | 100%   | 100% |
| DCV Industries - Sole Proprietorship LLC   | United Arab Emirates                 | Electric power distribution control panels manufacturing.   | 100%   | 100% |
| <b><u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u></b>                        |                                      |   |  |      |
| Alpha Dhabi Industries Holding LLC   | United Arab Emirates                 | Industrial and commercial enterprises investment, institution and management.                                   | 100%   | 100% |
| Trojan Construction Group - Sole Proprietorship LLC  | United Arab Emirates                 | Real estate and construction services.  | 100%   | 100% |
| National Marine Dredging Company PJSC  | United Arab Emirates                 | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.    | 68%  | 68%  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |        |
|---|--------------------------------------|--|--|--------|
|   |                                      |  | 2023   | 2022   |
| <i>Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued</i>                  |                                      |  |  |        |
| Sogno Commercial Investment - Sole Proprietorship LLC                                     | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Sogno Two - Sole Proprietorship LLC   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Sogno Three - Sole Proprietorship LLC   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Sublime Two - Sole Proprietorship LLC   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Was Two Commercial Investment Sole Proprietorship   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Alpha Dhabi Health Holding LLC  | United Arab Emirates                 | Health services and commercial enterprises investment, institution and management.   | 100%   | 100%   |
| Sublime Commercial Investment - Sole Proprietorship LLC                                   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Alpha Dhabi Partners Holding LLC  | United Arab Emirates                 | Commercial enterprises investment, institution and management.   | 100%   | 100%   |
| Alpha Dhabi Construction Holding LLC  | United Arab Emirates                 | Infrastructure and commercial enterprises investment, institution and management.  | 100%   | 100%   |
| Alpha Dhabi Commercial Investment - Sole Proprietorship LLC                               | United Arab Emirates                 | Industrial and commercial enterprises investment, institution and management.  | 100%   | 100%   |
| Pure Health Holding PJSC (formerly "Pure Health Holding LLC") and its subsidiaries (viii) | United Arab Emirates                 | Health care investment.  | -  | 46.12% |
| Alpha Dhabi Hospitality Holding LLC   | United Arab Emirates                 | Entertainment and commercial enterprises investment, institution and management.   | 100%   | 100%   |
| Mawarid Holding Investment LLC  | United Arab Emirates                 | Forestry, tourism, and agriculture.  | 90%  | 90%    |
| W Solar Investment LLC  | United Arab Emirates                 | Clean energy business.   | 75%  | 75%    |
| Murban Energy Limited   | United Arab Emirates                 | Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.                                   | 100%   | 100%   |
| Aldar Properties PJSC   | United Arab Emirates                 | Development, sales, investment, construction, leasing, management and associated services for real estate, operation of hotels, schools, marinas, restaurants, beach clubs and golf courses. | 33.63%   | 33.63% |
| Alpha Dhabi Investment Management LLC   | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Enigma Commercial Investment - Sole Proprietorship LLC                                    | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Alpha Dhabi Energy Holding LLC  | United Arab Emirates                 | Investment holding.  | 100%   | 100%   |
| Emirates Gateway Security Services LLC  | United Arab Emirates                 | Public security guarding services, onshore and offshore oil and gas fields and facilities services.  | 95%  | 95%    |
| Branch of "Trojan General Contracting LLC"  | Chechnya, Russia                     | Hotel.   | 100%   | 100%   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <i>Below are the subsidiaries of Alpha Dhabi Holding PJSC: continued</i>                  |                                      |  |  |      |
| Churcill LLC  | Chechnya, Russia                     | Retail sale of beverages.  | 100%   | 100% |
| C D Properties - Sole Proprietorship LLC  | United Arab Emirates                 | Investment holding.  | 100%   | 100% |
| ADH Investments RSC Ltd (i)   | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| Alpha Dhabi Climate Capital RSC LTD (formerly "ADH Green RSC LTD") (i)                    | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| ADH IFI RSC LTD (i)   | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| ADH Energy RSC LTD (i)  | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| ADH Hospitality RSC LTD (i)   | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| Alpha Dhabi Real Estate Holding LLC (i)   | United Arab Emirates                 | Investment holding.  | 100%   | -    |
| ADMO Lifestyle Holding Limited (ii)   | United Arab Emirates                 | Investment holding.  | 51%  | -    |
| C 2 R Real Estate Investment - Sole Proprietorship LLC (iii)                              | United Arab Emirates                 | Real estate investment, development, institution and management.   | 100%   | -    |
| <i>Below are the subsidiaries of Trojan Construction Group - Sole Proprietorship LLC:</i> |                                      |  |  |      |
| Trojan General Contracting LLC  | United Arab Emirates                 | Building projects contracting.   | 100%   | 100% |
| Royal Advance Electromechanical LLC   | United Arab Emirates                 | Electromechanical services.  | 100%   | 100% |
| Al Maha Modular Industries LLC  | United Arab Emirates                 | Ready-made building manufacturing.   | 100%   | 100% |
| Hi-Tech Concrete Products LLC   | Kingdom of Saudi Arabia              | Construction.  | 100%   | 100% |
| Trojan Developments LLC   | United Arab Emirates                 | Real estate.   | 100%   | 100% |
| National Projects and Construction LLC  | United Arab Emirates                 | Construction.  | 100%   | 100% |
| Reem Emirates Aluminium LLC   | United Arab Emirates                 | Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes. | 100%   | 100% |
| Trojan Property Investments LLC   | United Arab Emirates                 | Real estate enterprises investment, institution and management.  | 100%   | 100% |
| Ersa General Contracting LLC  | United Arab Emirates                 | Building projects contracting.   | 100%   | 100% |
| Hi-Tech Concrete Products LLC   | United Arab Emirates                 | Building and selling of properties and lands and general contracting.  | 100%   | 100% |
| Hi-Tech Emirates for General Contracting  | United Arab Emirates                 | Building projects contracting.   | 100%   | 100% |
| Hi-Tech Line Building Construction LLC  | United Arab Emirates                 | Building projects contracting.   | 100%   | 100% |
| Phoenix Timber Factory LLC  | United Arab Emirates                 | Timber products.   | 100%   | 100% |
| Reem Ready Mix LLC  | United Arab Emirates                 | Building projects contracting.   | 80%  | 80%  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|---|--|------|
|  |                                      |   | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Trojan Construction Group – Sole Proprietorship LLC: continued</i></b> |                                      |   |  |      |
| Trojan Egypt Contracting   | Republic of Egypt                    | Building projects contracting.  | 100%   | 100% |
| Reem Emirates General Contracting LLC- Dubai   | United Arab Emirates                 | Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes.                                | 100%   | 100% |
| 7E – Sole Proprietorship LLC   | United Arab Emirates                 | Building, project management and self-owned property management services, design services and security systems consultancy.   | 100%   | 100% |
| Taj Dhabi Company Limited (i)  | Kingdom of Saudi Arabia              | Building projects contracting.  | 100%   | -    |
| Mais Interior Design LLC (ii)  | United Arab Emirates                 | Interior design related works.  | 60%  | -    |
| Trojan Tunnelling – Sole Proprietorship LLC (i)  | United Arab Emirates                 | Bridge and tunnelling contracting works.  | 100%   | -    |
| Trojan Alshahra General Transport LLC – OPC (i)  | United Arab Emirates                 | Passengers and materials transport, heavy machinery and equipment renting, petroleum materials and wastewater transportation.                                       | 100%   | -    |
| Reem Emirates Egypt for Contracting Co. (i)  | Republic of Egypt                    | Building projects contracting.  | 100%   | -    |
| Trojan General Trading LLC (i)   | United Arab Emirates                 | General trading.  | 100%   | -    |
| Al Mutaqdema Holding LLC (i)   | Kingdom of Saudi Arabia              | Building projects contracting.  | 100%   | -    |
| Trojan International RSC Ltd (i)   | United Arab Emirates                 | Investment holding.   | 100%   | -    |
| <b><i>Below is the subsidiary of W Solar Investment LLC:</i></b>   |                                      |   |  |      |
| W solar Investments Single Member Societe Anonyme  | Greece                               | Power, commercial & industrial enterprises investment.  | 100%   | 100% |
| <b><i>Below are the subsidiaries of Mawarid Holding Investment LLC:</i></b>                                |                                      |   |  |      |
| Mawarid Centre for Research and Scientific Laboratories LLC  | United Arab Emirates                 | Veterinarian hospital and research activities.  | 100%   | 100% |
| Aqua Power Technology LLC  | United Arab Emirates                 | Trading in agricultural machinery, equipment and supplies.  | 100%   | 100% |
| Campaign Facilities Management Services LLC  | United Arab Emirates                 | Facilities management services.   | 100%   | 100% |
| Dicon Investment LLC   | United Arab Emirates                 | Investment in industrial, agricultural and commercial enterprises and management.   | 100%   | 100% |
| Mawarid Al Mutahida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC               | United Arab Emirates                 | Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.  | 100%   | 100% |
| Barari Natural Resources LLC   | United Arab Emirates                 | Forest and park management, parks construction and maintenance and trading in agricultural machinery.   | 100%   | 100% |
| Best Twasol Government Services LLC  | United Arab Emirates                 | Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services. | 100%   | 100% |
| Twasol Business Men Service LLC – Dubai  | United Arab Emirates                 | Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services. | 100%   | 100% |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Mawarid Holding Investment LLC: continued</i></b> |                                      |   |  |      |
| Twasol Business Men Service LLC – Abu Dhabi   | United Arab Emirates                 | Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.                                   | 100%   | 100% |
| Al Forsan Tadbeer Centre LLC – Dubai  | United Arab Emirates                 | Administrative services, businessmen services, transaction's follow-up services, non-specialised facilities management, typing and documents photocopying services.                                   | 100%   | 100% |
| Al Tawasol Al Mutamiz Guidance LLC  | United Arab Emirates                 | Workers and employee's guidance centre.   | 100%   | 100% |
| Al Forsan Tadbeer Centre LLC – Abu Dhabi  | United Arab Emirates                 | Administrative and business services.   | 100%   | 100% |
| Al Tawasol Al Mutamiz Guidance LLC – Abu Dhabi  | United Arab Emirates                 | Workers and employee's guidance centre.   | 100%   | 100% |
| Dicon Business LLC  | United Arab Emirates                 | Administrative services for businessmen.  | 100%   | 100% |
| Dicon of Twafouq Services LLC   | United Arab Emirates                 | Operating Twafouq service centres   | 100%   | 100% |
| Mawarid International Investment LLC  | United Arab Emirates                 | Commercial, agricultural, industrial enterprises investment, institution and management.  | 100%   | 100% |
| Al Ain Fodder Factory LLC   | United Arab Emirates                 | Manufacture farm animal feeds, its concentrates and supplements.  | 100%   | 100% |
| Khattar Restaurant & Café – Sole Proprietorship LLC                                   | United Arab Emirates                 | Restaurant and cafe.  | 100%   | 100% |
| Desert Gate Restaurant - Sole Proprietorship LLC                                      | United Arab Emirates                 | Tourist restaurant.   | 100%   | 100% |
| Desertology Spa - Sole Proprietorship LLC   | United Arab Emirates                 | Relaxation and massage centre.  | 100%   | 100% |
| Desertology - Sole Proprietorship LLC   | United Arab Emirates                 | Women personal care and beauty, health club.  | 100%   | 100% |
| Barari International Limited Company  | Kingdom of Saudi Arabia              | Land preparation and irrigation systems works and maintenance.  | 100%   | 100% |
| Emirates Safety Laboratory LLC  | United Arab Emirates                 | Compliance certification for building construction products.  | 100%   | 100% |
| Mawarid Security Services LLC   | United Arab Emirates                 | General security services and public security guarding services.  | 100%   | 100% |
| Mawarid Hotels and Hospitality LLC  | United Arab Emirates                 | Management of hotels, tourist resorts and hotel apartments.   | 100%   | 100% |
| Mawarid International Development Company LLC   | United Arab Emirates                 | Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises. | 100%   | 100% |
| Mawarid Nurseries LLC   | United Arab Emirates                 | Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.   | 100%   | 100% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Mawarid Holding Investment LLC: continued</i></b>             |                                      |  |  |      |
| Mawarid Services Company LLC  | United Arab Emirates                 | Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment. | 100%   | 100% |
| Telal Resort LLC  | United Arab Emirates                 | Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises.   | 100%   | 100% |
| Mawarid Desert Control LLC (ii)   | United Arab Emirates                 | Land preparation and irrigation systems works and maintenance.   | 100%   | -    |
| Desert Control Liquid Natural Clay LLC (ii)   | United Arab Emirates                 | Land preparation and irrigation systems works and maintenance.   | 100%   | -    |
| <b><i>Below are the subsidiaries of Murban Energy Limited:</i></b>                                |                                      |  |  |      |
| Murban BVI Holding Inc (BVI)  | British Virgin Islands               | Holding company.   | 100%   | 100% |
| Sitax Investment Ltd (BVI)  | British Virgin Islands               | Holding company.   | 100%   | 100% |
| Sitax Holding Ltd (BVI)   | British Virgin Islands               | Holding company.   | 100%   | 100% |
| I & T Management Private Limited  | Republic of Maldives                 | Tourist resort operation.  | 100%   | 100% |
| Hill View (Seychelles) Limited  | Republic of Seychelles               | Hotel resort.  | 100%   | 100% |
| Lindere Villa Limited   | Republic of Seychelles               | Management of presidential villas.   | 100%   | 100% |
| Murban Investment Limited   | British Virgin Islands               | Investment holding.  | 100%   | 100% |
| Etihaad International Hospitality LLC - Sole Proprietorship LLC                                   | United Arab Emirates                 | Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.   | 100%   | 100% |
| <b><i>Below are the subsidiaries of Etihaad International Hospitality LLC:</i></b>                |                                      |  |  |      |
| Int'l Fresh Harvest Fruits and Vegetables Trading - Sole Proprietorship LLC                       | United Arab Emirates                 | Trading of foodstuff.  | 100%   | 100% |
| Abu Dhabi United Hospitality- Sole Proprietorship LLC   | United Arab Emirates                 | Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.  | 100%   | 100% |
| <b><i>Below are the subsidiaries of Abu Dhabi United Hospitality-Sole Proprietorship LLC:</i></b> |                                      |  |  |      |
| Le Noir Cafe - Sole Proprietorship LLC  | United Arab Emirates                 | Foodstuff catering, hospitality services and restaurants.  | 100%   | 100% |
| St. Regis Saadiyat Island Resort Abu Dhabi  | United Arab Emirates                 | Hotels.  | 100%   | 100% |
| Al Wathba A Luxury Collection Desert Resort & Spa - Sole Proprietorship LLC                       | United Arab Emirates                 | Fitness club, relaxation and massage centre.   | 100%   | 100% |
| <b><i>Below are the subsidiaries of C D Properties - Sole Proprietorship LLC:</i></b>             |                                      |  |  |      |
| Sandstorm Motor Vehicles Manufacturing LLC  | United Arab Emirates                 | Motor vehicles manufacturing.  | 65%  | 65%  |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |       |
|---|--------------------------------------|---|--|-------|
|   |                                      |   | 2023   | 2022  |
| <b><i>Below are the subsidiaries of C D Properties - Sole Proprietorship LLC: continued</i></b> |                                      |   |  |       |
| Perfect Alpha Auto Services LLC (i)   | United Arab Emirates                 | Motor vehicles repairing services.  | 65%  | -     |
| <b><i>Below are the subsidiaries of National Marine Dredging Company PJSC:</i></b>              |                                      |   |  |       |
| National Petroleum Construction Company PJSC  | United Arab Emirates                 | Engineering procurement and construction.   | 100%   | 100%  |
| Emarat Europe Fast Building Technology System Factory LLC                                       | United Arab Emirates                 | Manufacturing and supply of precast concrete.   | 100%   | 100%  |
| National Marine Dredging Company (Industrial)   | United Arab Emirates                 | Manufacturing of steel pipes and steel pipe fittings.   | 100%   | 100%  |
| ADEC Engineering Consultancy LLC  | United Arab Emirates                 | Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services. | 100%   | 100%  |
| Abu Dhabi Marine Dredging S.P.C.  | Kingdom of Bahrain                   | Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.              | 100%   | 100%  |
| National Marine and Infrastructure India Private Limited  | Republic of India                    | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.                        | 100%   | 100%  |
| <b><i>Below are the subsidiaries of National Petroleum Construction Company PJSC:</i></b>       |                                      |   |  |       |
| National Petroleum Construction Company (Saudi) Ltd.  | Kingdom of Saudi Arabia              | Engineering procurement and construction.   | 100%   | 100%  |
| NPCC Engineering Limited  | Republic of India                    | Engineering.  | 100%   | 100%  |
| ANEWA Engineering Pvt. Ltd.   | Republic of India                    | Engineering.  | 80%  | 80%   |
| NPCC Services Malaysia SDN  | Malaysia                             | Engineering, procurement and construction.  | 100%   | 100%  |
| Abu Dhabi for Construction Projects   | Republic of Iraq                     | Engineering, procurement and construction.  | 100%   | 100%  |
| <b><i>Below are the subsidiaries of Aldar Properties PJSC:</i></b>                              |                                      |   |  |       |
| Aldar Education - Sole Proprietorship LLC   | United Arab Emirates                 | Investment in, and management of entities providing educational services.   | 100%   | 100%  |
| Aldar Hotels and Hospitality LLC  | United Arab Emirates                 | Investment in, and management of, entities providing hotels and hospitality services.   | 100%   | 100%  |
| Aldar Marinas LLC   | United Arab Emirates                 | Managing and operating marinas, sports clubs and marine machinery.  | 100%   | 100%  |
| Yas Links LLC   | United Arab Emirates                 | Ownership and management of golf courses and golf clubs.  | 100%   | 100%  |
| Pivot Engineering & General Contracting Co. (WLL)   | United Arab Emirates                 | Engineering and general construction works.   | 65.2%  | 65.2% |
| Aldar Investment Properties LLC   | United Arab Emirates                 | Investment, management and associated services for real estate assets and the operation of hotels.                                  | 88.1%  | 88.1% |
| Aldar Investment Holding Restricted Limited   | United Arab Emirates                 | Special purpose vehicle, proprietary asset management company.  | 88.1%  | 88.1% |
| Aldar Logistics Holding Limited   | United Arab Emirates                 | Holding company.  | 100%   | 100%  |
| Twafiq Projects Development Property - Sole Proprietorship LLC                                  | United Arab Emirates                 | Real estate lease and management services.  | 70%  | 70%   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |       |
|---|--------------------------------------|---|--|-------|
|   |                                      |   | 2023   | 2022  |
| <i>Below are the subsidiaries of Aldar Properties PJSC: continued</i>           |                                      |   |  |       |
| Aldar Lifestyle - Sole Proprietorship LLC                                       | United Arab Emirates                 | Hospitality services.   | 100%   | 100%  |
| Saadiyat Accommodation Village LLC  | United Arab Emirates                 | Accommodation village.  | 100%   | 100%  |
| Aldar Sukuk (No. 1) Ltd.  | Cayman Island                        | Funding company.  | 100%   | 100%  |
| Aldar Sukuk (No. 2) Ltd.  | Cayman Island                        | Funding company.  | 100%   | 100%  |
| Aldar Investment Properties Sukuk Limited (Formerly "Aldar Sukuk (No. 3) Ltd.") | Cayman Island                        | Funding company.  | 100%   | 100%  |
| Cloud Spaces - Sole Proprietorship LLC  | United Arab Emirates                 | Real estate lease and management services.                              | 100%   | 100%  |
| Eastern Mangroves Marina - Sole Proprietorship LLC                              | United Arab Emirates                 | Managing and operating marinas.   | 100%   | 100%  |
| Marsa Al Bateen - Sole Proprietorship LLC                                       | United Arab Emirates                 | Managing and operating marinas.   | 100%   | 100%  |
| Aldar Investments Limited   | United Arab Emirates                 | Holding company.  | 100%   | 100%  |
| Aldar Ventures International Holding RSC Limited                                | United Arab Emirates                 | Investment holding company.   | 100%   | 100%  |
| Aldar Projects LLC  | United Arab Emirates                 | Project management services.  | 100%   | 100%  |
| Six October for Development and Investment Co. S.A.E.                           | Republic of Egypt                    | Real estate development.  | 59.9%  | 59.9% |
| Tasareeh Engineer Services - Sole Proprietorship LLC                            | United Arab Emirates                 | Development consultancy.  | 100%   | 100%  |
| Aldar Investment Management Limited   | United Arab Emirates                 | Assets management.  | 100%   | 100%  |
| Advanced Real Estate Services - Sole Proprietorship LLC                         | United Arab Emirates                 | Real estate services.   | 100%   | 100%  |
| Aldar Logistics - Sole Proprietorship LLC                                       | United Arab Emirates                 | Real estate lease and management services.                              | 100%   | 100%  |
| The Gateway Engineering Services - Sole Proprietorship LLC                      | United Arab Emirates                 | Development consultancy.  | 100%   | 100%  |
| Al Seih Real Estate Management LLC  | United Arab Emirates                 | Management and leasing of real estate; real estate projects investment. | 91.4%  | 91.4% |
| Seih Sdeirah Real Estate LLC  | United Arab Emirates                 | Property rental and management; real estate projects investment.        | 91.4%  | 91.4% |
| Saadiyat Grove - Sole Proprietorship LLC  | United Arab Emirates                 | Real estate development.  | 100%   | 100%  |
| Al Shohub Private School - Sole Proprietorship LLC                              | United Arab Emirates                 | Providing educational services.   | 100%   | 100%  |
| Abu Dhabi Business Hub - Sole Proprietorship LLC                                | United Arab Emirates                 | Real estate lease and management services.                              | 70%  | 70%   |
| Confluence Partners (HQ) RSC LTD  | United Arab Emirates                 | Special purpose company.  | 100%   | 100%  |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities                    | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <i>Below are the subsidiaries of Aldar Properties PJSC: continued</i> |                                      |   |  |      |
| Aldar Hansel SPV Restricted LTD                                       | United Arab Emirates                 | Real estate development.                | 51%  | 51%  |
| Al Maryah Property Holding Limited                                    | United Arab Emirates                 | Real estate holding.                    | 60%  | 60%  |
| Double Tree by Hilton Resort & SPA Marjan Island LLC                  | United Arab Emirates                 | Hospitality services.                   | 100%   | 100% |
| Aldar Island Hotel - Sole Proprietorship LLC                          | United Arab Emirates                 | Hospitality services.                   | 100%   | 100% |
| Bab Resorts LLC   | United Arab Emirates                 | Hospitality services.                   | 100%   | 100% |
| Mustard and Linen Interior Design Holdings Limited (ii)               | United Arab Emirates                 | Interior design related works.          | 75%  | -    |
| Aldar Estates Holding Limited (i) (ix)                                | United Arab Emirates                 | Special purpose vehicle.                | 82.55%   | -    |
| AURORA Holding Company Limited (i)                                    | United Arab Emirates                 | Special purposes vehicle.               | 51%  | -    |
| AURORA SPV 1 LLC (i)  | United Arab Emirates                 | Real estate trading and development.    | 51%  | -    |
| AURORA SPV 2 LLC (i)  | United Arab Emirates                 | Real estate trading and development.    | 51%  | -    |
| AURORA SPV 3 LLC (i)  | United Arab Emirates                 | Real estate trading and development.    | 51%  | -    |
| Kent College LLC - FZ (ii)  | United Arab Emirates                 | Providing education related services.   | 100%   | -    |
| Kent Nursery LLC - FZ (ii)  | United Arab Emirates                 | Education and nursery related services. | 100%   | -    |
| Virgina International Private School - Sole Proprietorship LLC (ii)   | United Arab Emirates                 | Providing education related services    | 100%   | -    |
| Aldar Development Holdings Limited (i)                                | United Arab Emirates                 | Real estate holding and trading.        | 100%   | -    |
| The Sustainable Investment Yas - Sole Proprietorship LLC (i)          | United Arab Emirates                 | Real estate development.                | 100%   | -    |
| The Sustainable Investment Company SPV Limited (i)                    | United Arab Emirates                 | Special purposes vehicle.               | 100%   | -    |
| Aldar Development LSQ Limited (i)                                     | United Kingdom                       | Real estate development.                | 100%   | -    |
| Aldar Hamra Holdings Limited (i)                                      | United Arab Emirates                 | Holding company.                        | 100%   | -    |
| AMI Properties Holding Limited (iii)                                  | United Arab Emirates                 | Special purposes vehicle.               | 60%  | -    |
| Aldar Development - UK Holdings Limited (i)                           | United Kingdom                       | Real estate development.                | 100%   | -    |
| <i>Below is the subsidiary of Aldar Development LSQ Limited:</i>      |                                      |   |  |      |
| LSQ Management Limited (ii)   | United Kingdom                       | Real estate development.                | 100%   | -    |
| <i>Below is the subsidiary of LSQ Management Limited:</i>             |                                      |   |  |      |
| London Square Developments Holdings Limited                           | United Kingdom                       | Real estate development.                | 100%   | -    |
| <i>Below are the subsidiaries of Aldar Estates Holding Limited:</i>   |                                      |   |  |      |
| Provis Real Estate Management - Sole Proprietorship LLC               | United Arab Emirates                 | Management and leasing of real estate.  | 100%   | 100% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <i>Below are the subsidiaries of Aldar Estates Holding Limited: continued</i> |                                      |   |  |      |
| Provis Real Estate Brokers LLC  | United Arab Emirates                 | Real estate brokerage.  | 100%   | 100% |
| Khidmah - Sole Proprietorship LLC   | United Arab Emirates                 | Management and leasing of real estate.                          | 100%   | 100% |
| Asteco Property Management LLC  | United Arab Emirates                 | Property management services.                                   | 100%   | 100% |
| Spark Securities Services - Sole Proprietorship LLC                           | United Arab Emirates                 | Security solutions.   | 100%   | 100% |
| Spark Securities Services LLC   | United Arab Emirates                 | Security solutions.   | 100%   | 100% |
| Mace Macro Technical Services LLC   | United Arab Emirates                 | Facilities management services.                                 | 100%   | 100% |
| Pactive Sustainable Solutions LLC   | United Arab Emirates                 | Green building consultant, building energy efficiency services. | 100%   | 100% |
| Saga International Owners Association Management Services LLC                 | United Arab Emirates                 | Property management services.                                   | 100%   | 100% |
| Saga OA DMCC  | United Arab Emirates                 | Property management services.                                   | 100%   | 100% |
| Pacific Owners Association Management Services LLC                            | United Arab Emirates                 | Management of real estate.                                      | 100%   | 100% |
| Aldar Estates Investment - Sole Proprietorship LLC (i)                        | United Arab Emirates                 | Real estate enterprises investment and development.             | 100%   | -    |
| Basatin Holding SPV Ltd. (ii)   | United Arab Emirates                 | Education related services.                                     | 75%  | -    |
| Eltizam Asset Management Estate - Sole Proprietorship LLC (ii)                | United Arab Emirates                 | Real estate lease and management services.                      | 100%   | -    |
| FAB Properties - Sole Proprietorship LLC (ii)                                 | United Arab Emirates                 | Management and brokerage of real estate properties.             | 100%   | -    |
| <i>Below are the subsidiaries of ADMO Lifestyle Holding Limited:</i>          |                                      |   |  |      |
| ADMO One Holding Limited  | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Nammos Holding STA Ltd  | Cyprus                               | Holding company.  | 62%  | -    |
| MRINLON2SUB Ltd   | Cyprus                               | Holding company.  | 62%  | -    |
| Nammos Restaurant London Limited  | United Kingdom                       | Restaurant.   | 62%  | -    |
| Nammos Restaurant LLC   | United Arab Emirates                 | Restaurant.   | 62%  | -    |
| ADMO Hospitality Holding Limited  | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Mystic Quartz Resorts Ltd   | Cyprus                               | Holding company.  | 100%   | -    |
| Monte London Limited  | United Kingdom                       | Hospitality.  | 100%   | -    |
| Damesin LTD   | Cyprus                               | Holding company.  | 100%   | -    |
| Benestar SA   | Greece                               | Hospitality.  | 100%   | -    |
| ADMO Hotel Management Holding Limited   | United Arab Emirates                 | Hotels management.  | 100%   | -    |
| Monterock Investments Nedafushi Maldives Private Limited (iii)                | Maldives                             | Hospitality.  | 95%  | -    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <i>Below are the subsidiaries of Eltizam Asset Management Estate - Sole Proprietorship LLC:</i> |                                      |   |  |      |
| EAMG Services Holdings Limited  | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Eltizam Asset Management Estate LLC   | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Three 60 Communities Estate Services Egypt - Three 60 Communities Egypt                         | Republic of Egypt                    | Provision of management and supervision services for owners' associations.                                    | 100%   | -    |
| Three 60 Communities Management for Owners Associations LLC                                     | United Arab Emirates                 | Management and supervision services for owners' associations.   | 100%   | -    |
| Fixis Technical Services LLC  | United Arab Emirates                 | Facilities maintenance services.  | 100%   | -    |
| Falcon Investments LLC  | United Arab Emirates                 | Real estate lease and management services. Commercial enterprises investment, institution and management.     | 100%   | -    |
| 80OTEK Facilities Management LLC  | United Arab Emirates                 | Event management services, lifeguard services, façade cleaning, management and operation of public utilities. | 100%   | -    |
| Colliers International Property Consultancy Services JSC  | Republic of Egypt                    | Consultancy services.   | 100%   | -    |
| Colliers International Property Services - Doha LLC   | Qatar                                | Interior design implementation works and real estate brokerage business.                                      | 100%   | -    |
| East-O Holdings Limited   | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Enterprise Solutions Company for Professional Consulting  | Kingdom of Saudi Arabia              | Real Estate services.   | 100%   | -    |
| IFM Holdings Limited  | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Inspire Building Management Services LLC  | United Arab Emirates                 | Facilities management and buildings general maintenance.  | 100%   | -    |
| Inspire Integrated Facilities Management LLC  | United Arab Emirates                 | Facilities management and buildings general maintenance.  | 100%   | -    |
| Inspire Integrated Services LLC (Abu Dhabi)   | United Arab Emirates                 | Facilities management and buildings general maintenance.  | 100%   | -    |
| Inspire Integrated Services LLC (Dubai)   | United Arab Emirates                 | Facilities management and buildings general maintenance.  | 100%   | -    |
| Inspire Integrated Solutions Holding Ltd  | United Arab Emirates                 | Holding company.  | 100%   | -    |
| Inspire Integrated Solutions Ltd  | United Arab Emirates                 | Real estate management services.  | 100%   | -    |
| IREC Holdings Limited   | United Arab Emirates                 | Holding company.  | 100%   | -    |
| King Field Owner Association Management Services - Sole Proprietorship LLC                      | United Arab Emirates                 | Management and supervision services for owners' associations.   | 100%   | -    |
| Kingfield Communities Management LLC  | United Arab Emirates                 | Community and property management services.   | 100%   | -    |
| Kingfield Owners Association Management Services LLC  | United Arab Emirates                 | Operation, management and maintenance of community and property.  | 100%   | -    |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|--|--|------|
|  |                                      |  | 2023   | 2022 |
| <i>Below are the subsidiaries of Eltizam Asset Management Estate - Sole Proprietorship LLC: continued</i>                                      |                                      |  |  |      |
| MENA Real Estate Solutions LLC   | United Arab Emirates                 | Real Estate services.  | 100%   | -    |
| National Investor Property Management LLC  | United Arab Emirates                 | Real Estate services.  | 100%   | -    |
| Omnibus Real Estate Brokerage Sole Proprietorship LLC  | United Arab Emirates                 | Real Estate services.  | 100%   | -    |
| Orion Systems Integrators LTD  | United Kingdom                       | Information technology.  | 100%   | -    |
| Oriontek Innovations for Technology Services Egypt - Oriontek Egypt  | Republic of Egypt                    | Information technology.  | 100%   | -    |
| Oriontek Innovations LLC   | United Arab Emirates                 | Real estate services.  | 100%   | -    |
| Data Intelligence Technology Consultancy LLC (formerly "OS Orion Security & Surveillance Systems")   | United Arab Emirates                 | Information technology systems installation and maintenance.               | 100%   | -    |
| Professional Realtors Company LLC  | Kingdom of Saudi Arabia              | Consultancy services.  | 100%   | -    |
| Inspire Facilities Management Co LLC - Oman (formerly "Tafawuq Facilities Management Co LLC- Oman")  | Sultanate of Oman                    | Facilities management.   | 100%   | -    |
| Inspire For Facilities Management Services Egypt - Inspire Egypt (formerly "Tafawuq for Facilities Management Services Egypt - Tafawuq Egypt") | Republic of Egypt                    | Facilities management.   | 100%   | -    |
| Teslam Asset Management Estate LLC   | United Arab Emirates                 | Outsourcing and shared support services.                                   | 100%   | -    |
| Teslam Business Services Philippines INC   | Philippines                          | Outsourcing and shared support services.                                   | 100%   | -    |
| Kingfield Community Management Co LLC - Oman (formerly "Three Sixty Communities Estate LLC - Oman")  | Sultanate of Oman                    | Provision of management and supervision services for owners' associations. | 100%   | -    |
| <i>Below are the subsidiaries of London Square Developments Holdings Limited:</i>  |                                      |  |  |      |
| LSQ HoldCo 2 Limited   | United Kingdom                       | Information technology systems installation and maintenance.               | 100%   | -    |
| LSQ HoldCo 3 Limited   | United Kingdom                       | Information technology systems installation and maintenance.               | 100%   | -    |
| London Square Limited  | United Kingdom                       | Consulting services, research and questionnaire.                           | 100%   | -    |
| London Square Developments (Ventures) Limited  | United Kingdom                       | Facilities management.   | 100%   | -    |
| London Square (Staines) Limited  | United Kingdom                       | Facilities management.   | 100%   | -    |
| London Square (Holdings) Limited   | United Kingdom                       | Outsourcing and shared support services.                                   | 100%   | -    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <i>Below are the subsidiaries of London Square Developments Holdings Limited: continued</i> |                                      |   |  |      |
| London Square Developments Limited  | United Kingdom                       | Management and supervision services for owners' associations. | 100%   | -    |
| London Square (Investments) Limited   | United Kingdom                       | Management and supervision services for owners' associations. | 100%   | -    |
| London Square (Putney) Limited  | United Kingdom                       | Real estate development.                                      | 100%   | -    |
| London Square Living Ltd  | United Kingdom                       | Real estate development.                                      | 100%   | -    |
| London Square Works Limited   | United Kingdom                       | Real estate development.                                      | 100%   | -    |
| London Square (Streatham) Limited   | United Kingdom                       | Holding company.  | 100%   | -    |
| LSQ (Crimscott Street) Holdings Limited   | United Kingdom                       | Holding Company.  | 100%   | -    |
| London Square (Crimscott Street) Limited  | United Kingdom                       | Holding company.  | 100%   | -    |
| London Square (Walton-on-Thames) Holdings Limited   | United Kingdom                       | Holding Company.  | 100%   | -    |
| London Square (Walton-on-Thames) Limited  | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square Development Management Limited  | United Kingdom                       | Holding company.  | 100%   | -    |
| London Square (Projects) Limited  | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square (RSG) Limited   | United Kingdom                       | Holding Company.  | 100%   | -    |
| London Square Partners Limited  | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square (West Croydon) Holdings Limited   | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square (West Croydon) Limited  | United Kingdom                       | Commercial land developer.                                    | 100%   | -    |
| London Square (Bugsby Way) Holdings Ltd   | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square (Bugsby Way) Ltd  | United Kingdom                       | Holding company.  | 100%   | -    |
| Square Roots Registered Provider Limited  | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| London Square (Hong Kong) Limited   | Hong Kong                            | Holding company.  | 100%   | -    |
| London Square PIC Partnership Ltd   | United Kingdom                       | Land developer and housebuilder.                              | 100%   | -    |
| Charter Square Management Company Ltd   | United Kingdom                       | Property development management service provider.             | 100%   | -    |
| De Burgh, Tadworth Management Company Ltd   | United Kingdom                       | Holding company.  | 100%   | -    |
| Bassetts, Orpington Management Company Ltd  | United Kingdom                       | Holding company.  | 100%   | -    |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities                     | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|--|--|------|
|   |                                      |  | 2023   | 2022 |
| <i>Below are the subsidiaries of London Square Developments Holdings Limited: continued</i> |                                      |  |  |      |
| Crimscott Street, Bermondsey Management Company Ltd   | United Kingdom                       | Holding company.                         | 100%   | -    |
| Pewter N7 Management Company Ltd  | United Kingdom                       | Holding company.                         | 100%   | -    |
| Amparo House, Greenwich London Management Company Ltd                                       | United Kingdom                       | Land developer and housebuilder.         | 100%   | -    |
| Albright Gardens, Walton on Thames Management Company Ltd                                   | United Kingdom                       | Holding company.                         | 100%   | -    |
| 425-455 St Albans Road, Watford Management Company Ltd                                      | United Kingdom                       | Land developer and housebuilder.         | 100%   | -    |
| London Square (St Michaels Croydon) (No. 1) Management Company Limited                      | United Kingdom                       | Housing association real estate.         | 100%   | -    |
| St Michaels Croydon (Tower B) Management Company Ltd  | United Kingdom                       | Selling and marketing services.          | 100%   | -    |
| One Linear Place Management Company Ltd   | United Kingdom                       | Land developer and housebuilder.         | 100%   | -    |
| London Square (Crayford) Holdings Limited   | United Kingdom                       | Holding company.                         | 100%   | -    |
| London Square (Crayford) Limited  | United Kingdom                       | Property developer.                      | 100%   | -    |
| London Square (Springfield) Holdings Limited  | United Kingdom                       | Holding company.                         | 100%   | -    |
| London Square (Springfield) Limited   | United Kingdom                       | Property developer.                      | 100%   | -    |
| Plot F, Springfield Village Management Company Limited                                      | United Kingdom                       | Residents' management company.           | 100%   | -    |
| Plot G, Springfield Village Management Company Limited                                      | United Kingdom                       | Residents' management company.           | 100%   | -    |
| Plot P&Q, Springfield Village Management Company Limited                                    | United Kingdom                       | Residents' management company.           | 100%   | -    |
| <i>Below are the subsidiaries of Q Holding PSC:</i>   |                                      |  |  |      |
| Al Qudra Real Estate LLC  | United Arab Emirates                 | Real estate management.                  | 100%   | 100% |
| Al Qudra Trading LLC  | United Arab Emirates                 | Commercial project investment.           | 100%   | 100% |
| Q Investment RCS Ltd.   | United Arab Emirates                 | Real estate investment.                  | 100%   | 100% |
| Q Malls- Sole Proprietorship LLC  | United Arab Emirates                 | Real estate lease & management services. | 100%   | 100% |
| Ain Al Fayda Real Estate LLC  | United Arab Emirates                 | Real estate management.                  | 100%   | 100% |
| Manarah Bay Real Estate   | United Arab Emirates                 | Real estate management.                  | 100%   | 100% |
| Q International Limited   | Cayman Island                        | General investment.                      | 100%   | 100% |
| Al Qudra for Agriculture and Development LLC  | United Arab Emirates                 | Agricultural development.                | 100%   | 100% |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities   | Proportion of ownership interest and voting power held |        |
|---|--------------------------------------|--|--|--------|
|   |                                      |  | 2023   | 2022   |
| <i>Below are the subsidiaries of Q Holding PSC: continued</i> |                                      |  |  |        |
| Emirates Simulation Academy LLC                               | United Arab Emirates                 | Construction, operation management and development of training centre.                     | 60%  | 60%    |
| Q for Commercial Markets Management                           | United Arab Emirates                 | Setup, ownership and development of commercial market, parks and entertainment facilities. | 60%  | 60%    |
| Q Active for Technologies LLC                                 | United Arab Emirates                 | Telecommunication system installation and maintenance.                                     | 51%  | 51%    |
| ABNIA for Industrial Holding LLC                              | United Arab Emirates                 | Activities of cement, glass, iron, wood, and electromechanical industries.                 | 50%  | 50%    |
| Al Qudra Industrial LLC                                       | United Arab Emirates                 | Consultancy in alternative power and industrial projects.                                  | 100%   | 100%   |
| Q Construction LLC  | United Arab Emirates                 | General contracting.   | 100%   | 100%   |
| QP International LLC  | United Arab Emirates                 | Project management.  | 60%  | 60%    |
| Island Villas LLC   | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Marina Square Community Real Estate LLC                       | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Team Builders LLC   | United Arab Emirates                 | Real estate management.  | 51%  | 51%    |
| Q Properties LLC  | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Q Companies Management LLC                                    | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Q Hospitality LLC   | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Reem Investments Sole Proprietorship PJSC                     | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Q Parks Establishment   | United Arab Emirates                 | Touristic resort management & entertainment investment.                                    | 100%   | 100%   |
| Barary Ain Al Fayda Development LLC                           | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Buhyarat Ain Al Fayda Real Estate LLC                         | United Arab Emirates                 | Real estate management.  | 100%   | 100%   |
| Al Qudra Healthcare LLC                                       | United Arab Emirates                 | Health care & hospitality.   | 100%   | 100%   |
| Al Rayan Investment PSC                                       | United Arab Emirates                 | Develop, manage and invest in real estate enterprises.                                     | 99.97%   | 99.97% |
| Construction Workers Residential City LLC                     | United Arab Emirates                 | Real estate investment.  | 65%  | 65%    |
| Moon Flower Real Estate Development LLC                       | United Arab Emirates                 | Real estate investment.  | 100%   | 100%   |
| Green Precast Systems Technology LLC                          | United Arab Emirates                 | General contracting.   | 60%  | 60%    |
| Al Rayan Global Real Estate LLC                               | United Arab Emirates                 | Real estate investment.  | 100%   | 100%   |
| Radiant & Moonflower Real Estate Development LLC              | United Arab Emirates                 | Real estate investment.  | 65%  | 65%    |
| Al Qudra Holding - Morocco                                    | Kingdom of Morocco                   | General investment.  | 100%   | 100%   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary   | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|--|--------------------------------------|---|--|------|
|  |                                      |   | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Q Holding PSC: continued</i></b>                   |                                      |   |  |      |
| Smart Hotel Management   | Kingdom of Morocco                   | Hotel management.   | 100%   | 100% |
| Smart Hotel Properties   | Kingdom of Morocco                   | Hotel management.   | 100%   | 100% |
| Al Qudra Holding International LLC   | United Arab Emirates                 | Industrial enterprises and financial management.  | 100%   | 100% |
| Kasr Al Bahar  | Kingdom of Morocco                   | Hospitality.  | 100%   | 100% |
| Atlantic Coast Hospitality   | Kingdom of Morocco                   | General investment.   | 100%   | 100% |
| Al Qudra Holding Offshore  | Kingdom of Morocco                   | Holding company.  | 100%   | 100% |
| Q General Investment Ltd.  | British Virgin Islands               | General investment.   | 100%   | 100% |
| Al Qudra Holding - Syria   | Syrian Arab Republic                 | General investment  | 100%   | 100% |
| Al Qudra Real Estate   | Syrian Arab Republic                 | Real estate management.   | 100%   | 100% |
| Al Qudra Holding - Algeria   | Democratic Republic of Algeria       | General investment.   | 100%   | 100% |
| Al Qudra Belarus Ltd.  | Republic of Belarus                  | General investment.   | 100%   | 100% |
| Al Qudra Holding - Yemen   | Republic of Yemen                    | General investment.   | 100%   | 100% |
| Apex Residential LLC   | United Arab Emirates                 | Real estate investment.   | 100%   | 100% |
| Winds Laundry - Sole Proprietorship LLC  | United Arab Emirates                 | Laundry services.   | 100%   | 100% |
| Al Tamouh Investments Company LLC  | United Arab Emirates                 | Development, management and sale of real estate properties.   | 100%   | 100% |
| Q & Elevate LLC  | United Arab Emirates                 | Hospitality services.   | 70%  | 70%  |
| Insignia One Investment Sole Proprietorship LLC (i)                                    | United Arab Emirates                 | Commercial enterprises investment, institution and management, industrial enterprises investment, institution and management. | 100%   | -    |
| Viva Tourism Investment LLC (i)  | United Arab Emirates                 | Tourist enterprise investment.  | 100%   | -    |
| <b><i>Below are the subsidiaries of Reem Investments Sole Proprietorship PJSC:</i></b> |                                      |   |  |      |
| Reem Developers - Sole Proprietorship LLC  | United Arab Emirates                 | Real estate management.   | 100%   | 100% |
| Reem for Energy Investment Services - Sole proprietorship LLC                          | United Arab Emirates                 | Oil and gas projects.   | 100%   | 100% |
| <b><i>Below are the subsidiaries of Al Tamouh Investments Company LLC:</i></b>         |                                      |   |  |      |
| TSL Properties LLC   | United Arab Emirates                 | Real estate management.   | 100%   | 100% |
| Al Ain Adventures LLC  | United Arab Emirates                 | Adventure park.   | 100%   | 100% |
| Green Mubazzarah Chalets LLC   | United Arab Emirates                 | Resort and furnished residences leasing.  | 100%   | 100% |
| Tamouh National Contracting LLC  | United Arab Emirates                 | Building projects contracting.  | 51%  | 51%  |
| Arch Models Abu Dhabi LLC  | United Arab Emirates                 | Designing and constructing architectural models.  | 60%  | 60%  |
| Reem Hills -Sole Proprietorship LLC  | United Arab Emirates                 | Real estate management.   | 100%   | 100% |

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b><i>Below are the subsidiaries of Reach Global Services Holding 1 SPV Limited:</i></b>                      |                                      |   |  |      |
| Reach Employment Services LLC - Abu Dhabi   | United Arab Emirates                 | Outsourcing of human resources.   | 100%   | -    |
| Reach Employment Services LLC - Dubai   | United Arab Emirates                 | Outsourcing of human resources.   | 100%   | -    |
| Experts Computer Consultants - Sole Proprietorship LLC  | United Arab Emirates                 | Information technology consultancy and computer repair and maintenance.   | 100%   | -    |
| Reach Three C for Call Centers Services LLC   | United Arab Emirates                 | Provision of call center services.  | 100%   | -    |
| WFC Holding LLC   | United Arab Emirates                 | Commercial enterprises investment, institution and management.  | 100%   | 70%  |
| <b><i>Below are the subsidiaries of WFC Holding LLC:</i></b>  |                                      |   |  |      |
| Reach BPO LLC OPC (formerly known as "Workforce Connexion - Sole Proprietorship LLC")                         | United Arab Emirates                 | Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services. | 100%   | 100% |
| Corporate Solutions Consultants - Sole Proprietorship LLC   | United Arab Emirates                 | Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.                          | 100%   | 100% |
| Multi Serve Typing and Transactions Follow Up - Sole Proprietorship LLC                                       | United Arab Emirates                 | Typing, documents photocopying and transactions follow up services.   | 100%   | 100% |
| Tamouh Integrated Business Services - Sole Proprietorship LLC   | United Arab Emirates                 | Resort and furnished residences leasing.  | 100%   | 100% |
| Reach Energy LLC OPC (formerly known as "Connect Outsourcing Temporary Employment - Sole Proprietorship LLC") | United Arab Emirates                 | Employees provision services and onshore and offshore oil and gas fields and facilities services.   | 100%   | 100% |
| <b><i>Discontinued operations:</i></b>  |                                      |   |  |      |
| Paragon Malls LLC   | United Arab Emirates                 | Ownership and leasing of retail property.   | 100%   | 100% |
| Dana Hospitality LLC / Holiday Inn Hotel  | United Arab Emirates                 | Hotel management.   | 100%   | 100% |
| Transcend Blocker, INC  | United States of America             | Power enterprise investment, institution and management.  | 100%   | 100% |
| Reem Investment Overseas Limited (x)  | Republic of Mauritius                | Investment holding.   | 100%   | 100% |
| Mega Mart Establishment UAE (x)   | United Arab Emirates                 | Retail trading of fast-moving consumer products.  | 100%   | 100% |
| Q Link Transport (x)  | United Arab Emirates                 | Transportation.   | 85%  | 85%  |
| Abu Dhabi Mountain Gate LLC (xi)  | United Arab Emirates                 | Real estate enterprise investment, development, institution and management.   | -  | 70%  |
| Project Ceres Two Limited (xi)  | Cayman Islands                       | Commercial vessel management.   | -  | 100% |
| Project Ceres Three Limited (xi)  | Cayman Islands                       | Commercial vessel management.   | -  | 100% |
| Q Car Park LLC (xi)   | United Arab Emirates                 | Developing, operating, renting and equipping of car parking.  | -  | 50%  |
| Q Energy LLC (xi)   | United Arab Emirates                 | Oil & gas equipment installation and maintenance services.  | -  | 60%  |



## Notes to the Consolidated Financial Statements

31 December 2023

| Name of subsidiary  | Place of incorporation and operation | Principal activities  | Proportion of ownership interest and voting power held |      |
|---|--------------------------------------|---|--|------|
|   |                                      |   | 2023   | 2022 |
| <b>Discontinued operations: continued</b>                           |                                      |   |  |      |
| Aafaq Enterprise LLC (xi)   | United Arab Emirates                 | Management services.  | -  | 100% |
| Gulf Fire Nanotechnology LLC (xi)                                   | United Arab Emirates                 | Firefighting & safety equipment trading.  | -  | 100% |
| M Commodities – Sole Proprietorship LLC (xii)                       | United Arab Emirates                 | General trading.  | -  | 100% |
| Riva Marine General Marine Services – Sole Proprietorship LLC (xii) | United Arab Emirates                 | Marine machines and equipment repairing and maintenance.                                | -  | 100% |
| Apex Padel Sport LLC – Sole Proprietorship LLC (xii)                | United Arab Emirates                 | Padel club.   | -  | 100% |
| Danat Facility Management LLC (xii)                                 | United Arab Emirates                 | Facilities management service.  | -  | 100% |
| Earth Care Agricultural Products LLC (xii)                          | United Arab Emirates                 | Agriculture business.   | -  | 100% |
| Al Qudra General Trading Establishment (xii)                        | United Arab Emirates                 | Commercial project investment.  | -  | 100% |
| Emircom Trading Company – Sole Proprietorship LLC (xii)             | Kingdom of Saudi Arabia              | Trading of information technology products.   | -  | 100% |
| Fooj Fire Fighting Services LLC (xiii)                              | United Arab Emirates                 | Trading of firefighting and resistant material and management of firefighting stations. | -  | 75%  |

- I. These are subsidiaries of the Group, incorporated during the year.
- II. Subsidiaries acquired during the year (note 6.1 & 6.2).
- III. Subsidiaries acquired during the year, that were accounted for as acquisition of assets (note 6.3).
- IV. Century Village Real Estate Investment LLC is a 70% subsidiary of ESG Capital Holding LLC, with the remaining 30% being held by Al Tamouh Investments Company LLC.
- V. Century Real Estate Investment LLC is a 87% subsidiary of ESG Capital Holding LLC, with the remaining 13% being held by National Projects and Construction LLC.
- VI. NRTC International Investment – Sole Proprietorship LLC, a shell company acquired during the year, is a 60% subsidiary of Ghitha Fruits and Vegetables LLC by virtue of an assignment agreement.
- VII. PAL 4 Solar Energy LLC is a 80% subsidiary of MG Utilities Holding LLC, with the remaining 20% being held by Alpha Dhabi Industries Holding LLC.
- VIII. Subsidiary derecognised during the year (note 6.4).
- IX. Aldar Estates Holding Limited is a 65.1% subsidiary of Aldar Properties PJSC, with an additional 17.45% being held directly by the Company.
- X. Subsidiaries under liquidation.
- XI. Subsidiaries liquidated during the year.
- XII. Dormant subsidiaries that had their trade licenses cancelled during the year.
- XIII. Subsidiaries disposed during the year (note 6.4).

## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.5 Changes in material accounting policies – new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

The Group has applied IFRS 17 and amendments to IAS 1 for the first time. The nature and effect of these changes are described below. The other amendments and interpretations apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group.

#### Impact on the adoption of IFRS 17

IFRS 17 replaces IFRS 4 *Insurance Contracts* for annual periods on or after 1 January 2023. The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. The Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies.

However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

#### Measurement principles

Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach ('PAA'). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The key changes in measurement principles under PAA include:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided;
- There is no requirement to discount the liabilities for remaining coverage as all premiums written by the Group are received within 12 months from the policy start date, hence no significant financing component or credit facilities;
- The measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk for onerous contracts;
- The measurement of the asset for remaining coverage reflects reinsurance premiums paid for reinsurance held and is adjusted to include a loss-recovery component for expected recovery of onerous contract losses;
- The liability for incurred claims is determined on an expected value basis and includes an explicit risk adjustment for non-financial risk. The liability also includes the Group's obligation to pay other incurred insurance expenses. There is no requirement to discount the liability for incurred claims as most claims are settled within 12 months from the date of incurrence; and
- The Group capitalises insurance acquisition cash flows for all product lines and allocates them to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. When contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement of the insurance liability.

#### Transition

During the transition on 1 January 2023, the Group identified, recognised, and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied. Existing balances that would not exist under IFRS 17 were derecognised.



## Notes to the Consolidated Financial Statements

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.5 Changes in material accounting policies – new and amended standards and interpretations continued

##### Impact on the adoption of IFRS 17 continued

###### *Transition continued*

The impact from the adoption of IFRS 17 was not material to the prior years' consolidated financial statements and accordingly it was posted to the consolidated financial statements for the year ended 31 December 2023.

The adoption of IFRS 17 relates to a subsidiary of Pure Health Holding PJSC (formerly "Pure Health Holding LLC"), which was derecognised during March 2023. Accordingly, the accounting policy information relating to insurance contracts was deemed to be immaterial, and accordingly was not disclosed in the Group's consolidated financial statements.

##### Making Materiality Judgements - Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Business combinations and goodwill continued

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

##### *Changes in Group's ownership interest in existing subsidiaries*

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Business combinations and goodwill continued

##### *Changes in Group's ownership interest in existing subsidiaries continued*

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

#### Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The equity of the acquired entities is added to the merger reserve within the Group equity. Any transaction costs paid for the acquisition are recognised directly in equity.

#### Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no 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.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Investment in associates and joint ventures continued

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'share of profit from investment in associates and joint ventures' in the consolidated statement of profit or loss.

When Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

The Group recognises revenue from the following major sources:

- Marine and dredging activities
- Construction and related services
- Real estate development
- Management of properties, facilities and development projects
- Food and related non-consumable items
- Rental income
- Healthcare and other medical supplies
- Manpower and consultancy services
- Information technology related revenue
- Hospitality and leisure revenue
- Education and related services
- Coaching and training services
- Sale of properties and land

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5* Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Following are the policies for the major sources of revenue:

#### Marine and dredging activities:

##### *Contract revenue*

Contract revenue comprises revenue from execution of contracts relating to lump-sum engineering, procurement and construction project services, dredging activities and associated land reclamation works. Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation.

The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

##### Marine and dredging activities: continued

##### *Contract revenue continued*

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

##### *Warranty obligations*

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

##### *Significant financing component*

For lump sum engineering, construction and procurement projects, if there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income. For other contracts generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

##### *Variation orders and claims*

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

##### Construction and related services:

##### *Revenue from construction contracts*

The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time on a cost to cost method based the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under 'IFRS 15 Revenue from Contracts with Customers'.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

##### Construction and related services: continued

##### *Revenue from construction contracts* continued

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Under the terms of the contracts in the UAE, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. In respect of the Group's contracts for development of residential properties in Egypt, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer's payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

##### *Management fee income*

The Group manages construction of properties under long term contracts with customers. Management fee income is recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date and excludes amounts collected on behalf of third parties.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

##### Real estate development:

Revenue from real estate development is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

##### Food and related non-consumable items:

The Group recognises revenue from sale of food and related non-consumable items at a point in time. Sales of goods to customers mainly include one performance obligation, where revenue is recognised when control of the goods is transferred (when the goods have been shipped to the customer's specific location (i.e. delivered). Following delivery, the customer has the full discretion over the manner of use of the goods, the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

##### Rental income:

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### Healthcare and other medical supplies:

Includes hospitalisation, medical professional services, equipment, radiology, laboratory, medical consumables and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the medical service is provided, based on the amounts due from patients and / or funding entities.

##### *Hospitalisation – insured patients*

Revenue is recognised based on the contract with the insurers net of claim denials (actual and estimated), discounts and time barred un-submitted claims. Transactions with insurers includes an amount of claims denials, which represents disallowance of claims due to technical or medical reasons. As the actual amount of denials may vary from the denial provisions, accordingly the amount of consideration may vary from what was originally claimed. This constitutes variable consideration under IFRS 15 and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

##### *Hospitalisation – uninsured patients (self-pay and sponsored patients)*

Revenue is recognised based on the most likely value to be recovered from the patients which constitutes variable consideration and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

##### *Laboratory management and residency visa testing services*

The Group provides laboratory management and residency visa testing services to customers. The Group has one performance obligation and revenue is recognised at a point in time when the service is performed and results are delivered to the customers.

##### *Hospitals management services*

The Group provides hospitals' management services against a service fee and percentage share in hospitals' revenue. The Group has one performance obligation (i.e. to manage the operations of the hospitals) and revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customer.

##### *Procurement and supply of medical related products*

The Group procures and supplies medicines, diagnostic and other medical equipments to its customers. The Group has two performance obligations (i.e. to deliver goods to the customers) and to render inventory management services. The revenue for delivery of goods is recognised at a point in time when control is transferred to the customers and revenue for inventory management services is recognised over time.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

##### Manpower and consultancy services:

The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers.

##### Information technology related revenue:

###### *Contract revenue*

Contract revenue comprises of contracts relating to cyber risk management services projects. The Group recognises revenue from these contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

###### *Supply of computer equipment*

The supply of computer equipment mainly includes one performance obligation and is recognised when control of the equipment has been transferred (i.e. revenue recognised at a point in time).

###### *Service revenue*

Revenue from services, along with maintenance of computer equipment, is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis.

##### Hospitality and leisure revenue:

Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Income from leisure businesses comprises revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

##### Education and related services:

Registration fee is recognised as income when it is received. Tuition fee income is recognised over the period of tuition. Tuition fees received in advance are recorded as deferred income.

##### Coaching and training services:

The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses, on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

##### Sale of properties and land:

The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

*Following are policies for other sources of revenue:*

##### Sale of cosmetics and related personal care services:

###### *Sale of goods*

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

###### *Rendering of services*

The Group provides services related to women and men personal care and beauty. Such services are generally recognised as a performance obligation satisfied at the point in time when the service is rendered to the customer. Fees paid in advance for such services are deferred and released to revenue when the services are provided or when the validity has lapsed.

##### Sale of furniture:

The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

##### Sale of cement and other related products:

Revenue from sale of cement is recognised when control over the corresponding goods is transferred to the customer. The timing of revenue recognition of the performance obligation is at a point in time.

##### Brokerage services:

The Group provides share brokerage services, which mainly includes commission income and interest income on margin trading.

- I. Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.
- II. Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+2.

##### District cooling services:

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

###### *Connection fees*

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Revenue recognition continued

##### Media and marketing services:

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

##### Delivery services:

Revenue from delivery services is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis or using an input method to measure progress towards complete satisfaction of the service.

##### Dividend income:

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

##### Interest income:

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

#### Employee benefits

An accrual is made for the estimated liability of employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Property, plant and equipment

##### *Recognition and measurement*

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

##### *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

##### *Depreciation*

Depreciation is calculated on a straight-line basis over their useful lives as follows:

|   |              |
|---|--------------|
| Buildings and leasehold improvements          | 2 - 47 years |
| Plant and machinery                           | 2 - 60 years |
| Furniture, fixtures and equipment             | 2 - 10 years |
| Barges support vessels, dredgers and vehicles | 2 - 40 years |
| Aircraft                                      | 12 years     |

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

##### *Bearer plants*

Bearer plants are the living plants that:

- are used in the production or supply of agricultural produce,
- are expected to bear produce for more than one period, and
- have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

IAS 41 "Agriculture," explicitly excludes the bearer plants from its scope and are accounted for in accordance with IAS 16 "Property, plant and equipment." However, produce growing on a bearer plant is still within the scope of IAS 41.

Matured bearer plants are stated at cost less accumulated depreciation and any impairment in value. Immature bearer plants are measured at their accumulated cost. Capitalisation of costs ceases when the bearer plants reach maturity, which is when the bearer plants can be commercially harvested.

##### *Capital work in progress*

Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Property, plant and equipment continued

##### *Derecognition*

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

##### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

##### *Concession rights*

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years (2022: 37 years) from the date of construction of the district cooling plant.

##### *Customer contracts*

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Customer contracts with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 10 years (2022: 3 to 10 years).

##### *Customer relationships*

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 15 years (2022: 3 to 20 years).

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Intangible assets continued

##### *Brand names*

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have indefinite and finite useful lives. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 to 20 years (2022: 7 to 20 years).

##### *Trademarks*

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite and finite useful lives. Trademarks with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 years (2022: 3 to 8 years).

##### *Trade license*

The license was recognised on an acquisition of a subsidiary, that allows the use of "Fazaa" name for the retail stores under that subsidiary. The license has a useful life of 8 years (2022: 8 years). Further during 2022, as part of business combinations, a health insurance license has been identified with an indefinite useful life, which has been derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

##### *Lease benefits*

Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired in business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 15 years (2022: 6 to 15 years).

Other intangible assets are amortised over a period of 2 to 12 years (2022: 2 to 10 years) using straight-line method.

#### **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 as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statements of profit or loss in the period during which they are incurred.

#### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Leases continued

##### Right-of-use assets continued

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

|   |               |
|---|---------------|
| Land  | 10 - 65 years |
| Warehouses, office spaces, shops and cinema halls | 2 - 50 years  |
| Others  | 2 - 10 years  |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'property, plant and equipment' policy.

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included as an expense in the consolidated statement of profit or loss.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Leases continued

##### Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Discontinued operations and non-current assets held for sale

The Group classifies non-current assets and subsidiaries as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

#### Inventories

##### *Fish and fish products*

Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

##### *Animal feed products*

Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first in first out method.

##### *Packing, raw materials, medical supplies, food and non-food items, spares and consumables, household furniture and other finished goods*

These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

##### *Poultry products*

Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Inventories continued

##### *Real estate properties and land plots held for sale*

Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated selling and marketing costs to be incurred. When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

#### Development work in progress

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Land under development granted to the Group without consideration is carried at nominal value.

#### Biological assets

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/ until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

##### *Poultry livestock*

Poultry livestock includes chicken and is carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day-old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Depreciation is charged using the straight-line method so as to write off the cost of biological assets over their estimated useful lives of 11 to 14 months.

##### *Sturgeon fish and its caviar*

Mother fish and juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 5 to 6 years which is considered to be the economic productivity period. After this period, adult sturgeon fish are ready for harvesting of caviar and are measured at fair value based on the expected caviar yield. The fair value is based on the biomass relative to the weight of the fish and is calculated based on current market prices of similar type of assets (caviar). Costs to sell include commission to brokers and retailers. After harvest, the caviar produced is treated as inventory and the fair value at the point of harvest is treated as the initial cost of the inventory.

##### *Sheep:*

Sheep are measured at fair value less costs to sell. The fair values are determined based on current market prices of similar type of assets.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Biological assets continued

##### *Dairy livestock*

Dairy livestock includes dairy herd (cows) and camel herd and are stated at their cost of purchase or at the cost of rearing to the point of maturity, less any accumulated depreciation and any accumulated impairment losses, as there is no active market for dairy livestock in the Gulf Cooperation Council against which to measure fair value and the alternative estimates for the determination of the fair value are determined to be clearly unreliable.

The cost of immature livestock (dairy herd and small camels) represents the aggregate of costs incurred during rearing to their respective maturity age.

Depreciation is charged so as to write off the cost of biological assets over their estimated useful lives using the straight-line method on the following basis:

|            |          |
|------------|----------|
| Dairy herd | 5 years  |
| Camel herd | 10 years |

##### *Shrimps*

Shrimps are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 6 months which is considered to be the economic productivity period. After this period, shrimps are sold to outside parties except for mother shrimps, if any, which are expected to produce larvae and treated as biological assets.

##### *Fish*

Mother Fish and Juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads up to maturity. These species are considered as 'mature' when their weight falls between 400 grams to 2,000 grams, while juvenile species are those whose weight falls between 2 grams to 15 grams. After this period, Fish ready to be sold to outside parties are classified as inventory, except for mother fish, if any, which are expected to produce eggs and treated as biological assets.

#### Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

##### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Foreign currencies continued

##### *Transactions and balances continued*

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

##### *Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group has the following financial assets:

##### *Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial assets continued

##### *Impairment of financial assets* continued

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities, borrowings including bank overdrafts, loans from related parties, sukuk and derivative financial instruments.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial liabilities and equity instruments continued

##### *Financial liabilities at amortised cost (loans and borrowings)*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Derivative financial instruments continued

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

##### Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

##### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Taxation

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Taxation continued

##### *Deferred tax continued*

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

#### Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Impairment of non-financial assets continued

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

#### Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



## Notes to the Consolidated Financial Statements

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

Further, in June 2023, the International Sustainability Standards Board released its first two sustainability disclosure standards, which are effective for annual reporting periods beginning on or after 1 January 2024:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

The Group is currently assessing the impact of the IFRS S1 and IFRS S2 on the consolidated financial statements.

## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Useful lives of property, plant and equipment, investment properties and intangible assets*

The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

#### *Impairment assessment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded a net reversal of impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 81,058 thousand for the year ended 31 December 2023 (2022: net impairment loss of AED 847,643 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

#### *Impairment of investments in associates and joint ventures*

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.



## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Key sources of estimation of uncertainty continued

##### *Business combinations*

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

##### *Estimation of net realisable value for inventories and allowance for slow moving inventories*

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

##### *Provision for expected credit losses of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 14,156,121 thousand (2022: gross trade receivables and due from policyholders of AED 13,183,515 thousand) and contract assets were AED 10,135,540 thousand (2022: AED 8,218,226 thousand), with provision for expected credit losses of AED 1,021,069 thousand (2022: AED 1,110,771 thousand) and AED 158,925 thousand (2022: AED 89,970 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

##### *Impairment of development work-in-progress*

Development work-in-progress are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development work-in-progress for impairment as at 31 December 2023. Based on the review, management has concluded a net reversal of impairment loss of AED 52,927 thousand on its development work-in-progress for the year ended 31 December 2023 (2022: net impairment loss of AED 235,491 thousand).

##### *Contract claims*

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2023. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Key sources of estimation of uncertainty continued

##### *Infrastructure costs*

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group's consolidated financial statements arising from this review (2022: nil).

##### *Revenue recognition on real estate contracts*

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

##### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

##### *Leases - estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

##### *Uncertain tax positions*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences may arise between the actual results and adjustments to tax income and expense already recorded. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.



## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Critical accounting judgments in applying accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### *Hybrid equity instruments*

In the process of classifying a financial instrument, management has made various judgments. Judgment is needed to determine whether a financial instrument, or its component parts, on initial recognition should be classified as a financial liability, a financial asset or an equity instrument in accordance with their respective definitions and the substance of the contractual arrangement. In making its judgment, the Group considered the detailed criteria and related guidance for classification as set out in IAS 32. This included assessing whether the instrument includes a contractual obligation to deliver cash or other financial asset to another entity and whether it may be settled through an equity instrument of a Group entity. Based on the criteria, the Group concluded that the hybrid equity instruments are a part of equity.

##### *Principal versus agent consideration – management of projects*

The Group's performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group's primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts;
- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group

##### *Use of practical expedient in recognising management fee*

In line with an agreement with the Government of Abu Dhabi (the "Government"), a subsidiary of the Group is overseeing the management of all projects of an entity (the "Entity") along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

##### *Classification of properties*

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Critical accounting judgments in applying accounting policies continued

##### *Allocation of development costs*

The allocation of project development costs between development work in progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

##### *Contract variations and claims*

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

##### *Determining the lease term of contracts with renewal options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

##### *Assets held for sale*

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations. Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from reporting date.

For more details on the assets held for sale, refer to note 19.

##### *Joint arrangement*

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

##### *Identifying whether an acquisition is a business or an asset*

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.



## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Critical accounting judgments in applying accounting policies continued

##### *Judgment related to derecognition of Pure Health Holding PJSC (formerly "Pure Health Holding LLC")*

As disclosed in note 6.4(a), due to loss of control, the Group derecognised the carrying value of assets and liabilities in Pure Health Holding PJSC ("Pure Health"). The results of Pure Health's operations were not segregated on the face of the consolidated statement of profit or loss, considering there were no disposal of shares, the absolute holding remained the same before and after loss of control, and the Group will be able to recover the investment principally through continuing use. Accordingly, the transaction was not considered as a discontinued operation under IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

##### Classification of investments:

The Group's principal activity is in investing and managing investments through different holdings in investees. The Group applies significant judgement with respect to the classification of investments with respect to control, joint control or significant influence exercised on those investments.

##### *Consolidation of entities in which the Group holds less than a majority of voting right*

For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other shareholders of the investee and de-facto control.

The Group considers that it has de-facto control over the following entities, even though it owns less than 50% of the voting rights:

##### *Aldar Properties PJSC ("Aldar") –*

- The Group has appointed four out of the total seven members of Aldar's board ("Board") with effect from 11 April 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- In accordance with Aldar's articles of association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Aldar's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Aldar's senior management; and
- The Group is the single largest shareholder of Aldar with 33.63% of the outstanding share capital.

##### *Easy Lease Motorcycle Rental PJSC ("Easy Lease") –*

- The Group is the single largest shareholder of Easy Lease with a 49.57% equity interest;
- As per Easy Lease's articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

##### *Emirates Driving Company PJSC ("DRIVE") –*

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 589 shareholders, of which two holds 6.51% and 5.74% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

## Notes to the Consolidated Financial Statements

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYs continued

#### Critical accounting judgments in applying accounting policies continued

##### Classification of investments: continued

##### *Consolidation of entities in which the Group holds less than a majority of voting right continued*

##### *NRTC Food Holding LLC ("NRTC") –*

- The Group has appointed three out of the total five members of NRTC's Board with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders' agreement dated 1 October 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
- The Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC's senior management.

##### *LVL Technology Holding (formerly "Switch Technology Holding") ("LVL") –*

- The Group has appointed four out of the total seven members of LVL's board and such appointment is contractual as per the amended shareholders' agreement; and
- The Board is fully empowered to manage and carry out all acts and transaction on behalf of the entity including supervision of LVL's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing LVL's senior management.

In making this judgement, the Group considered the absolute size of its holding in Aldar, Easy Lease, DRIVE, NRTC and LVL, ability of other shareholders to limit its nominations to the Board, and the Group's majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has de-facto control, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

The results of the following subsidiaries have been included in the consolidated financial statements, although the Group holds 50% or less ownership. Control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Diqa Technologies Limited
- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Apex Companies Management LLC
- ABNIA for Industrial Holding LLC

##### *Significant influence over investments in associates*

Significant influence is presumed to exist when the Group holds 20% or more of the voting power of investee. When the voting power is less than 20%, the Group considers other factors that give rise to significant influence, such as the ability to participate in the financial and operating policy decisions of the investee.

The Group has determined that although it holds less than 20% of the voting power in Iskandar Holdings Limited, Burjeel Holding PLC and Presight AI Holding PLC, significant influence exists due to having a representation on the Board of Directors and the participation in decisions over the relevant activities of the entities.

##### *Joint control over investments in joint ventures*

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group has determined that the investment in China Railway Construction, ORA Developers Investment Holding Limited, The Challenge Egyptian Emirates Marine Dredging Company, Micad Credit JV RSC LTD, Avobar Restaurant – Sole Proprietorship LLC, Richmond Hill Developments (Jersey) Limited, VST JV, Lazio Real Estate investments LLC, ABGC DMCC, WIO Holding Restricted Ltd., DTEC Industries Limited and NT Energies are joint ventures despite the Group holding less or more than 50% of the voting power, as joint control exists due to having unanimous voting rights in the Board of Directors.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS

#### 6.1 Business combination under common control

During the year ended 31 December 2023 and 2022, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these are business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

##### 6.1(a) Acquisitions during the year

#### WAS Commercial Investment – Sole Proprietorship LLC

Effective 1 April 2023, Tamween Group LLC, a subsidiary, acquired a 100% equity interest in WAS Commercial Investment – Sole Proprietorship LLC ("WAS"), an entity solely holding a 51% equity interest in Al Ain Farms for Livestock Production ("Al Ain Farms"), for nil consideration. Al Ain Farms is incorporated in Abu Dhabi, United Arab Emirates, and is involved managing the production and sale of dairy and poultry products. From the date of acquisition, WAS contributed revenue and profit to the Group amounting to AED 747,331 thousand and AED 24,051 thousand respectively. If the acquisition had taken place at the beginning of the year, WAS would have contributed revenue and profit to the Group amounting to AED 968,395 thousand and AED 30,114 thousand respectively.

#### Finstreet Limited

Effective 31 December 2023, Sirius International Holding Limited ("Sirius"), a subsidiary, acquired a 95% equity interest in Finstreet Limited ("Finstreet") for nil consideration. Finstreet is incorporated in Abu Dhabi, United Arab Emirates, and is involved in financial services activities. If the acquisition had taken place at the beginning of the year, Finstreet would have contributed a loss to the Group amounting to AED 1,404 thousand. No revenue was generated by Finstreet, as it's in the pre-operating phase.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

|   | WAS<br>AED'000        | Finstreet<br>AED'000 | Total<br>AED'000      |
|---|-----------------------|----------------------|-----------------------|
| <b>Assets</b>                                 |                       |                      |                       |
| Property, plant and equipment                 | 621,198               | -                    | 621,198               |
| Intangible assets                             | -                     | 2,474                | 2,474                 |
| Right-of-use assets                           | 15,550                | 2,094                | 17,644                |
| Goodwill                                      | 12,624                | -                    | 12,624                |
| Biological assets                             | 109,536               | -                    | 109,536               |
| Inventories                                   | 144,708               | -                    | 144,708               |
| Trade and other receivables                   | 204,518               | 387                  | 204,905               |
| Due from related parties                      | -                     | 873                  | 873                   |
| Cash and bank balances                        | 54,288                | -                    | 54,288                |
|   | <u>1,162,422</u>      | <u>5,828</u>         | <u>1,168,250</u>      |
| <b>Liabilities</b>                            |                       |                      |                       |
| Employees' end of service benefits            | 35,568                | 88                   | 35,656                |
| Lease liabilities                             | 13,284                | 2,094                | 15,378                |
| Borrowings                                    | 168,910               | -                    | 168,910               |
| Loan from a related party                     | 92,857                | -                    | 92,857                |
| Due to a related party                        | 3,502                 | 3,624                | 7,126                 |
| Trade and other payables                      | 259,385               | 506                  | 259,891               |
|   | <u>573,506</u>        | <u>6,312</u>         | <u>579,818</u>        |
| <b>Net assets</b>                             | <b>588,916</b>        | <b>(484)</b>         | <b>588,432</b>        |
| Less: non-controlling interest                | (329,026)             | 99                   | (328,927)             |
| <b>Merger, acquisition and other reserves</b> | <u><b>259,890</b></u> | <u><b>(385)</b></u>  | <u><b>259,505</b></u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS

#### 6.1 Business combination under common control continued

##### 6.1(b) Acquisitions during the year continued

#### W Solar Investment LLC

Effective 1 January 2022, Alpha Dhabi Industries Holding LLC, a subsidiary, acquired a 75% equity interest in W Solar Investment LLC ("W Solar") for nil consideration. W Solar is incorporated in Abu Dhabi, United Arab Emirates, and is involved in clean energy business. From the date of acquisition, W Solar contributed loss to the Group amounting to AED 1,342 thousand for the year ended 31 December 2022. No revenue was generated for the year ended 31 December 2022, as W Solar was in its pre-operating phase.

#### YAS Clinic Group Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in YAS Clinic Group Sole Proprietorship LLC ("YAS Clinic") and its subsidiaries for nil consideration. YAS Clinic is incorporated in Abu Dhabi, United Arab Emirates, and is involved in hospital management services. From the date of acquisition, YAS Clinic contributed revenue and profit to the Group amounting to AED 1,572,278 thousand and AED 671,220 thousand respectively, for the year ended 31 December 2022.

#### Abu Dhabi Stem Cells Centre – Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in Abu Dhabi Stem Cells Center – Sole Proprietorship LLC ("ADSCC") for nil consideration. ADSCC is a limited liability company, incorporated in Abu Dhabi, United Arab Emirates and is engaged in healthcare and research centres operation and management. From the date of acquisition, ADSCC contributed revenue and loss to the Group amounting to AED 67,861 thousand and AED 1,087 thousand respectively, for the year ended 31 December 2022.

#### Al Jaraf Fisheries LLC

Effective 1 January 2022, Tamween Companies Management LLC, a subsidiary, acquired a 100% equity interest in Al Jaraf Fisheries LLC ("JARAF") and its subsidiaries for nil consideration. JARAF is incorporated in Abu Dhabi, United Arab Emirates, and is involved in land based aquaculture, retail sale of fresh fish and marine animals. From the date of acquisition, JARAF contributed revenue and profit to the Group amounting to AED 5,246 thousand and AED 6,074 thousand respectively, for the year ended 31 December 2022.

#### Protect 7 Health Care – Sole Proprietorship LLC

Effective 1 January 2022, Tamouh Health Care LLC, a subsidiary, acquired a 100% equity interest in Protect 7 Health Care – Sole Proprietorship LLC ("Protect 7") for nil consideration. Protect 7 is incorporated in Abu Dhabi, United Arab Emirates, and is involved in retail sale of medical equipment and apparatuses. From the date of acquisition, Protect 7 contributed revenue and loss to the Group amounting to AED 1,017 thousand and AED 5,738 thousand respectively, for the year ended 31 December 2022.

#### Ras Al Khaimah Cement Investment Public JSC

Effective 1 March 2022, the Company transferred its 60% ownership in Apex Holding LLC ("Apex") to Ras Al Khaimah Cement Investment Public JSC ("RAKCIC") in return for 1,830,046,480 shares, representing a 51.5% ownership interest in RAKCIC. In substance, the Group acquired control over RAKCIC, and disposed of a portion of its ownership in Apex without loss of control. The acquisition has been accounted as a common control transaction as the Ultimate Parent controlled RAKCIC before and after the acquisition. RAKCIC is a public shareholding company incorporated in Ras Al Khaimah and is engaged in the production of clinkers and hydraulic cements manufacturing and the wholesaling of cement products. From the date of acquisition, RAKCIC contributed revenue and loss to the Group amounting to AED 69,737 thousand and AED 41,408 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, RAKCIC would have contributed revenue and loss to the Group amounting to AED 101,207 thousand and AED 49,058 thousand respectively, for the year ended 31 December 2022.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS

#### 6.1 Business combination under common control continued

##### 6.1(b) Acquisitions during the year continued

##### Mirak Royal Nature Fruit and Vegetables LLC

Effective 31 March 2022, the Company acquired a 80% equity interest in Mirak Royal Nature Fruit and Vegetables LLC ("Mirak") for nil consideration. Mirak is incorporated in Dubai, United Arab Emirates, and is involved in baby food trading, food and beverages trading and vegetables and fruits trading. From the date of acquisition, Mirak contributed revenue and loss to the Group amounting to AED 119,020 thousand and AED 5,830 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mirak would have contributed revenue and loss to the Group amounting to AED 157,792 thousand and AED 6,770 thousand respectively, for the year ended 31 December 2022.

##### Vision Furniture & Decoration Factory LLC

Effective 1 April 2022, ESG Capital Holding LLC, a subsidiary, acquired a 60% equity interest in Vision Furniture & Decoration Factory LLC ("Vision Factory") for nil consideration. Vision Factory is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in house and office furniture manufacturing, including fireproof wooden doors manufacturing. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 51,122 thousand and AED 6,347 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Vision Factory would have contributed revenue and profit to the Group amounting to AED 66,401 thousand and AED 7,720 thousand respectively, for the year ended 31 December 2022.

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS

#### 6.1 Business combination under common control continued

##### 6.1(b) Acquisitions during the year continued

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

|  | W Solar<br>AED'000 | YAS Clinic<br>AED'000 | ADSCC<br>AED'000 | JARAF<br>AED'000 | Protect 7<br>AED'000 | RAKVIC<br>AED'000 | Mirak<br>AED'000 | Vision Factory<br>AED'000 | Total<br>AED'000 |
|--|--------------------|-----------------------|------------------|------------------|----------------------|-------------------|------------------|---------------------------|------------------|
| <b>Assets</b>  |                    |                       |                  |                  |                      |                   |                  |                           |                  |
| Property, plant and equipment  | -                  | 380,985               | 60,306           | 225,432          | -                    | 325,487           | 17,949           | 10,718                    | 1,020,877        |
| Intangible assets  | -                  | 5,749                 | 874              | -                | -                    | 136               | 426              | -                         | 7,185            |
| Investment in an associate   | -                  | -                     | -                | -                | -                    | 35,534            | -                | -                         | 35,534           |
| Investments carried at fair value through other comprehensive income                     | -                  | -                     | -                | -                | -                    | 201,953           | -                | -                         | 201,953          |
| Investments carried at fair value through profit or loss                                 | -                  | -                     | -                | -                | -                    | 33,215            | -                | -                         | 33,215           |
| Biological assets  | -                  | -                     | -                | 22,916           | -                    | -                 | -                | -                         | 22,916           |
| Right-of-use assets  | -                  | 17,889                | 1,437            | 14,201           | -                    | -                 | -                | 2,211                     | 35,738           |
| Inventories  | -                  | 7,433                 | 1,280            | 1,206            | -                    | 52,144            | 4,057            | 4,845                     | 70,965           |
| Due from related parties   | 300                | 54,623                | 82,794           | 2,502            | -                    | -                 | -                | 277,709                   | 167,928          |
| Trade and other receivables  | 121                | 955,119               | -                | 2,158            | -                    | 56,600            | 38,755           | 7,503                     | 1,060,256        |
| Cash and bank balances   | 914                | 20,804                | 5,079            | 49,205           | 1,736                | 44                | 135              | 14,399                    | 92,316           |
|  | 1,335              | 1,442,602             | 151,770          | 317,620          | 1,736                | 705,113           | 61,322           | 67,385                    | 2,748,883        |
| <b>Liabilities</b>   |                    |                       |                  |                  |                      |                   |                  |                           |                  |
| Employees' end of service benefit  | -                  | 828                   | 693              | 786              | 106                  | 1,151             | 753              | 5,043                     | 9,360            |
| Borrowings   | -                  | 300,000               | -                | -                | -                    | 23,477            | 13,124           | -                         | 336,601          |
| Lease liabilities  | -                  | 18,900                | 1,437            | 14,133           | -                    | -                 | -                | 3,645                     | 38,115           |
| Due to related parties   | 1,764              | -                     | -                | 64,325           | 58,990               | -                 | 25,000           | 447                       | 150,526          |
| Trade and other payables   | 4                  | 424,164               | 43,840           | 10,670           | 5,738                | 62,807            | 51,449           | 25,855                    | 624,527          |
|  | 1,768              | 743,892               | 45,970           | 89,914           | 64,834               | 87,435            | 90,326           | 34,990                    | 1,159,129        |
| <b>Net assets</b>  | (433)              | 698,710               | 105,800          | 227,706          | (63,098)             | 617,678           | (29,004)         | 32,395                    | 1,589,754        |
| Less: non-controlling interest   | 286                | (382,872)             | (57,975)         | -                | -                    | (299,331)         | 5,801            | (15,874)                  | (749,965)        |
| Proportionate share of identifiable net assets acquired                                  | (147)              | 315,838               | 47,825           | 227,706          | (63,098)             | 318,347           | (23,203)         | 16,521                    | 839,789          |
| Previously held equity interest transferred from investment in financial asset (note 11) | -                  | -                     | -                | -                | -                    | (12,162)          | -                | -                         | (12,162)         |
| Carrying value of the shares in Apex (note 6.5 (b)(B))                                   | -                  | -                     | -                | -                | -                    | (105,688)         | -                | -                         | (105,688)        |
| <b>Merger reserve</b>  | (147)              | 315,838               | 47,825           | 227,706          | (63,098)             | 200,497           | (23,203)         | 16,521                    | 721,939          |



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year

During the year, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

##### Reach Global Services Holding 1 SPV Limited

Effective 1 January 2023, the Company acquired a 55% equity interest in Reach Global Services Holding 1 SPV Limited ("Reach") for consideration of AED 315,100 thousand. Reach is registered in Abu Dhabi and is engaged in manpower services. From the date of acquisition, Reach contributed revenue and profit to the Group amounting to AED 889,921 thousand and AED 51,069 thousand respectively.

##### Progressive Real Estate Development LLC

Effective 1 January 2023, ESG Capital Holding LLC, a subsidiary, acquired an additional 10% equity interest in Progressive Real Estate Development LLC ("PRED"), previously a jointly controlled entity, for nil consideration, increasing the Group's ownership to 80%. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED. The fair value of the previously held interest on the date of obtaining control, amounted to AED 5,781 thousand. PRED is a limited liability company, registered in Abu Dhabi, and is engaged in real estate lease and management services. From the date of acquisition, PRED contributed revenue and loss to the Group amounting to AED 2,552 thousand and AED 1,204 thousand respectively.

##### Mustard and Linen Interior Design Holdings Limited

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary, acquired a 75% equity interest in Mustard and Linen Interior Design Holdings Limited ("Mustard and Linen") for consideration of AED 25,000 thousand. Mustard and Linen is a limited company, registered in Abu Dhabi, and is engaged in interior design related works. From the date of acquisition, Mustard and Linen contributed revenue and profit to the Group amounting to AED 18,741 thousand and AED 11,423 thousand respectively. If the acquisition had taken place at the beginning of the year, Mustard and Linen would have contributed revenue and profit to the Group amounting to AED 19,336 thousand and AED 11,658 thousand respectively.

##### Spotlightpos Limited

Effective 1 March 2023, Oxinus Holding Limited, a subsidiary, acquired a 100% equity interest in Spotlightpos Limited ("Spotlight") for consideration of AED 8,355 thousand. Spotlight is a limited company, registered in Cyprus, and is engaged in information technology and software related services. From the date of acquisition, Spotlight contributed revenue and loss to the Group amounting to AED 1,747 thousand and AED 419 thousand respectively. If the acquisition had taken place at the beginning of the year, Spotlight would have contributed revenue and loss to the Group amounting to AED 1,898 thousand and AED 716 thousand respectively.

##### Fisio Therapy and Rehabilitation Centre LLC

Effective 2 March 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC ("Fisio") for consideration of AED 1 thousand. Fisio is a limited liability company, registered in Dubai, and engaged in physical medicine, rehabilitation and physiotherapy center. From the date of acquisition, Fisio contributed revenue and loss to the Group amounting to AED 1,388 thousand and AED 708 thousand respectively. If the acquisition had taken place at the beginning of the year, Fisio would have contributed revenue and loss to the Group amounting to AED 1,616 thousand and AED 896 thousand respectively.

##### Al Riyadh Medical Center LLC

Effective 20 March 2023, CMC Holding LLC, a subsidiary, acquired a 75% equity interest in Al Riyadh Medical Center LLC ("Al Riyadh") for consideration of AED 3,000 thousand. Al Riyadh is a limited liability company registered in Abu Dhabi, and is engaged in provision of poly clinic services. From the date of acquisition, Al Riyadh contributed revenue and loss to the Group amounting to AED 1,197 thousand and AED 669 thousand respectively. If the acquisition had taken place at the beginning of the year, Al Riyadh would have contributed revenue and loss to the Group amounting to AED 1,689 thousand and AED 1,066 thousand respectively.

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

##### P.J. Steel Construction Limited

Effective 21 April 2023, Arena Event Services Group Ltd, a subsidiary, acquired a 100% equity interest in P.J. Steel Construction Limited. ("P.J. Steel") for consideration of AED 4,800 thousand. P.J. Steel is registered in United Kingdom, and is engaged in provision of Steel fabrication powder coating services. From the date of acquisition, P.J. Steel contributed revenue and profit to the Group amounting to AED 10,053 thousand and AED 2,154 thousand respectively. If the acquisition had taken place at the beginning of the year, P.J. Steel would have contributed revenue and profit to the Group amounting to AED 11,353 thousand and AED 960 thousand respectively.

##### ADMO Lifestyle Holding Limited

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 51% equity interest in ADMO Lifestyle Holding Limited ("ADMO") for consideration of AED 716,466 thousand. ADMO is a limited liability company, registered in Abu Dhabi, and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and loss to the Group amounting to AED 121,054 thousand and AED 5,545 thousand respectively. If the acquisition had taken place at the beginning of the year, ADMO would have contributed revenue and profit to the Group amounting to AED 161,739 thousand and AED 5,440 thousand respectively.

##### Basatin Holding SPV Ltd.

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary, acquired a 75% equity interest in Basatin Holding SPV Ltd. ("Basatin") for consideration of AED 138,822 thousand. Basatin is a limited liability company, registered in Abu Dhabi, and is engaged in provision of landscaping related services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 237,550 thousand and AED 37,173 thousand respectively. If the acquisition had taken place at the beginning of the year, Basatin would have contributed revenue and profit to the Group amounting to AED 342,204 thousand and AED 45,783 thousand respectively.

##### Eltizam Asset Management Estate - Sole Proprietorship LLC

Effective 1 July 2023, Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary, acquired a 100% equity interest in Eltizam Asset Management Estate - Sole Proprietorship LLC ("Eltizam"), for consideration of AED 1,013,000 thousand, being the fair value of 4,854 new shares of Aldar Estates issued equally to the Company and to a third party (i.e. 2,427 shares each). The shares allocated to the Company, are in return of contributing the Company's 50% previously held equity interest in Eltizam with a fair value of AED 506,500 thousand on the transaction date. Eltizam is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Eltizam contributed revenue and loss to the Group amounting to AED 311,495 thousand and AED 4,605 thousand respectively. If the acquisition had taken place at the beginning of the year, Eltizam would have contributed revenue and profit to the Group amounting to AED 656,501 thousand and AED 20,573 thousand respectively.

##### 24 7 Media Holding Ltd

Effective 1 July 2023, MG Communications Holding LLC, a subsidiary, acquired a 60% equity interest in 24 7 Media Holding Ltd. ("24 7 Media") for consideration of AED 260,969 thousand. 24 7 Media is a private company limited by shares registered under the laws of Abu Dhabi Global Market. 24 7 Media is a specialised outdoor media solution provider in United Arab Emirates. From the date of acquisition, 24 7 Media contributed revenue and profit to the Group amounting to AED 101,066 thousand and AED 41,108 thousand respectively. If the acquisition had taken place at the beginning of the year, 24 7 Media would have contributed revenue and profit to the Group amounting to AED 185,730 thousand and AED 79,227 thousand respectively.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

#### LVL Technology Holding (formerly “Switch Technology Holding”)

Effective 1 July 2023, MG Wellness Holding LLC, a subsidiary, acquired control over LVL Technology Holding (“LVL”), previously recognised as an investment in financial asset, through the acquisition of an additional ownership interest of 33% in LVL (cumulative ownership of 49.38%) for consideration which consisted of cash amounting to AED 22,050 thousand and contribution of a subsidiary of the Group, Healthier U Wellness Services LLC (i.e. the fair value of the 50.62% interest in Healthier transferred to the third party). The Group controls LVL by virtue of the shareholder agreement which gives the Group the ability to appoint four out of seven board members. From the date of acquisition, LVL contributed revenue and loss to the Group amounting to AED 937 thousand and AED 5,896 thousand respectively. If the acquisition had taken place at the beginning of the year, LVL would have contributed revenue and loss to the Group amounting to AED 1,246 thousand and AED 6,754 thousand respectively.

#### Securiguard Middle East LLC

Effective 1 August 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Securiguard Middle East LLC (“Securiguard”) for a consideration of AED 300,000 thousand. Securiguard is a limited liability company, registered in Abu Dhabi, and is engaged in provision of security guards and cleaning services. From the date of acquisition, Securiguard contributed revenue and profit to the Group amounting to AED 229,504 thousand and AED 17,825 thousand respectively. If the acquisition had taken place at the beginning of the year, Securiguard would have contributed revenue and profit to the Group amounting to AED 551,422 thousand and AED 21,042 thousand respectively.

#### Virginia International Private School - Sole Proprietorship LLC

Effective 2 August 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Virginia International Private School - Sole Proprietorship LLC (“Virginia”), for a consideration of AED 210,509 thousand. Virginia is a limited liability company, registered in Abu Dhabi and is engaged in providing educational services. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 19,031 thousand and AED 6,653 thousand respectively. If the acquisition had taken place at the beginning of the year, Virginia would have contributed revenue and profit to the Group amounting to AED 46,448 thousand and AED 14,913 thousand respectively.

#### Mais Interior Design LLC

Effective 15 August 2023, Trojan Construction Group Sole Proprietorship LLC, a subsidiary, acquired a 60% equity interest in Mais Interior Design LLC (“Mais”), for a consideration of AED 24,000 thousand. Mais is a limited liability company, registered in Abu Dhabi and is engaged in interior design related works. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 24,718 and AED 4,045 thousand respectively. If the acquisition had taken place at the beginning of the year, Mais would have contributed revenue and profit to the Group amounting to AED 75,190 thousand and AED 10,975 thousand respectively.

#### Kent College LLC – FZ and Kent Nursery LLC - FZ

Effective 1 September 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Kent College LLC – FZ and Kent Nursery LLC - FZ (“Kent”), for a consideration of AED 120,000 thousand. Kent is a limited liability company, registered with Meydan Freezone Authority in Dubai and is engaged in providing educational services. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 28,099 thousand and AED 1,036 thousand respectively. If the acquisition had taken place at the beginning of the year, Kent would have contributed revenue and profit to the Group amounting to AED 74,210 thousand and AED 1,126 thousand respectively.

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

#### United International Group for Manpower Services LLC

Effective 1 October 2023, Century Human Resources and Logistics LLC OPC, a subsidiary, acquired 51% equity interest in United International Group for Manpower Services LLC (“UIG”) for consideration of AED 43,413 thousand. UIG is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. From the date of acquisition, UIG contributed revenue and profit to the Group amounting to AED 36,806 thousand and AED 6,862 thousand respectively. If the acquisition had taken place at the beginning of the year, UIG would have contributed revenue and profit to the Group amounting to AED 136,676 thousand and AED 15,400 thousand respectively.

#### Juice Spa – Group of Entities

Effective 1 October 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Juice SPA – Group of Entities (“Juice Spa”) for consideration of AED 24,500 thousand. Juice Spa is a limited liability company, registered in Abu Dhabi, and is engaged in ladies’ cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club. From the date of acquisition, Juice Spa contributed revenue and profit to the Group amounting to AED 8,314 thousand and AED 854 thousand respectively. If the acquisition had taken place at the beginning of the year, Juice Spa would have contributed revenue and profit to the Group amounting to AED 29,074 thousand and AED 2,389 thousand respectively.

#### Fully Charged Electrical Fitting Contracting LLC

Effective 1 October 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Fully Charged Electrical Fitting Contracting LLC (“Fully Charged”) for consideration of AED 3,150 thousand. Fully Charged is a limited liability company, registered in Dubai, and is engaged in provision of charging infrastructure facility across the country. From the date of acquisition, Fully Charged contributed revenue and profit to the Group amounting to AED 1,677 thousand and AED 6 thousand respectively. If the acquisition had taken place at the beginning of the year, Fully Charged would have contributed revenue and loss to the Group amounting to AED 6,576 thousand and AED 226 thousand respectively.

#### Desert Control Liquid Natural Clay LLC

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Desert Control Liquid Natural Clay LLC (“Desert Control”), for a consideration of AED 1. Desert Control is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works.

#### Mawarid Desert Control LLC

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Mawarid Desert Control LLC (“Mawarid Desert”), for a consideration of AED 1. Mawarid Desert is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works. From the date of acquisition, Mawarid Desert contributed revenue and loss to the Group amounting to AED 185 thousand and AED 1,497 thousand respectively. If the acquisition had taken place at the beginning of the year, Mawarid Desert would have contributed revenue and loss to the Group amounting to AED 401 thousand and AED 3,582 thousand respectively.

#### FAB Properties - Sole Proprietorship LLC

Effective 1 December 2023, Aldar Estate Holding Limited, a subsidiary, acquired a 100% equity interest in FAB Properties – Sole Proprietorship LLC (“FAB Properties”), for a consideration of AED 334,960 thousand. FAB Properties is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, FAB Properties contributed revenue and profit to the Group amounting to AED 4,812 thousand and AED 2,758 thousand respectively. If the acquisition had taken place at the beginning of the year, FAB Properties would have contributed revenue and profit to the Group amounting to AED 73,050 thousand and AED 37,559 thousand respectively.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

##### Ripe Exhibition Organizer Co. LLC

Effective 1 November 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Ripe Exhibition Organizer Co. LLC ("Ripe") for consideration of AED 31,920 thousand. Ripe is a limited liability company, registered in Abu Dhabi, and is engaged in event management. From the date of acquisition, Ripe contributed revenue and profit to the Group amounting to AED 5,434 thousand and AED 1,971 thousand respectively. If the acquisition had taken place at the beginning of the year, Ripe would have contributed revenue and profit to the Group amounting to AED 25,235 thousand and AED 6,513 thousand respectively.

##### London Square Developments (Holdings) Limited and LSQ Management Limited

Effective 30 November 2023, Aldar Development LSQ Limited, a subsidiary, acquired a 100% equity interest in London Square Developments (Holdings) Limited and LSQ Management Limited ("London Square") for consideration of AED 497,685 thousand. London Square is a limited company registered in United Kingdom and is engaged in real estate development. From the date of acquisition, London Square contributed revenue and loss to the Group amounting to AED 81,220 thousand and AED 12,146 thousand respectively. If the acquisition had taken place at the beginning of the year, London Square would have contributed revenue and profit to the Group amounting to AED 996,763 thousand and AED 514,700 thousand respectively.

##### Lynx Technology Group Ltd.

Effective 1 December 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired an additional 24% equity interest in Lynx Technology Group Ltd. ("Lynx") for consideration of AED 533 thousand increasing the Group's ownership to 49%. Lynx is registered in British Virgin Islands and is engaged in the provision of IT related services. From the date of acquisition, Lynx contributed revenue and profit to the Group amounting to AED 123 thousand and AED 0.04 thousand respectively. If the acquisition had taken place at the beginning of the year, Lynx would have contributed revenue and profit to the Group amounting to AED 1,228 thousand and AED 250 thousand respectively.

##### Sky Light Corporate Management LLC

Effective 31 December 2023, CMC Holding LLC, a subsidiary, acquired a 70% equity interest in Sky Light Corporate Management LLC ("Sky Light") for consideration of AED 70,000 thousand. Sky Light is a limited liability company, registered in Abu Dhabi and is engaged in specialised dental clinic, manufacturing of customised dental products and trading of imported dental products. If the acquisition had taken place at the beginning of the year, Sky Light would have contributed revenue and profit to the Group amounting to AED 58,015 thousand and AED 17,678 thousand respectively.

##### Guardtime SA

Effective 31 December 2023, Sirius International Holding Limited, a subsidiary, acquired a 100% equity interest in Guardtime SA ("Guardtime") for consideration of AED 77,070 thousand. Guardtime is a limited liability company, registered in Switzerland and is engaged in development of blockchain protocols and applications. If the acquisition had taken place at the beginning of the year, Guardtime would have contributed revenue and loss to the Group amounting to AED 4,960 thousand and AED 77,277 thousand respectively.

##### Secure Recruitment Services LLC OPC

Effective 31 December 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Secure Recruitment Services LLC OPC ("Secure") for nil consideration. Secure Recruitment is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. If the acquisition had taken place at the beginning of the year, Secure Recruitment would have contributed revenue and loss to the Group amounting to AED 2,192 thousand and AED 240 thousand respectively.

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

##### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

|   | Reach<br>AED'000 | PRED Spotlight<br>AED'000 | Fisic Al Riyadh*<br>AED'000 | PT Steel 24-7 Media<br>AED'000 | LVI Securibard<br>AED'000 | *UIG *Julica Spa<br>AED'000 | *Fully<br>Charged<br>AED'000 | *Ripe<br>AED'000 | *Lynx<br>AED'000 | *Sky Light<br>AED'000 | *Guardtime<br>AED'000 | *Alpha Dhabi<br>acquisitions<br>AED'000 | Total<br>AED'000 |              |               |                 |            |                  |                  |          |
|---|------------------|---------------------------|-----------------------------|--------------------------------|---------------------------|-----------------------------|------------------------------|------------------|------------------|-----------------------|-----------------------|---|------------------|--------------|---------------|-----------------|------------|------------------|------------------|----------|
| <b>Assets</b>   |                  |                           |                             |                                |                           |                             |                              |                  |                  |                       |                       |   |                  |              |               |                 |            |                  |                  |          |
| Property, plant and equipment   | 390              | 1,175                     | 116                         | 1,674                          | 126                       | 45                          | 2,270                        | 8                | 48,845           | 1,726                 | 3,025                 | 325                                     | 1,566            | 6            | 2,556         | 570             | -          | 319,456          | 383,859          |          |
| Intangible assets   | 303,283          | -                         | 5,052                       | -                              | 1,444                     | -                           | 142,545                      | 2,927            | 70,986           | 7,139                 | 10,261                | -                                       | 18,323           | 6,940        | 39,800        | 62,018          | -          | 473,648          | 1,144,366        |          |
| Right-of-use assets   | 823              | -                         | 239                         | -                              | 1,246                     | -                           | -                            | -                | 6,817            | 386                   | -                     | -                                       | 5,423            | -            | -             | -               | -          | 496,842          | 511,776          |          |
| Investment in associates and joint ventures                           | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 416,801          | 416,801          |          |
| Derivative financial instruments                                      | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 12,093           | 12,093           |          |
| Development work-in-progress  | -                | -                         | 1                           | 20                             | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 1,152,558        | 1,152,558        |          |
| Inventories   | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 14,021           | 28,190           |          |
| Deferred tax assets   | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 30,345           | 30,345           |          |
| Due from related parties  | 124,971          | -                         | -                           | -                              | 146                       | -                           | 53                           | 530              | 5,063            | 816                   | -                     | -                                       | -                | -            | -             | -               | -          | 243,954          | 376,699          |          |
| Trade and other receivables   | 148,716          | 6,177                     | 462                         | 1,485                          | 132                       | 370                         | 53,212                       | 521              | 248,930          | 86,371                | 2,148                 | 424                                     | 3,487            | 577          | 14,350        | 5,079           | 230        | 672,797          | 1,245,468        |          |
| Contract assets   | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | 179,484          | 179,484          |          |
| Cash and bank balances  | 35,951           | 1,954                     | 72                          | 192                            | 63                        | 1,059                       | 14,361                       | 23,582           | 66,292           | 8,686                 | 1,675                 | 212                                     | 10,241           | 115          | 3,650         | 4,782           | 557        | 64,952           | 822,956          |          |
| <b>Total assets</b>   | <b>614,134</b>   | <b>9,306</b>              | <b>5,942</b>                | <b>3,371</b>                   | <b>3,157</b>              | <b>2,242</b>                | <b>212,441</b>               | <b>27,568</b>    | <b>446,833</b>   | <b>103,124</b>        | <b>20,633</b>         | <b>1,165</b>                            | <b>39,040</b>    | <b>7,638</b> | <b>71,119</b> | <b>72,484</b>   | <b>787</b> | <b>4,661,511</b> | <b>6,304,595</b> |          |
| <b>Liabilities</b>  |                  |                           |                             |                                |                           |                             |                              |                  |                  |                       |                       |   |                  |              |               |                 |            |                  |                  |          |
| Employees' end of service benefits                                    | 52,554           | 61                        | -                           | 39                             | 54                        | -                           | 1,318                        | 613              | 67,942           | 9,489                 | 84                    | 33                                      | 87               | -            | 709           | -               | -          | 16               | 44,239           | 177,238  |
| Borrowings  | 104,633          | -                         | -                           | -                              | -                         | -                           | -                            | -                | 4,392            | -                     | -                     | -                                       | 111              | -            | -             | -               | -          | -                | 635,755          | 744,891  |
| Loan from a related party   | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | -                | 64,090           | -        |
| Lease liabilities   | 868              | -                         | 244                         | -                              | 1,206                     | -                           | -                            | -                | 6,577            | 299                   | -                     | -                                       | 6,339            | -            | -             | -               | -          | -                | 495,605          | 511,138  |
| Due to related parties  | -                | -                         | -                           | -                              | -                         | -                           | 4,769                        | 45               | 8,008            | -                     | -                     | -                                       | -                | -            | 55            | -               | -          | -                | 24,976           | 37,853   |
| Deferred tax liabilities  | -                | -                         | 631                         | -                              | 130                       | -                           | 12,829                       | 263              | 6,389            | 642                   | 923                   | -                                       | 1,648            | 625          | 3,582         | 13,024          | -          | -                | 35,093           | 75,779   |
| Contract liabilities  | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | -                | 163,213          | 163,213  |
| Trade and other payables  | 52,018           | 987                       | 649                         | 4,514                          | 374                       | 3,012                       | 29,616                       | 6,872            | 81,987           | 63,531                | 1,870                 | 337                                     | 12,176           | 862          | 17,897        | 22,210          | 100        | 1,090,837        | 1,389,849        |          |
| <b>Total liabilities</b>  | <b>210,073</b>   | <b>1,048</b>              | <b>1,524</b>                | <b>4,553</b>                   | <b>1,764</b>              | <b>3,012</b>                | <b>48,532</b>                | <b>13,808</b>    | <b>162,895</b>   | <b>86,361</b>         | <b>2,877</b>          | <b>481</b>                              | <b>20,250</b>    | <b>1,487</b> | <b>22,243</b> | <b>99,324</b>   | <b>116</b> | <b>2,489,718</b> | <b>3,170,066</b> |          |
| Net assets (liabilities)  | 404,061          | 8,258                     | 4,418                       | (1,182)                        | 1,393                     | (770)                       | 163,909                      | 13,760           | 284,038          | 18,763                | 17,756                | 684                                     | 18,790           | 6,151        | 48,876        | (26,840)        | 671        | 2,171,793        | 3,134,529        |          |
| Less: non-controlling interests                                       | -                | -                         | -                           | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | -          | -                | (35,868)         | (35,868) |
| <b>Total identifiable net assets (liabilities) at fair value</b>      | <b>404,061</b>   | <b>8,258</b>              | <b>4,418</b>                | <b>(1,182)</b>                 | <b>1,393</b>              | <b>(770)</b>                | <b>163,909</b>               | <b>13,760</b>    | <b>284,038</b>   | <b>18,763</b>         | <b>17,756</b>         | <b>684</b>                              | <b>18,790</b>    | <b>6,151</b> | <b>48,876</b> | <b>(26,840)</b> | <b>671</b> | <b>2,135,925</b> | <b>3,098,661</b> |          |
| Proportionate share of identifiable net assets (liabilities) acquired | 222,234          | 6,606                     | 4,418                       | (1,182)                        | 1,045                     | (770)                       | 98,345                       | 6,795            | 284,038          | 9,569                 | 17,756                | 410                                     | 11,274           | 3,014        | 34,213        | (26,840)        | 671        | 1,708,193        | 2,379,789        |          |
| Goodwill arising on acquisition                                       | 92,866           | -                         | 3,937                       | 1,183                          | 1,955                     | 5,570                       | 162,624                      | 33,154           | 15,962           | 33,844                | 6,744                 | 2,740                                   | 20,646           | 2,492        | 35,787        | 103,910         | -          | 1,373,751        | 1,897,165        |          |
| Gain on bargain purchase  | -                | -                         | (825)                       | -                              | -                         | -                           | -                            | -                | -                | -                     | -                     | -                                       | -                | -            | -             | -               | (671)      | (1,502)          | (2,998)          |          |
| <b>Purchase consideration</b>   | <b>315,100</b>   | <b>5,781</b>              | <b>8,355</b>                | <b>1</b>                       | <b>3,000</b>              | <b>4,800</b>                | <b>260,969</b>               | <b>39,949</b>    | <b>300,000</b>   | <b>43,413</b>         | <b>24,500</b>         | <b>3,150</b>                            | <b>31,920</b>    | <b>5,506</b> | <b>70,000</b> | <b>77,070</b>   | <b>-</b>   | <b>3,080,442</b> | <b>4,273,956</b> |          |
| <b>Non-controlling interest on acquisition</b>                        | <b>181,827</b>   | <b>1,652</b>              | <b>-</b>                    | <b>-</b>                       | <b>348</b>                | <b>-</b>                    | <b>65,564</b>                | <b>6,965</b>     | <b>-</b>         | <b>9,194</b>          | <b>-</b>              | <b>274</b>                              | <b>7,516</b>     | <b>3,137</b> | <b>14,663</b> | <b>-</b>        | <b>-</b>   | <b>463,600</b>   | <b>754,740</b>   |          |



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

#### Assets acquired and liabilities assumed continued (i) Alpha Dhabi Holding group acquisitions

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

|   | Mustard and Linen<br>AED'000 | ADMO<br>AED'000 | Basatin<br>AED'000 | Elitzam*<br>AED'000 | Virginia<br>AED'000 | Mais*<br>AED'000 | Kent<br>AED'000 | Desert<br>Control*<br>AED'000 | Mawarid<br>Desert*<br>AED'000 | FAB<br>Properties*<br>AED'000 | *London Square<br>AED'000 | Total<br>AED'000 |
|---|------------------------------|-----------------|--------------------|---------------------|---------------------|------------------|-----------------|-------------------------------|-------------------------------|-------------------------------|---------------------------|------------------|
| <b>Assets</b>   |                              |                 |                    |                     |                     |                  |                 |                               |                               |                               |                           |                  |
| Property, plant and equipment   | 137                          | 143,371         | 8,337              | 12,625              | 147,106             | 2,656            | 870             | 1,502                         | 3                             | 30                            | 2,819                     | 319,456          |
| Intangible assets   | -                            | 947             | 38,276             | 167,810             | 13,244              | -                | 39,904          | -                             | -                             | 203,031                       | 10,436                    | 473,648          |
| Right-of-use assets   | -                            | 67,093          | -                  | 3,057               | 4,901               | -                | 410,174         | -                             | -                             | -                             | 11,617                    | 496,842          |
| Investment in associates and joint ventures                           | -                            | 309,569         | -                  | -                   | -                   | -                | -               | -                             | -                             | -                             | 107,252                   | 416,801          |
| Derivative financial instruments                                      | -                            | -               | -                  | -                   | -                   | -                | -               | -                             | -                             | -                             | 12,093                    | 12,093           |
| Development work-in-progress  | -                            | 4,818           | 1,376              | 5,813               | 1,003               | 1,011            | -               | -                             | -                             | -                             | 1,152,558                 | 1,152,558        |
| Inventories   | -                            | -               | -                  | -                   | -                   | -                | -               | -                             | -                             | -                             | 29,793                    | 14,021           |
| Deferred tax asset  | -                            | 552             | -                  | -                   | -                   | -                | -               | -                             | -                             | -                             | -                         | 30,345           |
| Due from related parties  | 1                            | 243,953         | -                  | -                   | -                   | -                | -               | -                             | -                             | -                             | -                         | 243,954          |
| Trade and other receivables   | 771                          | 93,131          | 65,197             | 316,658             | 10,609              | 32,272           | 12,500          | -                             | 258                           | 10,416                        | 130,985                   | 672,797          |
| Contract assets   | -                            | -               | 20,638             | 12,700              | -                   | 19,002           | -               | -                             | -                             | -                             | 127,144                   | 179,484          |
| Cash and bank balances  | 1,781                        | 115,864         | 36,960             | 75,075              | 4,991               | 3,604            | 5,037           | -                             | 14                            | 190,661                       | 215,525                   | 649,512          |
| <b>Total assets</b>   | <b>2,690</b>                 | <b>979,298</b>  | <b>170,784</b>     | <b>593,738</b>      | <b>181,854</b>      | <b>58,545</b>    | <b>468,485</b>  | <b>1,502</b>                  | <b>275</b>                    | <b>404,138</b>                | <b>1,800,202</b>          | <b>4,661,511</b> |
| <b>Liabilities</b>  |                              |                 |                    |                     |                     |                  |                 |                               |                               |                               |                           |                  |
| Employees' end of service benefit (liabilities) acquired              | 701                          | -               | 5,245              | 28,096              | 1,142               | 1,921            | 3,474           | -                             | 105                           | 3,555                         | -                         | 44,239           |
| Borrowings  | -                            | 445             | -                  | -                   | -                   | 752              | -               | -                             | -                             | -                             | 634,558                   | 635,755          |
| Lease liabilities   | -                            | 67,093          | -                  | 3,858               | 5,314               | -                | 411,006         | -                             | -                             | -                             | 8,334                     | 495,605          |
| Due to related parties  | -                            | 22,204          | -                  | -                   | -                   | -                | -               | -                             | 2,772                         | -                             | -                         | 24,976           |
| Deferred tax liabilities  | -                            | 1,284           | -                  | 11,800              | 1,195               | -                | 3,591           | -                             | -                             | 17,223                        | -                         | 35,093           |
| Contract liabilities  | -                            | -               | 1,842              | 552                 | 10,897              | -                | 14,650          | -                             | -                             | -                             | 135,272                   | 163,213          |
| Trade and other payables  | 1,673                        | 57,916          | 73,225             | 236,887             | 1,721               | 21,715           | 4,881           | -                             | 265                           | 163,994                       | 528,560                   | 1,090,837        |
| <b>Total liabilities</b>  | <b>2,374</b>                 | <b>148,942</b>  | <b>80,312</b>      | <b>281,193</b>      | <b>20,269</b>       | <b>24,388</b>    | <b>437,602</b>  | <b>-</b>                      | <b>3,142</b>                  | <b>184,772</b>                | <b>1,306,724</b>          | <b>2,489,718</b> |
| <b>Net assets (liabilities)</b>                                       | <b>316</b>                   | <b>830,356</b>  | <b>90,472</b>      | <b>312,545</b>      | <b>161,585</b>      | <b>34,157</b>    | <b>30,883</b>   | <b>1,502</b>                  | <b>(2,867)</b>                | <b>219,366</b>                | <b>493,478</b>            | <b>2,171,793</b> |
| Less: non-controlling interests                                       | -                            | (31,638)        | -                  | (4,230)             | -                   | -                | -               | -                             | -                             | -                             | -                         | (35,868)         |
| <b>Total identifiable net assets (liabilities) at fair value</b>      | <b>316</b>                   | <b>798,718</b>  | <b>90,472</b>      | <b>308,315</b>      | <b>161,585</b>      | <b>34,157</b>    | <b>30,883</b>   | <b>1,502</b>                  | <b>(2,867)</b>                | <b>219,366</b>                | <b>493,478</b>            | <b>2,135,925</b> |
| Proportionate share of identifiable net assets (liabilities) acquired | 237                          | 407,346         | 67,854             | 308,315             | 161,585             | 20,494           | 30,883          | 1,502                         | (2,867)                       | 219,366                       | 493,478                   | 1,708,193        |
| Goodwill arising on acquisition                                       | 24,763                       | 309,120         | 70,968             | 704,685             | 48,924              | 3,506            | 89,117          | -                             | 2,867                         | 115,594                       | 4,207                     | 1,373,751        |
| Gain on bargain purchase  | -                            | -               | -                  | -                   | -                   | -                | -               | (1,502)                       | -                             | -                             | -                         | (1,502)          |
| <b>Purchase consideration</b>   | <b>25,000</b>                | <b>716,466</b>  | <b>138,822</b>     | <b>1,013,000</b>    | <b>210,509</b>      | <b>24,000</b>    | <b>120,000</b>  | <b>-</b>                      | <b>-</b>                      | <b>334,960</b>                | <b>497,685</b>            | <b>3,080,442</b> |
| <b>Non-controlling interest on acquisition</b>                        | <b>79</b>                    | <b>423,010</b>  | <b>22,618</b>      | <b>4,230</b>        | <b>-</b>            | <b>13,663</b>    | <b>-</b>        | <b>-</b>                      | <b>-</b>                      | <b>-</b>                      | <b>-</b>                  | <b>463,600</b>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

\* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercise of the acquisitions before the end of 2024.

Intangible assets of AED 1,137,451 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer relationships, customer contracts, brand name and trade license.

Goodwill of AED 1,897,165 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 5.8% to 26.3%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 5%, which has been used to determine income for the future years.

Details of purchase consideration on acquisitions is as follows:

|   | Reach<br>AED'000 | PREED<br>AED'000 | Spotlight<br>AED'000 | Fiso<br>AED'000 | Al Riyadh*<br>AED'000 | PJ Steel<br>AED'000 | 24-7 Media<br>AED'000 | L.V.<br>AED'000 | Securguard<br>AED'000 | *UIC<br>AED'000 | *Juice Spa<br>AED'000 | *Fully<br>Charged<br>AED'000 | *Ripe<br>AED'000 | *Lynx<br>AED'000 | *Sky Light<br>AED'000 | *Courtdime<br>AED'000 | *Secure<br>AED'000 | Alpha Dhabi<br>acquisitions<br>AED'000 | Total<br>AED'000 |
|---|------------------|------------------|----------------------|-----------------|-----------------------|---------------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|------------------------------|------------------|------------------|-----------------------|-----------------------|--------------------|--|------------------|
| Cash paid for the acquisition   | 315,100          | -                | 8,355                | 1               | 3,000                 | 2,495               | 184,566               | 22,050          | 300,000               | -               | 24,500                | 1,650                        | -                | 70,000           | -                     | -                     | -                  | 1,962,630                              | 2,894,347        |
| Contingent payable  | -                | -                | -                    | -               | -                     | 1,383               | 36,403                | -               | -                     | 43,413          | -                     | 1,500                        | 31,920           | 533              | -                     | -                     | -                  | 104,812                                | 219,964          |
| Contingent consideration <sup>(i)</sup>   | -                | -                | -                    | -               | -                     | 922                 | 40,000                | -               | -                     | -               | -                     | -                            | -                | -                | -                     | -                     | -                  | -                                      | 40,922           |
| Fair value of previously held equity interest transferred from investment in financial assets (note 11) | -                | -                | -                    | -               | -                     | -                   | -                     | 13,025          | -                     | -               | -                     | -                            | -                | -                | -                     | -                     | -                  | -                                      | 13,025           |
| Fair value of previously held equity interest transferred from investment in joint venture (note 10)    | -                | 5,781            | -                    | -               | -                     | -                   | -                     | -               | -                     | -               | -                     | -                            | -                | 4,973            | -                     | -                     | -                  | 506,500                                | 517,254          |
| Fair value of shares in a subsidiary <sup>(ii)</sup>  | -                | -                | -                    | -               | -                     | -                   | -                     | 4,874           | -                     | -               | -                     | -                            | -                | -                | -                     | -                     | -                  | -                                      | 4,874            |
| Fair value of consideration transferred <sup>(iii)</sup>  | -                | -                | -                    | -               | -                     | -                   | -                     | -               | -                     | -               | -                     | -                            | -                | -                | -                     | -                     | -                  | 506,500                                | 583,570          |
| <b>Total purchase consideration</b>   | <b>315,100</b>   | <b>5,781</b>     | <b>8,355</b>         | <b>1</b>        | <b>3,000</b>          | <b>4,800</b>        | <b>260,969</b>        | <b>39,949</b>   | <b>300,000</b>        | <b>43,413</b>   | <b>24,500</b>         | <b>3,150</b>                 | <b>31,920</b>    | <b>5,506</b>     | <b>70,000</b>         | <b>77,070</b>         | <b>-</b>           | <b>3,080,442</b>                       | <b>4,273,956</b> |

(i) Contingent consideration represents the following:

- For the acquisition of 24-7 Media, an additional cash consideration of AED 40,000 thousand is to be paid to the previous owner, subject to 24-7 Media achieving a minimum net profit of AED 60,000 thousand for the year ending 31 December 2023. As at the acquisition date, the contingent consideration with an estimated fair value of AED 40,000 thousand was recorded, as it is highly probable that the targeted profit will be achieved.

- For the acquisition of PJ Steel, an additional cash consideration of AED 461 thousand is to be paid to the previous owner, subject to achieving a minimum net profit of AED 1,613 thousand for the period from 1 January 2023 to 31 March 2024 and an additional cash consideration of AED 461 thousand subject to the previous owner securing new contracts to PJ Steel generating a minimum cash inflow of AED 4,608 thousand. As at the acquisition date, the total contingent consideration with an estimated fair value of AED 922 thousand was recorded, as it is highly probable that both targets will be achieved.

(ii) Represents the fair value of 50.62% ownership interest in HealthierU, a subsidiary, which was granted to a third party as part of the agreement to acquire LVL.







## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Aldar Properties PJSC (“Aldar”)

In the Annual General Meeting of Aldar held on 11 April 2022, the Group obtained de facto control by appointing four out of the seven board members. The fair value of the previously held equity interest in Aldar, on the date of obtaining control, amounted to AED 13,404,976 thousand. Aldar is a public joint stock company, registered in Abu Dhabi, United Arab Emirates and is engaged in various businesses, primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of obtaining control, Aldar contributed revenue and profit to the Group amounting to AED 8,515,751 thousand and AED 2,467,272 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Aldar would have contributed revenue and profit to the Group amounting to AED 11,198,956 thousand and AED 3,155,083 thousand respectively, for the year ended 31 December 2022.

##### Twafq Projects Development Property LLC

Effective 18 April 2022, Aldar Logistics Holding Limited, a subsidiary, acquired 70% equity interest in Twafq Projects Development Property LLC (“Twafq”) for consideration of AED 331,033 thousand. Twafq is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in the development, investment and management of industrial real estate. From the date of acquisition, Twafq contributed revenue and profit to the Group amounting to AED 47,638 thousand and AED 51,813 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Twafq would have contributed revenue and profit to the Group amounting to AED 62,700 thousand and AED 56,994 thousand respectively, for the year ended 31 December 2022.

##### Al Shohub Private School LLC

Effective 1 June 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Private School LLC (“Al Shohub”) for consideration of AED 72,210 thousand. Al Shohub is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of education services. From the date of acquisition, Al Shohub contributed revenue and loss to the Group amounting to AED 13,738 thousand and AED 1,445 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Al Shohub would have contributed revenue and loss to the Group amounting to AED 22,794 thousand and AED 5,373 thousand respectively, for the year ended 31 December 2022.

##### Esyasoft Holding Ltd.

Effective 1 June 2022, the Company acquired an additional 21% equity interest in Esyasoft Holding Ltd. (“Esyasoft”), for consideration of AED 18,375 thousand, increasing the Group’s ownership to 51%. Esyasoft is a private company, registered with Dubai International Financial Centre and is involved in delivering utility grid modernisation through a suite of SaaS based technology and analytics applications. From the date of acquisition, Esyasoft contributed revenue and profit to the Group amounting to AED 35,240 thousand and AED 3,845 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Esyasoft would have contributed revenue and profit to the Group amounting to AED 44,958 thousand and AED 4,544 thousand respectively, for the year ended 31 December 2022.

##### Reem Investments PJSC

Effective 2 June 2022, Q Holding PSC (formerly “Al Qudra Holding PJSC”), a subsidiary, acquired a 100% equity interest in Reem Investments PJSC (“Reem Investments”) for consideration of AED 5,807,327 thousand, being the fair value of the 1,347,408 new shares issued to the shareholders of Reem Investments. Reem Investments is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates and is engaged in real estate development and the sale and investment in real estate and securities in UAE and abroad. From the date of acquisition, Reem Investments contributed revenue and loss to the Group amounting to AED 20,969 thousand and AED 370,376 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Reem Investments would have contributed revenue and loss to the Group amounting to AED 51,872 thousand and AED 109,724 thousand respectively, for the year ended 31 December 2022.

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Cyber Gate Defense LLC

Effective 1 July 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 55% equity interest in Cyber Gate Defense LLC (“Cyber Gate”) for consideration of AED 55,000 thousand. Cyber Gate is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of cyber security services. From the date of acquisition, Cyber Gate contributed revenue and profit to the Group amounting to AED 27,079 thousand and AED 4,804 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Cyber Gate would have contributed revenue and profit to the Group amounting to AED 43,586 thousand and AED 7,005 thousand respectively, for the year ended 31 December 2022.

##### The Captain Boats and Ships Trading LLC

Effective 1 July 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired a 55% equity interest in The Captain Boats and Ships Trading LLC (“Captain Boats”) for consideration of AED 38,500 thousand. Captain Boats is a limited liability company registered in Abu Dhabi, United Arab Emirates and is engaged in the trading and repairing of boats and ships. From the date of acquisition, Captain Boats contributed revenue and profit to the Group amounting to AED 13,604 thousand and AED 4,114 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Captain Boats would have contributed revenue and profit to the Group amounting to AED 26,002 thousand and AED 6,390 thousand respectively, for the year ended 31 December 2022.

##### Emircom LLC

Effective 1 August 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 54% equity interest in Emircom LLC (“Emircom”) for consideration of AED 250,000 thousand. Emircom is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of information and communication technology services. From the date of acquisition, Emircom contributed revenue and profit to the Group amounting to AED 685,578 thousand and AED 25,639 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom would have contributed revenue and profit to the Group amounting to AED 1,297,182 thousand and AED 26,751 thousand respectively, for the year ended 31 December 2022.

##### Mace Macro Technical Services LLC

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Mace Macro Technical Services LLC (“Mace Macro”) for consideration of AED 4,400 thousand. Mace Macro is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of facilities management services. From the date of acquisition, Mace Macro contributed revenue and profit to the Group amounting to AED 5,231 thousand and AED 523 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mace Macro would have contributed revenue and profit to the Group amounting to AED 13,977 thousand and AED 1,669 thousand respectively, for the year ended 31 December 2022.

##### Pactive Sustainable Solutions LLC

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Pactive Sustainable Solutions LLC (“Pactive”) for consideration of AED 10,000 thousand. Pactive is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of energy management services. From the date of acquisition, Pactive contributed revenue and profit to the Group amounting to AED 6,257 thousand and AED 832 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Pactive would have contributed revenue and profit to the Group amounting to AED 9,023 thousand and AED 1,236 thousand respectively, for the year ended 31 December 2022.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Spark Securities Services - Sole Proprietorship LLC

Effective 1 September 2022, Khidmah - Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Spark Securities Services-Sole Proprietorship LLC ("Spark") for consideration of AED 120,019 thousand. Spark is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of security related services. From the date of acquisition, Spark contributed revenue and profit to the Group amounting to AED 95,555 thousand and AED 5,855 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Spark would have contributed revenue and profit to the Group amounting to AED 268,192 thousand and AED 11,308 thousand respectively, for the year ended 31 December 2022.

##### NRTC Food Holding LLC

Effective 1 October 2022, Tamween Group LLC, a subsidiary, acquired control over NRTC Food Holding LLC and its subsidiaries, previously a 41% owned associate of the Group, through obtaining majority representation of the board of directors of NRTC. The fair value of the previously held equity interest in NRTC, on the date of obtaining control, amounted to AED 273,198 thousand. NRTC is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is involved in commercial and agricultural enterprises investment, institution and management. From the date of obtaining control, NRTC contributed revenue and profit to the Group amounting to AED 200,008 thousand and AED 16,976 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, NRTC would have contributed revenue and profit to the Group amounting to AED 706,025 thousand and AED 50,423 thousand respectively, for the year ended 31 December 2022.

##### CMC Holding LLC

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in CMC Holding LLC ("CMC") for consideration of AED 126,000 thousand. CMC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of medical and health related services. From the date of acquisition, CMC contributed revenue and profit to the Group amounting to AED 22,160 thousand and AED 2,772 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, CMC would have contributed revenue and profit to the Group amounting to AED 80,274 thousand and AED 9,966 thousand respectively, for the year ended 31 December 2022.

##### Atlas Medical LLC

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in Atlas Medical LLC ("Atlas") for consideration of AED 20,000 thousand. Atlas is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in trading of medical and health related equipment and devices. From the date of acquisition, Atlas contributed revenue and profit to the Group amounting to AED 16,597 thousand and AED 5,383 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Atlas would have contributed revenue and loss to the Group amounting to AED 85,844 thousand and AED 40,504 thousand respectively, for the year ended 31 December 2022.

##### Abu Dhabi Health Services Company PJSC ("SEHA"), The Life Corner LLC ("TLC") and Daman Health Insurance Company PJSC ("Daman")

Effective 1 October 2022, Pure Health Holding LLC, a subsidiary, entered into an agreement with a third party to acquire a 100% ownership interest in SEHA, TLC and Daman in addition to 27% of Pure Health Medical Supplies LLC, for a total consideration of AED 9,827,347 thousand, being the fair value of the 225,038,001 newly issued shares to the third party.

Consideration has been allocated to the acquired businesses as follows:

|   |              |                        |
|---|--------------|------------------------|
| — | EHA and TLC: | AED 4,584,958 thousand |
| — | Daman:       | AED 1,651,389 thousand |

The consideration of AED 3,591,000 thousand, allocated to the acquisition of 27% ownership interest in Pure Health Medical Supplies LLC, has been accounted for as an increase in shareholding (i.e. acquisition of NCI), as disclosed in note 6.6(b)(E).

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Abu Dhabi Health Services Company PJSC ("SEHA"), The Life Corner LLC ("TLC") and Daman Health Insurance Company PJSC ("Daman") continued

##### SEHA:

SEHA is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in managing healthcare establishments, implementing healthcare policies, projects and strategies, providing and purchasing supplies and medicines needed for healthcare purposes to the general public and collecting prescribed fees for health, curative and preventive services. From the date of acquisition, SEHA contributed revenue and profit to the Group amounting to AED 2,008,178 thousand and AED 566,877 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SEHA would have contributed revenue and profit to the Group amounting to AED 7,193,666 thousand and AED 921,747 thousand respectively, for the year ended 31 December 2022.

TLC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in pharmacy management services. From the date of acquisition, TLC did not contribute revenue and profit to the Group, for the year ended 31 December 2022.

##### Daman:

Daman is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in the provision of health insurance services. From the date of acquisition, Daman contributed revenue and profit to the Group amounting to AED 1,140,431 thousand and AED 78,394 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Daman would have contributed revenue and profit to the Group amounting to AED 4,388,392 thousand and AED 298,022 thousand respectively, for the year ended 31 December 2022.

##### Emircom Egypt LLC

Effective 1 October 2022, Pace Tech Group - Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Emircom Egypt LLC ("Emircom Egypt") for consideration of AED 11 thousand. Emircom Egypt is a limited liability company registered in Egypt and is involved in information and communication technology services. From the date of acquisition, Emircom Egypt contributed revenue and loss to the Group amounting to AED 1,947 thousand and AED 45 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom Egypt would have contributed revenue and profit to the Group amounting to AED 3,029 thousand and AED 232 thousand respectively, for the year ended 31 December 2022.

##### SAGA OA DMCC

Effective 19 October 2022, Aldar Properties PJSC, a subsidiary, acquired 100% equity interest in SAGA OA DMCC ("SAGA") for consideration of AED 36,965 thousand, SAGA is a limited liability company registered in Dubai, United Arab Emirates and is involved in property management services. From the date of acquisition, SAGA contributed revenue and profit to the Group amounting to AED 2,305 thousand and AED 599 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SAGA would have contributed revenue and profit to the Group amounting to AED 12,787 thousand and AED 6,435 thousand respectively, for the year ended 31 December 2022.

##### Qube Car Park Management LLC

Effective 1 December 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired 70% equity interest in Qube Car Parking Management LLC ("Qube") for consideration of AED 5,000 thousand. Qube is a limited liability company, registered in the Emirate of Dubai and is engaged in the car park rental and management valet parking services. From the date of acquisition, Qube contributed revenue and profit to the Group amounting to AED 126 thousand and AED 79 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Qube would have contributed revenue and profit to the Group amounting to AED 1,615 thousand and AED 1,220 thousand respectively, for the year ended 31 December 2022.



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

|  | Rose<br>AED'000 | ADVOG<br>AED'000 | American<br>Crescent<br>AED'000 | Direct<br>Trading<br>AED'000 | Arena<br>AED'000 | EsyaSoft<br>AED'000 | Reem<br>Investments<br>AED'000 | Cyber Gate<br>AED'000 | Caplain<br>Boats<br>AED'000 | Emicom<br>AED'000 | NRTC<br>AED'000 | CMC<br>AED'000 | AtlasEmcom<br>AED'000 | Darman<br>AED'000 | SACA<br>AED'000 | Alpha Dhabi<br>acquisitions<br>AED'000 | Total<br>AED'000  |
|--|-----------------|------------------|---------------------------------|------------------------------|------------------|---------------------|--------------------------------|-----------------------|-----------------------------|-------------------|-----------------|----------------|-----------------------|-------------------|-----------------|--|-------------------|
| <b>Assets</b>  |                 |                  |                                 |                              |                  |                     |                                |                       |                             |                   |                 |                |                       |                   |                 |  |                   |
| Property, plant and equipment  | 837             | 55,702           | 93                              | 18                           | 328,073          | 363                 | 10,315                         | 506                   | 18,004                      | 104,060           | 18,281          | 3,732          | 535                   | -                 | 59              | 5,599,921                              | 5,900,509         |
| Intangible assets  | 577             | -                | -                               | 527                          | 151,229          | 91,536              | -                              | 18,200                | 12,103                      | 31,300            | 240,356         | 30,436         | 17,121                | -                 | 4,724           | 5,566,485                              | 6,144,792         |
| Right-of-use assets  | -               | 21,667           | -                               | -                            | 77,420           | 401                 | -                              | 2,071                 | 287                         | 12,934            | 843             | -              | 1,068                 | 125               | -               | 574,134                                | 690,950           |
| Investment properties  | -               | -                | -                               | -                            | -                | -                   | 1,702,231                      | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | 115,570                                | 1,702,231         |
| Investment in associates and joint ventures                          | -               | -                | -                               | -                            | 4,622            | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | 4,622             |
| Investments carried at fair value through other comprehensive income | -               | -                | -                               | -                            | -                | -                   | 3,296,942                      | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | 3,296,942         |
| Investments carried at fair value through profit or loss             | -               | -                | -                               | -                            | -                | -                   | 49,374                         | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | 49,374            |
| Derivative financial instruments                                     | -               | -                | -                               | -                            | -                | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | -                 |
| Deferred tax asset   | -               | -                | -                               | -                            | -                | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | -                 |
| Inventories  | 160             | 43,638           | -                               | 4,239                        | 131,522          | -                   | 2,047,000                      | 46                    | 110,898                     | 5,149             | 2,452           | 7,844          | -                     | -                 | -               | 34,510                                 | 2,497,960         |
| Trade and other receivables  | 230             | 32,628           | 4,135                           | 1,311                        | 135,238          | 16,888              | 386,045                        | 8,483                 | 6,477                       | 434,905           | 176,605         | 5,147          | 135,290               | 109               | 15,676,635      | 17,024,200                             |                   |
| Contract assets  | -               | -                | -                               | -                            | 11,579           | -                   | -                              | 10,718                | -                           | 563,520           | -               | -              | -                     | -                 | -               | 618,795                                | 1,204,612         |
| Development work-in-progress   | -               | -                | -                               | -                            | -                | -                   | 5,189                          | -                     | -                           | -                 | -               | -              | -                     | -                 | 3,673,726       | 3,678,915                              |                   |
| Due to related parties   | -               | -                | -                               | -                            | -                | -                   | 7,960                          | 4,061                 | -                           | 106,000           | -               | -              | -                     | -                 | 181             | 118,202                                |                   |
| Cash and bank balances   | -               | 3,392            | 82                              | 318                          | 128,971          | 1,917               | 408,700                        | 55,277                | 6,799                       | 208,634           | 27,943          | 9,754          | 11,249                | 448               | 57              | 12,425,503                             | 13,288,844        |
| <b>Total assets</b>  | <b>1,804</b>    | <b>157,027</b>   | <b>4,328</b>                    | <b>6,413</b>                 | <b>830,284</b>   | <b>111,105</b>      | <b>7,915,694</b>               | <b>99,316</b>         | <b>43,726</b>               | <b>1,466,251</b>  | <b>471,377</b>  | <b>157,521</b> | <b>173,107</b>        | <b>573</b>        | <b>4,949</b>    | <b>74,275,399</b>                      | <b>85,718,874</b> |
| <b>Liabilities</b>   |                 |                  |                                 |                              |                  |                     |                                |                       |                             |                   |                 |                |                       |                   |                 |  |                   |
| Employees' end of service benefit                                    | -               | -                | -                               | 299                          | 4,879            | 154                 | 2,272                          | 289                   | 186                         | 30,600            | 2,629           | 1,850          | 2,351                 | -                 | 11              | 1,756,242                              | 1,807,172         |
| Non-convertible sukuk  | -               | -                | -                               | -                            | -                | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | 3,732,381                              | 3,732,381         |
| Borrowings   | -               | -                | -                               | 585                          | 264,466          | 4,013               | 147,695                        | -                     | 1,450                       | 476,033           | -               | -              | 37,926                | -                 | -               | 4,557,748                              | 5,289,916         |
| Lease liabilities  | -               | 24,749           | -                               | -                            | 84,199           | 514                 | -                              | 1,838                 | 302                         | 14,342            | 899             | -              | 1,211                 | 139               | -               | 591,568                                | 719,761           |
| Contract liabilities   | -               | -                | -                               | -                            | 88,773           | -                   | -                              | -                     | 8,452                       | -                 | -               | -              | -                     | -                 | -               | 2,321,580                              | 2,410,353         |
| Derivative financial instruments                                     | -               | -                | -                               | -                            | -                | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | 2,244                                  | 2,244             |
| Due to related parties   | -               | -                | -                               | -                            | -                | -                   | 3,816                          | 9,975                 | -                           | -                 | -               | -              | -                     | -                 | -               | 313                                    | 14,102            |
| Deferred tax liabilities   | -               | -                | -                               | -                            | 45,757           | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | -                                      | 45,757            |
| Trade and other payables   | 117             | 15,342           | 479                             | 2,972                        | 219,533          | 3,420               | 2,045,527                      | 8,641                 | 10,990                      | 446,161           | 88,639          | 9,071          | 109,456               | 651               | 172             | 18,852,458                             | 19,972,629        |
| <b>Total liabilities</b>   | <b>147</b>      | <b>45,511</b>    | <b>479</b>                      | <b>3,856</b>                 | <b>707,587</b>   | <b>11,897</b>       | <b>3,644,667</b>               | <b>10,768</b>         | <b>21,340</b>               | <b>967,136</b>    | <b>92,167</b>   | <b>10,901</b>  | <b>150,944</b>        | <b>790</b>        | <b>183</b>      | <b>31,614,534</b>                      | <b>34,002,747</b> |
| <b>Net assets (liabilities)</b>                                      | <b>1,657</b>    | <b>111,516</b>   | <b>3,849</b>                    | <b>2,557</b>                 | <b>122,697</b>   | <b>99,208</b>       | <b>7,551,227</b>               | <b>88,548</b>         | <b>22,346</b>               | <b>499,115</b>    | <b>379,210</b>  | <b>146,620</b> | <b>22,163</b>         | <b>(217)</b>      | <b>4,766</b>    | <b>42,660,865</b>                      | <b>51,716,127</b> |
| Less: hybrid equity instruments                                      | -               | -                | -                               | -                            | -                | -                   | -                              | -                     | -                           | -                 | -               | -              | -                     | -                 | -               | (1,126,639)                            | (1,126,639)       |
| Less: non-controlling interests                                      | -               | -                | -                               | -                            | 3,136            | -                   | -                              | -                     | (61)                        | -                 | -               | (764)          | -                     | -                 | -               | (641,298)                              | (638,987)         |
| <b>Total identifiable net assets (liabilities) at fair value</b>     | <b>1,657</b>    | <b>111,516</b>   | <b>3,849</b>                    | <b>2,557</b>                 | <b>125,833</b>   | <b>99,208</b>       | <b>7,551,227</b>               | <b>88,548</b>         | <b>22,285</b>               | <b>499,115</b>    | <b>379,210</b>  | <b>145,856</b> | <b>22,163</b>         | <b>(217)</b>      | <b>4,766</b>    | <b>40,892,928</b>                      | <b>49,950,501</b> |
| Proportionate share of identifiable net assets acquired              | 1,657           | 83,637           | 3,849                           | 1,534                        | 125,833          | 50,596              | 7,551,227                      | 48,701                | 12,257                      | 269,522           | 155,476         | 87,514         | 13,298                | (217)             | 3,336           | 17,761,018                             | 26,169,238        |
| Goodwill arising on acquisition (note 8)                             | 5,543           | 7,363            | -                               | 2,716                        | 216,076          | -                   | -                              | 6,299                 | 26,243                      | -                 | 117,722         | 38,486         | 6,702                 | 228               | 1,664           | 2,866,574                              | 3,297,616         |
| Gain on bargain purchase   | -               | -                | (249)                           | -                            | (5,971)          | (1,743,900)         | -                              | -                     | -                           | (19,522)          | -               | -              | -                     | -                 | -               | (413,642)                              | (2,183,284)       |
| <b>Purchase consideration</b>  | <b>7,200</b>    | <b>91,000</b>    | <b>3,600</b>                    | <b>4,250</b>                 | <b>341,909</b>   | <b>44,625</b>       | <b>5,807,327</b>               | <b>55,000</b>         | <b>38,500</b>               | <b>250,000</b>    | <b>273,188</b>  | <b>126,000</b> | <b>20,000</b>         | <b>11</b>         | <b>5,000</b>    | <b>20,215,950</b>                      | <b>27,283,570</b> |
| <b>Non-controlling interest on acquisition</b>                       | <b>-</b>        | <b>27,879</b>    | <b>-</b>                        | <b>1,023</b>                 | <b>(3,136)</b>   | <b>48,612</b>       | <b>-</b>                       | <b>39,847</b>         | <b>10,089</b>               | <b>229,593</b>    | <b>223,754</b>  | <b>59,106</b>  | <b>8,865</b>          | <b>-</b>          | <b>1,430</b>    | <b>23,773,208</b>                      | <b>24,420,250</b> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions in the prior year continued

##### Assets acquired and liabilities assumed continued

##### (i) Alpha Dhabi Holding group acquisitions

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

|   | Con/Obv<br>AED'000 | Aldar<br>AED'000  | Tunafin<br>AED'000 | AlSchehab<br>AED'000 | Mesa/Mesa<br>AED'000 | Positive<br>AED'000 | Spark<br>AED'000 | SEHA<br>AED'000  | Darman<br>AED'000 | SACA<br>AED'000 | Total<br>AED'000  |
|---|--------------------|-------------------|--------------------|----------------------|----------------------|---------------------|------------------|------------------|-------------------|-----------------|-------------------|
| <b>Assets</b>   |                    |                   |                    |                      |                      |                     |                  |                  |                   |                 |                   |
| Property, plant and equipment   | 21                 | 4,026,985         | 2,447              | 71,694               | 1                    | 63                  | 12,756           | 1,236,501        | 91,105            | 348             | 5,359,921         |
| Intangible assets   | 569                | 2,295,068         | -                  | 1,483                | 4,343                | 6,206               | 27,948           | 2,756,355        | 445,115           | 31,396          | 5,566,483         |
| Right-of-use assets   | -                  | 379,596           | 113,034            | 2,360                | -                    | -                   | 9,643            | -                | 69,501            | -               | 574,134           |
| Investment properties   | -                  | 18,034,787        | 584,495            | -                    | -                    | -                   | 3,445            | -                | 18,622,727        | -               | 18,622,727        |
| Investment in associates and joint ventures                           | -                  | 70,021            | -                  | -                    | -                    | -                   | -                | -                | 4,554,9           | -               | 115,570           |
| Investments carried at fair value through other comprehensive income  | -                  | 20,001            | -                  | -                    | -                    | -                   | -                | -                | 208,692           | -               | 228,692           |
| Investments carried at fair value through profit or loss              | -                  | 142,801           | -                  | -                    | -                    | -                   | -                | -                | 343,699           | -               | 369,670           |
| Investments carried at amortised cost                                 | -                  | 82,810            | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | 142,801           |
| Derivative financial instruments                                      | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | -                 |
| Deferred tax asset  | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | -                 |
| Inventories   | -                  | 10,226,250        | -                  | -                    | -                    | -                   | 485              | 556,647          | -                 | -               | 34,510            |
| Trade and other receivables   | 6,121              | 7,984,817         | 5,403              | 2,158                | 2,978                | 1,935               | 98,945           | 2,391,182        | 5,180,880         | 2,274           | 10,783,382        |
| Contract assets   | -                  | 221,056           | -                  | -                    | -                    | -                   | -                | 397,739          | -                 | -               | 618,795           |
| Development work-in-progress  | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | -                 |
| Due from related parties  | -                  | -                 | -                  | -                    | -                    | -                   | 181              | -                | -                 | -               | 181               |
| Cash and bank balances  | 261                | 9,060,667         | 31,946             | 1,821                | 1,132                | 185                 | 17,072           | 654,382          | 2,656,192         | 1,645           | 12,425,303        |
| <b>Total assets</b>   | <b>6,972</b>       | <b>56,277,066</b> | <b>737,325</b>     | <b>79,516</b>        | <b>8,454</b>         | <b>8,389</b>        | <b>157,367</b>   | <b>8,002,449</b> | <b>8,962,178</b>  | <b>35,663</b>   | <b>74,275,399</b> |
| <b>Liabilities</b>  |                    |                   |                    |                      |                      |                     |                  |                  |                   |                 |                   |
| Employees' end of service benefit                                     | 418                | 241,812           | 1,411              | 1,246                | 734                  | 26                  | 36,977           | 1,408,882        | 64,454            | 282             | 1,756,242         |
| Non-convertible sukuk   | -                  | 3,732,381         | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | 3,732,381         |
| Borrowings  | -                  | 4,255,395         | 102,355            | -                    | -                    | -                   | -                | -                | -                 | -               | 4,357,748         |
| Lease liabilities   | -                  | 371,653           | 133,439            | 2,521                | -                    | -                   | 1426             | 13,120           | 69,409            | -               | 591,568           |
| Contract liabilities  | -                  | 2,313,004         | 8,576              | -                    | -                    | -                   | -                | -                | -                 | -               | 2,321,580         |
| Derivative financial instruments                                      | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | -                 |
| Due to related parties  | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | -                 |
| Trade and other payables  | 6,848              | 9,755,098         | 9,536              | 12,660               | 2,611                | 708                 | 36,390           | 2,256,962        | 6,770,285         | 3,360           | 18,852,458        |
| <b>Total liabilities</b>  | <b>7,266</b>       | <b>20,669,585</b> | <b>255,317</b>     | <b>16,427</b>        | <b>3,426</b>         | <b>734</b>          | <b>75,025</b>    | <b>3,678,964</b> | <b>6,904,148</b>  | <b>3,642</b>    | <b>31,614,534</b> |
| <b>Net (liabilities) assets</b>                                       | <b>(294)</b>       | <b>35,607,481</b> | <b>482,008</b>     | <b>63,089</b>        | <b>5,028</b>         | <b>7,655</b>        | <b>82,362</b>    | <b>4,323,485</b> | <b>2,058,030</b>  | <b>32,021</b>   | <b>42,660,865</b> |
| Less: hybrid equity instruments                                       | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | (1,126,639)       |
| Less: non-controlling interests                                       | -                  | -                 | -                  | -                    | -                    | -                   | -                | -                | -                 | -               | (641,298)         |
| <b>Total identifiable net (liabilities) assets at fair value</b>      | <b>(294)</b>       | <b>35,607,481</b> | <b>482,008</b>     | <b>63,089</b>        | <b>5,028</b>         | <b>7,655</b>        | <b>82,362</b>    | <b>4,323,485</b> | <b>2,058,030</b>  | <b>32,021</b>   | <b>40,892,928</b> |
| Proportionate share of identifiable net (liabilities) assets acquired | (265)              | 10,852,207        | 337,406            | 63,089               | 5,028                | 7,655               | 82,362           | 4,323,485        | 2,058,030         | 32,021          | 17,761,018        |
| Goodwill arising on acquisition                                       | 265                | 2,552,769         | -                  | 9,121                | -                    | 2,345               | 37,657           | 261,473          | -                 | 4,944           | 2,866,574         |
| Gain on bargain purchase  | -                  | -                 | (6,372)            | -                    | (628)                | -                   | -                | -                | (406,641)         | -               | (413,642)         |







## Notes to the Consolidated Financial Statements

31 December 2023

## 6 BUSINESS COMBINATIONS continued

## 6.2 Acquisitions under IFRS 3 Business Combination continued

## 6.2(b) Acquisitions in the prior year continued

## (i) Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

|   | GenOne<br>AED'000 | Alder<br>AED'000  | Twinkl<br>AED'000 | Al Shehuh<br>AED'000 | Masa Maso<br>AED'000 | Rnthe<br>AED'000 | Spark<br>AED'000 | SEHA<br>AED'000  | Daman<br>AED'000 | SACA<br>AED'000 | Total<br>AED'000  |
|---|-------------------|-------------------|-------------------|----------------------|----------------------|------------------|------------------|------------------|------------------|-----------------|-------------------|
| Cash paid for the acquisition                           | -                 | -                 | 331,033           | 65,084               | 2,390                | 6,844            | 104,132          | -                | -                | 36,965          | 546,448           |
| Consideration payable                                   | -                 | -                 | -                 | 7,126                | 2,010                | 3,156            | 15,887           | -                | -                | -               | 28,179            |
| Fair value of previously held equity interest (note 10) | -                 | 13,404,976        | -                 | -                    | -                    | -                | -                | -                | -                | -               | 13,404,976        |
| Fair value of consideration transferred                 | -                 | -                 | -                 | -                    | -                    | -                | -                | 4,584,958        | 1,651,389        | -               | 6,236,347         |
| <b>Total purchase consideration</b>                     | <b>-</b>          | <b>13,404,976</b> | <b>331,033</b>    | <b>72,210</b>        | <b>4,400</b>         | <b>10,000</b>    | <b>120,019</b>   | <b>4,584,958</b> | <b>1,651,389</b> | <b>36,965</b>   | <b>20,215,950</b> |

Analysis of cashflows on acquisitions is as follows:

|  | Ress<br>AED'000 | ADJOC<br>AED'000 | American<br>AED'000 | Direct<br>AED'000 | Trading<br>AED'000 | Assets<br>AED'000 | Egypt<br>AED'000 | Investments<br>AED'000 | Reem<br>AED'000 | Other<br>AED'000 | Capital<br>AED'000 | Beats<br>AED'000 | Emicom<br>AED'000 | NRTC<br>AED'000 | CMC<br>AED'000 | Atlas<br>AED'000 | Emicom<br>AED'000 | Quba<br>AED'000 | Alpha Dhabi<br>AED'000 | Total<br>AED'000    |
|--|-----------------|------------------|---------------------|-------------------|--------------------|-------------------|------------------|------------------------|-----------------|------------------|--------------------|------------------|-------------------|-----------------|----------------|------------------|-------------------|-----------------|------------------------|---------------------|
| Cash paid for the acquisition  | 7,200           | 91,000           | 3,600               | 4,250             | 341,909            | 18,375            | (1,917)          | (408,700)              | -               | 55,000           | 38,500             | 250,000          | -                 | -               | 126,000        | 20,000           | 11                | -               | 546,448                | 1,502,283           |
| Cash acquired on business combination  | -               | (3,392)          | (82)                | (318)             | (128,971)          | (1,917)           | (1,917)          | (6,799)                | (6,799)         | (55,277)         | (6,799)            | (208,654)        | (27,943)          | (9,754)         | (11,249)       | (448)            | (448)             | (57)            | (12,425,303)           | (13,288,844)        |
| Acquisition of operating business - net of cash used (acquired) (included in cash flows from investing activities) | 200             | 87,608           | 3,518               | 3,932             | 212,938            | 16,458            | (408,700)        | -                      | (277)           | 31,701           | 41,366             | (27,943)         | 116,246           | 8,751           | (437)          | (437)            | (437)             | (57)            | (11,878,855)           | (11,786,551)        |
| Transaction costs of the acquisitions (included in cash flows from operating activities)                           | 30              | 618              | 30                  | 5                 | 5,000              | 30                | 858              | -                      | 110             | -                | 4,006              | 132              | 50                | 50              | -              | -                | -                 | -               | 6,322                  | 17,241              |
| <b>Net cash used (acquired) on acquisition</b>   | <b>7,230</b>    | <b>88,226</b>    | <b>3,548</b>        | <b>3,937</b>      | <b>217,938</b>     | <b>16,488</b>     | <b>(407,842)</b> | <b>(167)</b>           | <b>31,701</b>   | <b>(167)</b>     | <b>45,372</b>      | <b>(27,811)</b>  | <b>116,296</b>    | <b>8,801</b>    | <b>(437)</b>   | <b>(437)</b>     | <b>(437)</b>      | <b>(57)</b>     | <b>(11,872,533)</b>    | <b>(11,769,310)</b> |

Acquisition related costs amounting to AED 17,241 thousand were expensed during the prior year and are included in general and administrative expenses.

## Notes to the Consolidated Financial Statements

31 December 2023

## 6.3 (a) Acquisitions of assets during the year

During the year, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

|  | Monterock Investments<br>Nedafushi Maldives<br>AED'000 | AMI Properties<br>Holding Limited<br>AED'000 | Total<br>AED'000 |
|--|--|--|------------------|
| Investment properties (note 9)                 | -  | 163,854                                      | 163,854          |
| Right-of-use assets (note 29)                  | 56,947   | -  | 56,947           |
| Lease liabilities (note 29)                    | (29,207)   | -  | (29,207)         |
| <b>Net assets acquired</b>                     | <b>27,740</b>  | <b>163,854</b>                               | <b>191,594</b>   |
| Less: non-controlling interests <sup>(i)</sup> | (1,387)  | (65,542)                                     | (66,929)         |
| <b>Proportionate share of assets acquired</b>  | <b>26,353</b>  | <b>98,312</b>                                | <b>124,665</b>   |
| Less: consideration paid                       | (26,353)   | (98,312)                                     | (124,665)        |
| <b>Net of consideration</b>                    | <b>-</b>   | <b>-</b>                                     | <b>-</b>         |

(i) 95% ownership interest acquired in Monterock Investments Nedafushi Maldives (note 29) and 60% ownership acquired in AMI Properties Holding Limited (note 9).

Further, during the year, the Group acquired the following entities, which are accounted for as asset acquisitions from entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The details of the assets acquired are as follows:

|  | Tri Star<br>Investment LLC<br>AED'000 | C 2 R Real Estate<br>Investment SP LLC<br>AED'000 | Total<br>AED'000 |
|--|---------------------------------------|---|------------------|
| Investment properties (note 9)   | -                                     | 79,650  | 79,650           |
| Investment in an associate (note 10 (iv))  | 762,313                               | -   | 762,313          |
| Investments carried at fair value through other comprehensive income (note 11.1) | 1,718                                 | -   | 1,718            |
| <b>Assets acquired</b>   | <b>764,031</b>                        | <b>79,650</b>                                     | <b>843,681</b>   |
| Less: consideration paid   | (250,000)                             | -   | (250,000)        |
| <b>Merger, acquisition and other reserves</b>                                    | <b>514,031</b>                        | <b>79,650</b>                                     | <b>593,681</b>   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 6.3 (b) Acquisitions of assets during the prior year

During 2022, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

|  | Bab Hilton<br>Resorts LLC<br>AED'000 | Double Tree by<br>Marjan Island<br>Marjan Island<br>AED'000 | Nurai<br>Island Hotel<br>AED'000 | Confluence<br>Partners (HQ)<br>RSC Ltd.<br>AED'000 | Al Maryah<br>Properties<br>Holding Limited<br>AED'000 | Total<br>AED'000 |
|--|--------------------------------------|---|----------------------------------|--|---|------------------|
| Property, plant and equipment (note 7)         | 767,528                              | 697,978   | 232,966                          | -  | -   | 1,698,472        |
| Investment properties (note 9)                 | -                                    | -   | -                                | 4,373,000  | 481,500   | 4,854,500        |
| Inventories                                    | -                                    | 94,855  | 1,571                            | -  | -   | 96,426           |
| Trade and other receivables <sup>(i)</sup>     | -                                    | -   | 355,756                          | -  | -   | 355,756          |
| Cash and bank balances                         | -                                    | 17,167  | 9,707                            | -  | -   | 26,874           |
| <b>Assets acquired</b>                         | <b>767,528</b>                       | <b>810,000</b>  | <b>600,000</b>                   | <b>4,373,000</b>                                   | <b>481,500</b>  | <b>7,032,028</b> |
| Less: non-controlling interest <sup>(ii)</sup> | -                                    | -   | -                                | -  | (192,600)   | (192,600)        |
| <b>Proportionate share of assets acquired</b>  | <b>767,528</b>                       | <b>810,000</b>  | <b>600,000</b>                   | <b>4,373,000</b>                                   | <b>288,900</b>  | <b>6,839,428</b> |
| Less: consideration paid                       | (767,528)                            | (810,000)   | (600,000)                        | (4,373,000)  | (288,900)   | (6,839,428)      |
| <b>Net of consideration</b>                    | <b>-</b>                             | <b>-</b>  | <b>-</b>                         | <b>-</b>   | <b>-</b>  | <b>-</b>         |

(i) The acquisition of the hotel building of Nurai Island Hotel, resulted in an amount of AED 350,000 being recorded as an advance in the account "advances to suppliers and sub-contractors" under trade and other receivables, which will be utilised against two development islands once the seller finalises the procurement of the dredging and reclamation of these islands.

(ii) 60% ownership interest was acquired in Al Maryah Property Holdings Limited (note 9).

### 6.4 Derecognition of subsidiaries

#### 6.4(a) Derecognition of subsidiaries during the year

During the year, the Group derecognised the following subsidiaries:

#### Pure Health Holding LLC

Effective 30 March 2023, as a result of amendments in certain clauses to the shareholders agreement, the Group lost control over Pure Health Holding PJSC (formerly "Pure Health Holding LLC") and its subsidiaries ("Pure Health"). As per the amended shareholders agreement, resolutions that were previously passed by simple majority are now required to have at least one vote from the Group's board members and another from a member of a third party shareholder. Accordingly, Pure Health was deconsolidated and recorded as an investment in a joint venture at its fair value on the date of loss of control (note 10).

#### Fooj Fire Fighting Services LLC

Effective 1 October 2023, the Group disposed its shareholding in Fooj Fire Fighting Services LLC ("Fooj") to EHC Investment LLC ("EHC"), an associate, for a consideration of AED 31,275 thousand, being the fair value of the new shares issued to the Group by EHC.

## Notes to the Consolidated Financial Statements

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### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

#### 6.4(a) Derecognition of subsidiaries during the year continued

The carrying value of the identifiable assets and liabilities derecognised on the respective dates are as follows:

|  | Pure Health<br>AED'000 | Fooj<br>AED'000 | Total<br>AED'000  |
|--|------------------------|-----------------|-------------------|
| <b>Assets</b>  |                        |                 |                   |
| Property, plant and equipment  | 1,779,997              | 98              | 1,780,095         |
| Intangible assets and goodwill                                       | 4,476,546              | -               | 4,476,546         |
| Right-of-use assets  | 1,425,275              | -               | 1,425,275         |
| Investment in joint ventures   | 46,273                 | -               | 46,273            |
| Investment properties  | 3,145                  | -               | 3,145             |
| Investments carried at fair value through other comprehensive income | 238,433                | -               | 238,433           |
| Inventories  | 544,640                | -               | 544,640           |
| Due from related parties   | 172,439                | -               | 172,439           |
| Trade and other receivables  | 7,949,193              | 394             | 7,949,587         |
| Investments carried at fair value through profit or loss             | 343,085                | -               | 343,085           |
| Contract assets  | 1,986,334              | -               | 1,986,334         |
| Cash and bank balances   | 5,497,768              | 4,114           | 5,501,882         |
| <b>Total assets</b>  | <b>24,463,128</b>      | <b>4,606</b>    | <b>24,467,734</b> |
| <b>Liabilities</b>   |                        |                 |                   |
| Employees' end of service benefits                                   | 1,541,480              | -               | 1,541,480         |
| Lease liabilities  | 1,554,339              | -               | 1,554,339         |
| Borrowings   | 293,131                | -               | 293,131           |
| Trade and other payables   | 6,236,353              | 551             | 6,236,904         |
| Contract liabilities   | 2,269,070              | -               | 2,269,070         |
| Due to related parties   | 1,008,357              | -               | 1,008,357         |
| <b>Total liabilities</b>   | <b>12,902,730</b>      | <b>551</b>      | <b>12,903,281</b> |
| Net assets   | 11,560,398             | 4,055           | 11,564,453        |
| Less: non-controlling interest                                       | (6,231,391)            | (1,014)         | (6,232,405)       |
| <b>Net assets attributable to the owners</b>                         | <b>5,329,007</b>       | <b>3,041</b>    | <b>5,332,048</b>  |
| Consideration received <sup>(i)</sup>                                | 14,159,134             | 31,275          | 14,190,409        |
| <b>Gain on derecognition</b>   | <b>8,830,127</b>       | <b>28,234</b>   | <b>8,858,361</b>  |

(i) Consideration received consists of the following:

- The fair value of the 46.12% retained interest in Pure Health, which was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.
- The fair value of EHC shares received for disposing Fooj was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 4.37% to 17.4% and a terminal growth rate of 2%.

Analysis of cash flow from the derecognition of the above subsidiaries is as follows:

|                                  | Pure Health<br>AED'000 | Fooj<br>AED'000 | Total<br>AED'000   |
|----------------------------------|------------------------|-----------------|--------------------|
| Cash received from derecognition | -                      | -               | -                  |
| Cash given up on derecognition   | (5,497,768)            | (4,114)         | (5,501,882)        |
| <b>Net cash outflow</b>          | <b>(5,497,768)</b>     | <b>(4,114)</b>  | <b>(5,501,882)</b> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.4(b) Disposals during the prior year

During 2022, the Group disposed the following subsidiaries:

##### Magenta Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Magenta Investments LLC («Magenta») for a consideration of AED 2,000 thousand.

##### Pure Capital Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Pure Capital Investments LLC ("PCI") for a consideration of AED 114,300 thousand.

##### Q Scape Komtec LLC

Effective 18 May 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Q Scape Komtec LLC ("Q Scape") for nil consideration.

##### Al Qudra Facilities Management Services LLC

Effective 18 July 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Al Qudra Facilities Management Services LLC ("AQFM") for nil consideration.

##### Twasol Business Men Service LLC

Effective 31 December 2022, Alpha Dhabi PJSC, a subsidiary, disposed of its entire ownership interest in Tawasol Business Men Services ("Tawasol") for a consideration of AED 1,300 thousand.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

|   | Q Scape<br>AED'000 | Magenta<br>AED'000 | PCI<br>AED'000 | AQFM<br>AED'000 | Twasol<br>AED'000 | Total<br>AED'000 |
|---|--------------------|--------------------|----------------|-----------------|-------------------|------------------|
| <b>Assets</b>                                       |                    |                    |                |                 |                   |                  |
| Property, plant and equipment                       | 55                 | 1,479              | 582            | 170             | 1,024             | 3,310            |
| Right-of-use assets                                 | -                  | -                  | 1,070          | -               | -                 | 1,070            |
| Inventories   | -                  | 523                | -              | -               | -                 | 523              |
| Trade and other receivables                         | 17,986             | 40,178             | 133,492        | 853             | 304               | 192,813          |
| Due from related parties                            | 1,182              | 181                | 6,854          | 2,303           | -                 | 10,520           |
| Cash and bank balances                              | 211                | 6,223              | 4,453          | 202             | 861               | 11,950           |
| <b>Total assets</b>                                 | <b>19,434</b>      | <b>48,584</b>      | <b>146,451</b> | <b>3,528</b>    | <b>2,189</b>      | <b>220,186</b>   |
| <b>Liabilities</b>                                  |                    |                    |                |                 |                   |                  |
| Employees' end of service benefits                  | 399                | 895                | 856            | 337             | 371               | 2,858            |
| Borrowings  | -                  | 3,429              | -              | -               | -                 | 3,429            |
| Lease liabilities                                   | -                  | -                  | 1,133          | -               | -                 | 1,133            |
| Due to related parties                              | 17,117             | -                  | 101,416        | 3,234           | -                 | 121,767          |
| Trade and other payables                            | 238                | 33,365             | 63,067         | 2,312           | 330               | 99,312           |
| <b>Total liabilities</b>                            | <b>17,754</b>      | <b>37,689</b>      | <b>166,472</b> | <b>5,883</b>    | <b>701</b>        | <b>228,499</b>   |
| Net assets (liabilities)                            | 1,680              | 10,895             | (20,021)       | (2,355)         | 1,488             | (8,313)          |
| Less: non-controlling interest                      | (823)              | 1,653              | 658            | -               | -                 | 1,488            |
| Net assets (liabilities) attributable to the owners | 857                | 12,548             | (19,363)       | (2,355)         | 1,488             | (6,825)          |
| Consideration received on disposal                  | -                  | 2,000              | 114,300        | -               | 1,300             | 117,600          |
| (Loss) gain on disposal                             | (857)              | (10,548)           | 133,663        | 2,355           | (188)             | 124,425          |
| Impairment on balance due from Q Scape              | (15,922)           | -                  | -              | -               | -                 | (15,922)         |
| Impairment on balance due from AQFM                 | -                  | -                  | -              | (1,830)         | -                 | (1,830)          |
| <b>(Loss) gain on disposal (A)</b>                  | <b>(16,779)</b>    | <b>(10,548)</b>    | <b>133,663</b> | <b>525</b>      | <b>(188)</b>      | <b>106,673</b>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.4(b) Disposals during the prior year continued

##### Aafaq Islamic Finance PSC

During 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance ("Aafaq"), resulting in its classification as discontinued operations held for sale. The disposal was completed with effect from 1 July 2022, being the date control of Aafaq passed to the acquirer.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

|   | 1 July<br>2022<br>AED'000 |
|---|---------------------------|
| <b>Assets</b>                                       |                           |
| Property, plant and equipment                       | 29,846                    |
| Investment properties                               | 216,604                   |
| Right-of-use assets                                 | 2,574                     |
| Investments in financial assets                     | 904,957                   |
| Receivables from Islamic financing activities       | 1,599,843                 |
| Trade and other receivables                         | 29,087                    |
| Wakala deposits with Islamic financial institutions | -                         |
| Due from related parties                            | 65,983                    |
| Cash and bank balances                              | 179,341                   |
| <b>Total assets</b>                                 | <b>3,028,235</b>          |
| <b>Liabilities</b>                                  |                           |
| Employees' end of service benefits                  | 5,946                     |
| Borrowings  | 200,000                   |
| Margins against letter of guarantees                | 827,471                   |
| Lease liabilities                                   | 984                       |
| Due to related parties                              | -                         |
| Trade and other payables                            | 999,139                   |
| <b>Total liabilities</b>                            | <b>2,033,540</b>          |
| <b>Net assets</b>                                   | <b>994,695</b>            |
| <b>Reconciliation of net gain on disposal:</b>      |                           |
| Net assets  | 994,695                   |
| Less: non-controlling interest                      | (218,736)                 |
| <b>Net assets attributable to the owners</b>        | <b>775,959</b>            |
| Consideration received on disposal                  | 760,330                   |
| <b>Loss on disposal (B)</b>                         | <b>(15,629)</b>           |
| <b>Total net gain on disposals (A+B)</b>            | <b>91,044</b>             |

The net cash flows generated from the sale of the above subsidiaries are as follows:

|                                  | Q Scape<br>AED'000 | Magenta<br>AED'000 | PCI<br>AED'000 | AQFM<br>AED'000 | Twasol<br>AED'000 | Aafaq<br>AED'000 | Total<br>AED'000 |
|----------------------------------|--------------------|--------------------|----------------|-----------------|-------------------|------------------|------------------|
| Cash received from sale          | -                  | 2,000              | 114,300        | -               | 1,300             | 760,330          | 877,930          |
| Cash sold as part of the sale    | (211)              | (6,223)            | (4,453)        | (202)           | (861)             | (179,341)        | (191,291)        |
| <b>Net cash (outflow) inflow</b> | <b>(211)</b>       | <b>(4,223)</b>     | <b>109,847</b> | <b>(202)</b>    | <b>439</b>        | <b>580,989</b>   | <b>686,639</b>   |

The results of the operations of the above mentioned disposed subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.



## Notes to the Consolidated Financial Statements

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### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

#### 6.5(a) Reduction in shareholding of subsidiaries during the year

##### (A) Partial disposal of shareholding in subsidiaries due to reorganisation

During the year, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

|   | Cyber Gate<br>Defense<br>LLC <sup>(i)</sup> | Esyasoft &<br>Holding<br>Limited <sup>(ii)</sup> | WFC &<br>Holding<br>LLC <sup>(iii)</sup> | Green<br>Energy<br>Investment<br>Holding<br>RSC Ltd. <sup>(iii)</sup> | Green<br>Enterprises<br>Investment<br>Holding RSC<br>Ltd. <sup>(iii)</sup> | Green &<br>Vitality RSC<br>Ltd LLC <sup>(iii)</sup> | Rebound<br>Limited | Afkar<br>Financial<br>& Property<br>Investments<br>LLC | Total          |
|---|---|--|--|---|--|---|--------------------|--|----------------|
| Reduction in effective shareholding (%)   | 71%   | 10.2%  | 21%                                      | 16.31%  | 16.31%   | 16.31%  | 0.49%              | 9%   |                |
| Carrying value of the shareholding  |   |  |  |   |  |   |                    |  |                |
| disposed-off (AED'000)  | 8,279                                       | 1,340  | 41,767                                   | (23,375)  | 91,571   | (2,013)   | (117)              | 26,683   | 144,135        |
| Less: consideration (AED'000)   | -   | -  | (82,824)                                 | 23,375  | (91,571)   | 2,013   | -                  | -  | (149,007)      |
| <b>Difference recognised directly in merger,<br/>acquisition and other reserves (AED'000)</b> | <b>8,279</b>                                | <b>1,340</b>                                     | <b>(41,057)</b>                          | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>(117)</b>       | <b>26,683</b>  | <b>(4,872)</b> |

(i) Shareholding in Cyber Gate Defense LLC and Esyasoft Holding Limited decreased as a result of transferring the entire ownership to Sirius International Holding Limited, an 80% owned subsidiary.

(ii) Shareholding in WFC Holding LLC decreased as a result of transferring the entire ownership to Reach Global Services Holding 1 SPV Limited, a 55% owned subsidiary.

(iii) Shareholding in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited decreased as a result of the Company transferring its entire ownership to Sirius International Holding Limited ("Sirius") in return for 3.69% additional shareholding in Sirius (i.e Sirius becoming a 83.69% owned subsidiary) (note 6.6(a) (D)).

##### (B) Partial disposal of shareholding in a subsidiary against cash consideration

During the year, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 2,694 thousand. Following is a summary of the reduction in shareholding:

|   | Q Holding PSC | Aldar Properties PJSC | Total          |
|---|---------------|-----------------------|----------------|
| Reduction in shareholding (%)   | 0.001%        | 0.001%                |                |
| Carrying value of the shareholding disposed-off (AED'000)                                     | 99            | 445                   | 544            |
| Less: cash consideration received (AED'000)   | (378)         | (2,316)               | (2,694)        |
| <b>Difference recognised directly in merger,<br/>acquisition and other reserves (AED'000)</b> | <b>(279)</b>  | <b>(1,871)</b>        | <b>(2,150)</b> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

#### 6.5(a) Reduction in shareholding of subsidiaries during the year continued

##### (C) Partial disposal of shareholding in a subsidiary against consideration

During the year, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

|   | Healthier U<br>Wellness<br>Services LLC | Aldar Estates<br>Holding Ltd | Quantum<br>Solutions<br>Limited | Total            |
|---|---|------------------------------|---------------------------------|------------------|
| Reduction in shareholding (%)   | 50.62%                                  | 34.90%                       | 17.50%                          |                  |
| Carrying value of the shareholding disposed-off (AED'000)                                     | 2,027                                   | 556,889                      | 10,370                          | 569,286          |
| Less: consideration received (AED'000)  | (4,874)                                 | (836,231)                    | (63,583)                        | (904,688)        |
| <b>Difference recognised directly in merger,<br/>acquisition and other reserves (AED'000)</b> | <b>(2,847)</b>                          | <b>(279,342)</b>             | <b>(53,213)</b>                 | <b>(335,402)</b> |

##### (D) Partial disposal of shareholding in a subsidiary for no consideration

During the year, the Group transferred a portion of its shareholding in Saudi Emircom Company without loss of control to a related party under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

|   | Saudi<br>Emircom<br>Company |
|---|-----------------------------|
| Reduction in shareholding (%)   | 5%                          |
| Carrying value of the shareholding disposed-off (AED'000)                                     | 1,691                       |
| Less: consideration received (AED'000)  | -                           |
| <b>Difference recognised directly in merger,<br/>acquisition and other reserves (AED'000)</b> | <b>1,691</b>                |

The decrease in shareholding of the above subsidiaries resulted in an increase in non-controlling interest by AED 632,832 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in WFC Holding LLC (note 6.5(a)(A)).



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

#### 6.5(b) Reduction in shareholding of subsidiaries during the prior year

##### (A) Partial disposal of shareholding in subsidiaries due to reorganisation

During 2022, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

|  | Tamouh Healthcare LLC (i) | Multiply Group PJSC (ii) | Q Holding PSC (iii) | Tamween Companies Mgmt (iv) | Chitha Holding PJSC (v) | Mirak (vi)      | Total          |
|--|---------------------------|--------------------------|---------------------|-----------------------------|-------------------------|-----------------|----------------|
| Reduction in shareholding (%)  | 54.80%                    | 0.03%                    | 0.16%               | 14.73%                      | 2.48%                   | 59%             |                |
| Carrying value of the shareholding disposed-off (AED'000)                          | 132,955                   | 2,976                    | 10,698              | 191,504                     | 46,920                  | (2,971)         | 382,082        |
| Less: consideration received (AED'000)   | —                         | —                        | —                   | (191,504)                   | —                       | (8,850)         | (200,354)      |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>132,955</u>            | <u>2,976</u>             | <u>10,698</u>       | <u>—</u>                    | <u>46,920</u>           | <u>(11,821)</u> | <u>181,728</u> |

(i) Shareholding in Tamouh Healthcare LLC decreased as a result of transferring the entire ownership to Pure Health Holding LLC.

(ii) Apex Investment PSC, a subsidiary of Tamween Companies Management LLC ("Tamween"), holds shares in Multiply Group PJSC, where the Group's shareholding got diluted upon transferring Tamween to Ghitha Holding PJSC ("Ghitha").

(iii) Apex Holding LLC, a subsidiary of the Group, holds shares in Q Holding PSC, where the Group's shareholding got diluted upon transferring its entire shareholding as a form of consideration upon acquiring RAKCIC.

(iv) Shareholding in Tamween decreased as a result of transferring the entire ownership in Tamween to Ghitha (note 6.6(a)(B)).

(v) The shareholding in Ghitha reduced, as a result of dilution in the shares held by the Group's subsidiaries, due to Ghitha's issuance of new shares.

(vi) Effective 1 December 2022, a subsidiary of the Group, Ghitha, transferred 100% of its shareholding in Mirak Royal Nature Fruit and Vegetable LLC ("Mirak") to a 41% owned subsidiary, NRTC Food Holding LLC for a total consideration of AED 15,000 thousand which resulted in a reduction of the Ghitha's shareholding by 59%.

##### (B) Partial disposal of shareholding in subsidiaries against consideration

During 2022, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

|  | Apex Holding LLC | Q Holding PSC      | Pure Health Holding | Total              |
|--|------------------|--------------------|---------------------|--------------------|
| Reduction in shareholding (%)  | 8.46%            | 10.72%             | 20.34%              |                    |
| Carrying value of the shareholding disposed-off (AED'000)                          | 105,688          | 728,792            | 1,945,615           | 2,780,095          |
| Less: consideration (AED'000)  | (105,688)        | (2,501,925)        | (2,876,266)         | (5,483,879)        |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>—</u>         | <u>(1,773,133)</u> | <u>(930,651)</u>    | <u>(2,703,784)</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

#### 6.5(b) Reduction in shareholding of subsidiaries during the prior year continued

##### (C) Partial disposal of shareholding in subsidiaries against cash consideration

During 2022, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 3,567,130 thousand. Following is the summary of the decrease in shareholding:

|  | Abu Dhabi Vegetable Oil Company LLC | Multiply Group PJSC | Q Holding PSC   | Aldar Investment Holding Restricted Limited (ii) | Aldar Hansel SPV Restricted Limited (ii) | Aldar      | Alpha Dhabi     | Apex           | Total            |
|--|-------------------------------------|---------------------|-----------------|--|--|------------|-----------------|----------------|------------------|
| Reduction in shareholding (%)  | 4.26%                               | 0.47%               | 0.02%           | 11.12%   | 49%                                      | 0.01%      | 0.01%           | 0.03%          |                  |
| Carrying value of the shareholding disposed-off (AED'000)                          | 5,851                               | 68,090              | 2,857           | 1,474,211  | 1,804,655                                | 5,558      | 3,106           | 570            | 3,364,898        |
| Transaction costs paid   | -                                   | -                   | -               | 10,539   | 36,492                                   | -          | -               | -              | 47,031           |
| Less: cash consideration received (AED'000)  | (6,333)                             | (165,912)           | (42,891)        | (1,469,000)                                      | (1,836,250)                              | (5,144)    | (32,772)        | (8,828)        | (3,567,130)      |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>(482)</u>                        | <u>(97,822)</u>     | <u>(40,034)</u> | <u>15,750</u>                                    | <u>4,897</u>                             | <u>414</u> | <u>(29,666)</u> | <u>(8,258)</u> | <u>(155,201)</u> |

(i) During 2022, Aldar Investment Holding Restricted Limited ("AIHR"), a subsidiary of the Group, entered into a subscription agreement with an investor Apollo Gretel Investor, L.P. ("Apollo"). Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed interest rate. The above resulted in Group disposing 11.12% of its shareholding in AIHR for a total cash consideration of USD 400 million (AED 1,469 million). As a result, the proportionate carrying value of AIHR net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

(ii) During 2022, Aldar Properties PJSC, a subsidiary of the Group, established Aldar Hansel SPV Restricted Limited ("Hansel"), a 100% owned subsidiary incorporated in Abu Dhabi Global Market, comprising of 51% class A shares and 49% class B shares. Hansel is specialised in buying and selling of land.

The Group further disposed of its class B shares against a consideration of USD 500 million (AED 1,836 million) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P. The Group has no contractual obligation attached to class B shares and therefore, the proportionate carrying value of Hansel's net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 6,518,225 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in Mirak (note 6.5(b)(A)).



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year

###### (A) Increase of shareholding in subsidiaries against cash consideration

During the year, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 250,918 thousand. Following is the summary of the increase in shareholding:

|  | <i>Esyasoft<br/>Holding Ltd</i> | <i>WFC Holding<br/>LLC</i> | <i>Q Holding<br/>PSC</i> | <i>Arena Aztec<br/>Shaffer</i> | <i>Al Riyadh<br/>Medical<br/>Centre LLC</i> | <i>Total</i>     |
|--|---------------------------------|----------------------------|--------------------------|--------------------------------|---|------------------|
| Increase in shareholding (%)   | 23%                             | 30%                        | 0.003%                   | 50%                            | 25%   |                  |
| Carrying value of the shareholding acquired (AED'000)                              | 20,077                          | 86,061                     | 2,305                    | 6,840                          | 673   | 115,956          |
| Less: cash consideration paid (AED'000)  | <u>(84,468)</u>                 | <u>(118,320)</u>           | <u>(7,440)</u>           | <u>(39,690)</u>                | <u>(1,000)</u>                              | <u>(250,918)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>(64,391)</u>                 | <u>(32,259)</u>            | <u>(5,135)</u>           | <u>(32,850)</u>                | <u>(327)</u>                                | <u>(134,962)</u> |

###### (B) Increase of shareholding in subsidiaries against consideration

During the year, the Group increased its shareholding in Aldar Estates Holding Limited by 17.45% as a result of transferring its 50% shareholding in Eltizam Asset Management LLC. Following is the summary of the increase in shareholding:

|  | <i>Aldar Estates<br/>Holding Ltd</i> |
|--|--------------------------------------|
| Reduction in shareholding (%)  | 17.45%                               |
| Carrying value of the shareholding acquired (AED'000)                              | 160,869                              |
| Less: consideration (AED'000)  | <u>(506,500)</u>                     |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>(345,631)</u>                     |

###### (C) Increase of shareholding in subsidiaries without consideration

During the year, a related party under common control transferred to the Group a 20% shareholding in Acutus Investment - Sole Proprietorship LLC (formerly named "Matrix International Solutions LLC"). Following is the summary of increase in shareholding:

|  | <i>Acutus Investment - Sole<br/>Proprietorship LLC</i> |
|--|--|
| Increase in shareholding (%)   | 20%  |
| Carrying value of the shareholding acquired (AED'000)                              | 2,216  |
| Less: consideration (AED'000)  | -  |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>2,216</u>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

###### (D) Increase of shareholding in subsidiaries due to reorganisation

During the year, the Group's shareholding in Sirius International Holding Limited ("Sirius") increased as a result of the Company transferring its ownership interest in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited to Sirius (note 6.5 (a)(A)). Following is a summary of the increase in shareholding:

|  | <i>Sirius International<br/>Holding Limited</i> |
|--|---|
| Increase in shareholding (%)   | 3.69%   |
| Carrying value of the shareholding acquired (AED'000)                              | 77,311  |
| Less: consideration (AED'000)  | <u>(66,183)</u>                                 |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>11,128</u>                                   |

The increase in shareholding of the above subsidiaries resulted in a decrease in non-controlling interest by AED 356,352 thousand.

##### 6.6(b) Increase in shareholding (acquisition of NCI) during the prior year

###### (A) Increase of shareholding in subsidiaries due to business combination

During 2022, the Group's shareholding in certain subsidiaries increased as a result of business combinations. Following is a summary of the increase in shareholding:

|  | <i>Reem Ready<br/>Mix</i> | <i>Q Holding</i> | <i>Alpha<br/>Dhabi</i> | <i>Aldar</i>     | <i>Total</i>     |
|--|---------------------------|------------------|------------------------|------------------|------------------|
| Increase in shareholding (%)   | 10.31%                    | 0.57%            | 0.002%                 | 0.29%            |                  |
| Carrying value of the shareholding acquired (AED'000)                              | 7,340                     | 38,301           | 438                    | 76,470           | 122,549          |
| Less: fair value of shareholding acquired (AED'000)                                | <u>(35,534)</u>           | <u>(318,610)</u> | <u>(9,652)</u>         | <u>(275,305)</u> | <u>(639,101)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>(28,194)</u>           | <u>(280,309)</u> | <u>(9,214)</u>         | <u>(198,835)</u> | <u>(516,552)</u> |

###### (B) Increase of shareholding in subsidiaries due to reorganisation

During 2022, the Group's shareholding in the following subsidiaries increased as a result of reorganisation. Following is a summary of the increase in shareholding:

|  | <i>Pure Health<br/>Medical<br/>Supplies LLC</i> | <i>Ghitha<br/>Holding<br/>PJSC</i> | <i>PAL 4 Solar<br/>Energy LLC</i> | <i>Mirak</i>    | <i>Total</i>     |
|--|---|------------------------------------|-----------------------------------|-----------------|------------------|
| Increase in shareholding (%)   | 4.39%   | 13.34%                             | 2.79%                             | 20%             |                  |
| Carrying value of the shareholding acquired (AED'000)                              | 100,227   | 252,759                            | (17)                              | (3,901)         | 349,068          |
| Less: consideration (AED'000)  | -   | <u>(191,504)</u>                   | -                                 | <u>(10,000)</u> | <u>(201,504)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>100,227</u>                                  | <u>61,255</u>                      | <u>(17)</u>                       | <u>(13,901)</u> | <u>147,564</u>   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

###### (C) Increase of shareholding in subsidiaries without consideration

During 2022, the Group received a 29% shareholding in Somerian Health LLC from a third party for no consideration. Following is the summary of increase in shareholding:

|  | <b>Somerian<br/>Health LLC</b> |
|--|--------------------------------|
| Increase in shareholding (%)   | 29%                            |
| Carrying value of the shareholding acquired (AED'000)                              | <u>101,949</u>                 |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>101,949</u>                 |

###### (D) Increase of shareholding in subsidiaries against cash consideration

During 2022, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 821,397 thousand. Following is the summary of the increase in shareholding:

|  | <b>Multiply Group<br/>PJSC</b> | <b>Q Holding<br/>PSC</b> | <b>Mawarid<br/>Holding LLC</b> | <b>Total</b>     |
|--|--------------------------------|--------------------------|--------------------------------|------------------|
| Increase in shareholding (%)   | 0.05%                          | 0.001%                   | 20%                            |                  |
| Carrying value of the shareholding acquired (AED'000)                              | 7,625                          | 93                       | 512,236                        | 519,954          |
| Less: consideration paid   | <u>(20,985)</u>                | <u>(412)</u>             | <u>(800,000)</u>               | <u>(821,397)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>(13,360)</u>                | <u>(319)</u>             | <u>(287,764)</u>               | <u>(301,443)</u> |

###### (E) Increase of shareholding in subsidiaries against consideration

Effective 1 October 2022, Pure Health Holding LLC entered into an agreement with a third party to acquire multiple businesses (note 6.2(b)), which also included the acquisition of a 27% ownership interest in Pure Medical Supplies LLC ("PHMS"), for a consideration of AED 3,591,000 thousand. The transaction resulted in an increase in the Group's effective shareholding in PHMS by 6.71%. Following is the summary of increase in shareholding:

|  | <b>PHMS</b>        |
|--|--------------------|
| Increase in shareholding (%)   | 27%                |
| Carrying value of the shareholding acquired (AED'000)                              | 2,143,100          |
| Less consideration (AED'000)   | <u>(1,934,795)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) | <u>208,305</u>     |

## Notes to the Consolidated Financial Statements

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

###### (E) Increase of shareholding in subsidiaries against consideration continued

At the General Assembly Meeting held on 9 November 2022, the shareholders approved the acquisition of non-controlling interests in Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC ("Entities") for a consideration of AED 151,560,938 thousand settled in the form of newly issued shares (note 20). The transaction was executed and completed on 25 November 2022. The Entities also have shareholding in other subsidiaries of the Group, where the effective shareholding increased as a result of the transaction. Following is the summary of increase in shareholding:

|  | <b>Alpha<br/>Dhabi<br/>Holding<br/>PJSC</b> | <b>Multiply<br/>Group<br/>PJSC</b> | <b>Al Seer<br/>Marine</b> | <b>Q Holding<br/>PSC</b> | <b>Aldar<br/>Properties<br/>PJSC</b> | <b>Ghitha<br/>Holding<br/>PJSC</b> | <b>Palms<br/>Sports<br/>PJSC</b> | <b>Easy Lease</b> | <b>Total</b>         |
|--|---|------------------------------------|---------------------------|--------------------------|--------------------------------------|------------------------------------|----------------------------------|-------------------|----------------------|
| Increase in shareholding (%)   | 43.28%                                      | 27.10%                             | 36.05%                    | 8.84%                    | 0.42%                                | 1.27%                              | 3.21%                            | 1.94%             |                      |
| Carrying value of the shareholding acquired (AED'000)                              | 13,135,130                                  | 7,862,006                          | 1,624,385                 | 1,144,552                | 115,646                              | 24,860                             | 12,807                           | 2,186             | 23,921,572           |
| Less consideration (AED'000)   |   |                                    |                           |                          |                                      |                                    |                                  |                   | <u>(151,560,938)</u> |
| Difference recognised directly in merger, acquisition and other reserves (AED'000) |   |                                    |                           |                          |                                      |                                    |                                  |                   | <u>(127,639,366)</u> |

The increase in shareholding of certain subsidiaries, resulted in a decrease of non-controlling interest by AED 27,158,192 thousand for the year ended 31 December 2022.



## Notes to the Consolidated Financial Statements

31 December 2023

## 7 PROPERTY, PLANT AND EQUIPMENT

|  | Land<br>AED'000 | Building and<br>leasehold<br>improvements<br>AED'000 | Plant and<br>machinery<br>AED'000 | Furniture,<br>fixtures and<br>equipment<br>AED'000 | Barges,<br>support vessels,<br>dredgers and<br>vehicles<br>AED'000 | Aircraft<br>AED'000 | Capital work in<br>progress<br>AED'000 | Total<br>AED'000 |
|--|-----------------|--|-----------------------------------|--|--|---------------------|--|------------------|
| Cost:  |                 |  |                                   |  |  |                     |  |                  |
| At 1 January 2022                                    | 385,044         | 2,995,873  | 3,836,825                         | 1,020,317  | 7,196,645  | 26,862              | 1,582,742                              | 17,044,308       |
| Acquired in business combination (note 6.1 & 6.2)    | -               | 10,553,990   | 4,510,878                         | 2,713,868  | 176,941  | -                   | 249,788                                | 18,205,465       |
| Additions during the year                            | -               | 1,885,747  | 282,657                           | 194,156  | 1,334,901  | 34,859              | 1,628,446                              | 5,360,766        |
| Disposals during the year                            | -               | (22,507)   | (301,919)                         | (127,425)  | (641,325)  | -                   | (1,919)                                | (1,095,095)      |
| Transfer to investments in associates (note 10)      | -               | (2,503)  | -                                 | (237)  | (83,546)   | -                   | -                                      | (86,086)         |
| Transfer to investments properties (note 9)          | -               | (464,319)  | -                                 | -  | -  | -                   | (10,262)                               | (474,581)        |
| Transfer to inventories                              | -               | -  | (6,009)                           | -  | -  | -                   | -                                      | (6,009)          |
| Transfer from intangible assets (note 8)             | -               | -  | -                                 | 2,959  | -  | -                   | -                                      | 2,959            |
| Transfer to intangible assets (note 8)               | -               | -  | -                                 | -  | -  | -                   | (463)                                  | (463)            |
| Derecognition of subsidiaries (note 6.4(b))          | -               | (246)  | -                                 | (7,344)  | (2,012)  | -                   | -                                      | (9,602)          |
| Transfer from capital work in progress               | -               | 132,394  | 706,790                           | 71,510   | 68,198   | -                   | (978,892)                              | -                |
| Reclassifications                                    | -               | (2,750)  | 130,559                           | (150,727)  | 20,258   | -                   | (15)                                   | (2,675)          |
| Transferred to assets held for sale (note 19.1)      | -               | -  | -                                 | -  | -  | -                   | (137,215)                              | (137,215)        |
| Write-off during the year                            | -               | (5,904)  | (22,755)                          | (98)   | -  | -                   | (5,106)                                | (31,863)         |
| Exchange differences                                 | (43,165)        | (53,385)   | (3,016)                           | (8,368)  | (9,171)  | (18,025)            | (30,782)                               | (175,912)        |
| At 31 December 2022                                  | 341,879         | 15,016,590   | 9,124,010                         | 3,708,611  | 8,060,889  | 43,696              | 2,298,322                              | 38,593,997       |
| At 1 January 2023                                    | 341,879         | 15,016,590   | 9,124,010                         | 3,708,611  | 8,060,889  | 43,696              | 2,298,322                              | 38,593,997       |
| Acquired in business combination (note 6.1 & 6.2)    | 11,975          | 926,514  | 588,814                           | 84,321   | 108,699  | -                   | 126,763                                | 1,847,086        |
| Additions during the year                            | 53,816          | 390,229  | 395,012                           | 202,641  | 602,863  | 30,096              | 2,190,783                              | 3,866,910        |
| Disposals during the year                            | -               | (83,410)   | (43,359)                          | (23,112)   | (62,622)   | -                   | (1,753)                                | (214,256)        |
| Transfer from investments properties (note 9)        | -               | 36,055   | -                                 | -  | -  | -                   | -                                      | 36,055           |
| Transfer from development work in progress (note 16) | 22,597          | -  | -                                 | -  | -  | -                   | -                                      | 22,597           |
| Transfer to intangible assets (note 8)               | -               | -  | -                                 | -  | -  | -                   | (1,090)                                | (1,090)          |
| Derecognition of subsidiaries (note 6.4 (a))         | -               | (981,101)  | (2,852,706)                       | (1,679,798)  | (60,585)   | -                   | (118,323)                              | (5,692,513)      |
| Transfer from capital work in progress               | -               | 234,780  | 77,528                            | 377,618  | 267,613  | 62,437              | (1,019,976)                            | -                |
| Reclassifications                                    | -               | (206)  | 1,594                             | (152,776)  | 151,182  | -                   | -                                      | (920)            |
| Write-off during the year                            | (14,979)        | (19,408)   | (5,215)                           | (2,237)  | (2,354)  | (8,834)             | 10,095                                 | (42,932)         |
| Exchange differences                                 |                 |  |                                   |  |  |                     |  |                  |
| At 31 December 2023                                  | 415,288         | 15,520,043   | 7,285,678                         | 2,515,268  | 9,064,971  | 64,958              | 3,484,821                              | 38,414,934       |

## Notes to the Consolidated Financial Statements

31 December 2023

## 7 PROPERTY, PLANT AND EQUIPMENT continued

|  | Land<br>AED'000 | Building and<br>leasehold<br>improvements<br>AED'000 | Plant and furniture,<br>machinery and equipment<br>AED'000 | Barges,<br>support vessels,<br>dredgers and<br>vehicles<br>AED'000 | Aircraft<br>AED'000 | Capital work in<br>progress<br>AED'000 | Total<br>AED'000 |
|--|-----------------|--|--|--|---------------------|--|------------------|
| Accumulated depreciation and impairment:           |                 |  |  |  |                     |  |                  |
| At 1 January 2022                                  | -               | 1,296,620  | 1,451,385  | 831,361  | 4,131,191           | -                                      | 7,710,557        |
| Acquired in business combination (note 6.1 & 6.2)  | -               | 6,009,091  | 3,045,604  | 2,095,989  | 122,335             | 11,060                                 | 11,284,079       |
| Charge for the year                                | -               | 376,955  | 472,705  | 212,351  | 403,508             | -                                      | 1,465,499        |
| Impairment loss for the year                       | -               | 12,143   | 23,215   | 2,022  | -                   | 357,085                                | 394,465          |
| Reversal of impairment                             | -               | (312,362)  | -  | -  | -                   | -                                      | (312,362)        |
| Derecognition of subsidiaries (note 6.4(b))        | -               | (39)   | (4,539)  | (1,714)  | -                   | -                                      | (6,292)          |
| Reclassification                                   | -               | 195  | 92,977   | (143,544)  | 50,659              | -                                      | 287              |
| Transferred to investments in associates (note 10) | -               | (1,245)  | (186)  | (61,018)   | -                   | -                                      | (62,449)         |
| Transferred to investments properties (note 9)     | -               | (358,364)  | -  | -  | -                   | -                                      | (358,364)        |
| Transferred from intangible assets (note 8)        | -               | -  | -  | 2,711  | -                   | -                                      | 2,711            |
| Relating to disposals                              | -               | (14,107)   | (295,810)  | (124,208)  | (553,221)           | -                                      | (987,346)        |
| Write-off during the year                          | -               | (393)  | (7,793)  | -  | -                   | -                                      | (8,186)          |
| Exchange differences                               | -               | (15,956)   | (7,220)  | (5,338)  | (2,212)             | -                                      | (30,726)         |
| At 31 December 2022                                | -               | 6,992,518  | 4,775,063  | 2,866,619  | 4,089,528           | 368,145                                | 19,091,873       |
| At 1 January 2023                                  | -               | 6,992,518  | 4,775,063  | 2,866,619  | 4,089,528           | 368,145                                | 19,091,873       |
| Acquired in business combination (note 6.1 & 6.2)  | -               | 370,706  | 347,058  | 53,281   | 70,984              | -                                      | 842,029          |
| Charge for the year                                | -               | 492,289  | 495,191  | 257,230  | 405,272             | 6,391                                  | 1,656,373        |
| Impairment loss for the year                       | -               | 5,413  | 1,593  | -  | -                   | -                                      | 7,006            |
| Reversal of impairment                             | -               | (2,726)  | -  | -  | -                   | -                                      | (2,726)          |
| Transferred from investments properties (note 9)   | -               | 1,681  | -  | -  | -                   | -                                      | 1,681            |
| Derecognition of subsidiaries (note 6.4 (a))       | -               | (477,198)  | (2,124,767)  | (1,259,088)  | (51,365)            | -                                      | (3,912,418)      |
| Relating to disposals                              | -               | (36,581)   | (38,768)   | (20,029)   | (55,655)            | -                                      | (151,033)        |
| Reclassifications                                  | -               | 5  | (1,387)  | 145,626  | (144,244)           | -                                      | -                |
| Write-off during the year                          | -               | (51)   | -  | -  | (714)               | -                                      | (765)            |
| Exchange differences                               | -               | (1,616)  | (503)  | (289)  | (461)               | -                                      | (2,869)          |
| At 31 December 2023                                | -               | 7,344,440  | 3,453,480  | 2,043,350  | 4,313,345           | 368,145                                | 17,529,151       |
| Carrying amount:                                   |                 |  |  |  |                     |  |                  |
| At 31 December 2023                                | 415,288         | 8,175,603  | 3,832,198  | 4,71,918   | 4,751,626           | 64,958                                 | 20,885,783       |
| At 31 December 2022                                | 341,879         | 8,024,072  | 4,348,947  | 841,992  | 3,971,361           | 43,696                                 | 19,502,124       |



## Notes to the Consolidated Financial Statements

31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT continued

As at 31 December 2023, capital work in progress mainly comprises of construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers that are yet to be finalised and ready for use (2022: construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity, development and enhancement of hospitality and leisure facilities and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers, medical machinery and equipment).

During the year ended 31 December 2023, the Group capitalised finance costs related to its borrowings of AED 6,345 thousand (2022: AED 8,485 thousand). The capitalisation rate used to determine these finance costs was EIBOR +1.85% (2022: EIBOR +3%).

Included in additions for the year ended 31 December 2023:

- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 33,592 thousand to the property, plant and equipment, being the portion of the asset occupied by the Group. The remaining portion amounting to AED 48,008 thousand, which is leased to a third party, has been classified as investment properties (note 9).
- During the year, NRTC International Investment SP LLC, a subsidiary, acquire the distribution rights and assets from a company in the Kingdom of Saudi Arabia for a total consideration of AED 253,472 thousand. Management concluded that the assets acquired do not represent a business as per the requirement of IFRS 3 Business Combinations.

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Hotels & Hospitality - Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel and Double Tree by Hilton Hotel (Ras Al-Khaimah, UAE), resulting in additions to property, plant and equipment of AED 767,528 thousand and AED 697,978 thousand respectively.
- During 2022, Aldar Hotels & Hospitality - Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the hotel building of Nurai Island Hotel, resulting in additions to property, plant and equipment of AED 232,966 thousand.

In accordance with the requirements of IFRS 3 Business Combinations, the above were accounted as acquisitions of assets, as substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset (note 6.3(b)).

During the year, the Group transferred AED 34,374 thousand from investment properties to property, plant and equipment representing the portion of the asset being occupied by the Group (2022: AED 116,217 thousand transferred from property, plant and equipment to investment properties due to change in use).

Property, plant and equipment with a carrying amount of AED 4,902,172 thousand (2022: AED 7,362,013 thousand) are pledged as security against borrowings (note 24).

## Notes to the Consolidated Financial Statements

31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT continued

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Cost of revenue (note 31)                     | 1,009,908       | 992,143         |
| General and administrative expenses (note 32) | 608,763         | 460,775         |
| Selling and distribution expenses (note 33)   | 18,928          | 11,311          |
| Biological assets (note 15)                   | 16,314          | 1,270           |
| Capitalised to bearer plants                  | 2,460           | -               |

1,656,373      1,465,499

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Impairment of capital work in progress <sup>(i)</sup> | -               | 357,085         |
| Impairment of healthcare related assets               | -               | 23,215          |
| Impairment of other assets                            | 7,006           | 14,165          |
| Total impairment                                      | 7,006           | 394,465         |
| Reversal of impairment loss <sup>(ii)</sup>           | (2,726)         | (312,362)       |
| Net impairment during the year                        | <u>4,280</u>    | <u>82,103</u>   |

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Cost of revenue (note 31)                     | -               | 82,103          |
| General and administrative expenses (note 32) | 7,006           | -               |
| Selling and distribution expenses (note 33)   | (2,726)         | -               |
|   | <u>4,280</u>    | <u>82,103</u>   |

(i) During the year, the Group conducted impairment assessments on ongoing projects classified under capital work in progress and concluded that no additional impairment is required (2022: certain ongoing projects classified under capital work in progress were impaired, which resulted in an impairment of AED 357,085 thousand). Following is a summary of 2022 impairments:

|   | Traditional Souk<br>building <sup>(a)</sup><br>AED'000 | Kasr Al Bahr<br>hotel <sup>(b)</sup><br>AED'000 | Others<br>AED'000 | Total<br>AED'000 |
|---|--|---|-------------------|------------------|
| Balance at 1 January 2022                       | 169,702  | 442,412   | -                 | 612,114          |
| Additions                                       | 3,766  | 171,392   | 5,760             | 180,918          |
| Impairment                                      | (36,253)   | (315,072)                                       | (5,760)           | (357,085)        |
|   | 137,215  | 298,732   | -                 | 435,947          |
| Transferred to assets held for sale (note 19.1) | (137,215)  | -   | -                 | (137,215)        |
| Balance at 31 December 2022                     | <u>-</u>   | <u>298,732</u>                                  | <u>-</u>          | <u>298,732</u>   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT continued

- a. During 2022, Q Holding PSC, a subsidiary, entered into an agreement with a buyer for the sale of the Traditional Souk building. Accordingly, an amount of AED 137,215 thousand was transferred to assets held for sale in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations." Prior to the transfer, the Group performed an impairment assessment on the building and recorded an impairment of AED 36,253 thousand.
- b. During 2022, the Group performed an impairment assessment on Kasr Al Bahr hotel in Morocco, which is currently being constructed and recorded under capital work in progress. Accordingly, the Group recorded an impairment amounting to AED 315,072 thousand in the consolidated statement of profit or loss. The impairment was determined by reference to a discounted cash flow method performed by an independent valuer, using a growth rate of 2% and a discount rate of 8.5%.
- (ii) During the year, the Group carried out a review of recoverable amount of its hotel properties. As a result of the review, the recoverable value was higher than the carrying value and accordingly no impairment was recorded (2022: a reversal of impairment loss amounting of AED 312,362 thousand). The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method, using exit yield of 7.5 % to 9.5% (2022: 7.5% to 9.5%) and a discount rate of 7.5% to 9.5% (2022: 9.5% to 11.5%). The reversal of impairment during the year amounting to AED 2,726 thousand (2022: nil), relates to a building.

## Notes to the Consolidated Financial Statements

31 December 2023

### 8 INTANGIBLE ASSETS AND GOODWILL

|   | Goodwill<br>AED'000 | Brand<br>names<br>AED'000 | Concession rights<br>AED'000 | Customer<br>relationships<br>AED'000 | Customer<br>contracts<br>AED'000 | Trademarks<br>AED'000 | Trade<br>license<br>AED'000 | Lease benefits<br>AED'000 | Software and<br>others<br>AED'000 | Total<br>AED'000 |
|---|---------------------|---------------------------|------------------------------|--------------------------------------|----------------------------------|-----------------------|-----------------------------|---------------------------|-----------------------------------|------------------|
| At 1 January 2023   | 5,215,776           | 3,346,455                 | 71,712                       | 1,206,334                            | 487,816                          | 15,613                | 21,709                      | 97,193                    | 279,867                           | 11,616,475       |
| Relating to business combinations (note 6.1(a) & 6.2(a))  | 1,909,789           | 118,387                   | -                            | 630,923                              | 275,187                          | -                     | 22,504                      | -                         | 99,839                            | 3,056,629        |
| Additions during the year   | -                   | 15                        | -                            | -                                    | -                                | -                     | 7,021                       | -                         | 139,391                           | 146,427          |
| Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b)) | 20,008              | -                         | -                            | (48,000)                             | -                                | -                     | -                           | (800)                     | -                                 | (28,792)         |
| Derecognition of a subsidiary (note 6.4(a))   | (1,342,106)         | (1,356,041)               | -                            | (545,603)                            | (244,022)                        | (582)                 | (11,000)                    | (877,308)                 | (99,884)                          | (4,476,546)      |
| Transferred from property, plant and equipment (note 7)   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | 1,090                             | 1,090            |
| Write-off   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | (11,932)                          | (11,932)         |
| Amortisation during the year  | -                   | (42,241)                  | (2,162)                      | (160,226)                            | (42,405)                         | (181)                 | (24,202)                    | (6,312)                   | (71,268)                          | (344,897)        |
| Others  | (2,863)             | (4)                       | -                            | 71                                   | (71)                             | -                     | -                           | -                         | (250)                             | (3,117)          |
| Exchange differences  | (2,446)             | (139)                     | -                            | 1,251                                | (2,688)                          | -                     | -                           | -                         | (277)                             | (4,299)          |
| At 31 December 2023   | 5,798,158           | 2,066,432                 | 69,550                       | 1,084,750                            | 473,817                          | 14,850                | 16,032                      | 86,773                    | 336,576                           | 9,946,938        |
| At 1 January 2022   | 885,381             | 163,286                   | 73,874                       | 105,204                              | 1,147,883                        | 15,144                | 12,408                      | -                         | 39,532                            | 2,442,712        |
| Relating to business combinations (note 6.1(b) & 6.2(b))  | 3,297,616           | 3,210,925                 | -                            | 1,157,717                            | 592,535                          | 754                   | 11,000                      | 972,784                   | 206,262                           | 9,449,593        |
| Additions during the year   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | 92,169                            | 92,169           |
| Settlement of pre-existing rights <sup>(i)</sup>  | 1,040,438           | -                         | -                            | -                                    | (1,040,438)                      | -                     | -                           | -                         | -                                 | -                |
| Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b)) | 18,314              | -                         | -                            | -                                    | (44,602)                         | -                     | -                           | -                         | -                                 | (26,288)         |
| Transferred to property, plant and equipment (note 7)   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | (248)                             | (248)            |
| Transferred from property, plant and equipment (note 7)   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | 463                               | 463              |
| Write-off   | -                   | -                         | -                            | -                                    | -                                | -                     | -                           | -                         | (6,441)                           | (6,441)          |
| Amortisation during the year  | -                   | (27,710)                  | (2,162)                      | (55,420)                             | (160,765)                        | (285)                 | (1,699)                     | (1,591)                   | (52,668)                          | (302,300)        |
| Others  | (493)               | (185)                     | -                            | 96                                   | -                                | -                     | -                           | -                         | -                                 | (582)            |
| Exchange differences  | (25,480)            | 139                       | -                            | (1,263)                              | (6,797)                          | -                     | -                           | -                         | 798                               | (32,603)         |
| At 31 December 2022   | 5,215,776           | 3,346,455                 | 71,712                       | 1,206,334                            | 487,816                          | 15,613                | 21,709                      | 97,193                    | 279,867                           | 11,616,475       |

- (i) During 2022, the acquisition of SEHA resulted in settlements of pre-existing rights relating to customer contracts recognised during 2021 from the acquisitions of Rated and Union71. On the acquisition date of SEHA, management carried out an assessment of the contracts and determined that the contracts have no favorable or unfavorable components and that the pricing of the contracts are comparable to current market transactions. Accordingly, no gain or loss was recognised in the consolidated statement of profit or loss. The amount recognised as customer contracts as of the acquisition date of SEHA of AED 1,040,438 thousand was adjusted against goodwill in 2022.



## Notes to the Consolidated Financial Statements

31 December 2023

### 8 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Cost of revenue (note 31)                     | 110,183         | 109,569         |
| General and administrative expenses (note 32) | 238,814         | 192,731         |
|   | <u>348,997</u>  | <u>302,300</u>  |

#### Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required against goodwill at reporting date (2022: AED nil).

#### Brand names

Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### Concession rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The duration of the contract is 37 years from the date of construction of the district cooling plant.

#### Customer contracts and customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### Trademarks

Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### Trade license

Trade license mainly includes the following:

- License of an acquired subsidiary, Royal Horizon Holding LLC, that allows the use of the name "Fazaa" for its retail stores. The license has a useful life of 8 years; and
- License of an acquired subsidiary, National Health Insurance Company PJSC ("Daman"), that allows them to carry out insurance related activities and is carried at an indefinite useful life. The license was derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

#### Lease benefits

Lease benefits represents the future economic benefits in the form of favorable lease arrangements the Group acquired in business combinations. These represent leases of retail shops and cold storage facilities having a useful life of 15 years.

## Notes to the Consolidated Financial Statements

31 December 2023

### 8 INTANGIBLE ASSETS AND GOODWILL continued

During the year ended 31 December 2023, management performed its annual impairment review of goodwill and certain intangible assets with indefinite useful life, using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2% - 4.2% (2022: 1.1% - 3%); and
- Discount rate: 7.6% - 27.5% (2022: 9.7% - 16%).

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2023.

|  | Land<br>AED'000  | Leased properties<br>AED'000 | Properties under<br>development AED'000 | Total<br>AED'000  |
|--|------------------|------------------------------|---|-------------------|
| <b>2023</b>  |                  |                              |   |                   |
| Cost:  |                  |                              |   |                   |
| At 1 January 2023                                    | 1,751,011        | 29,240,276                   | 981,906                                 | 31,973,193        |
| Additions during the year                            | 977,659          | 535,566                      | 509,272                                 | 2,022,497         |
| Transfer from properties under development           | -                | 223,264                      | (223,264)                               | -                 |
| Transfer from development work in progress (note 16) | -                | 34,068                       | 282,463                                 | 316,531           |
| Transfer to property, plant and equipment (note 7)   | -                | (36,055)                     | -                                       | (36,055)          |
| Disposed during the year                             | (206,151)        | (147,043)                    | -                                       | (353,194)         |
| Derecognition of a subsidiary (note 6.4(a))          | -                | (6,240)                      | -                                       | (6,240)           |
| Foreign currency exchange                            | -                | (38,314)                     | (32,187)                                | (70,501)          |
| At 31 December 2023                                  | <u>2,522,519</u> | <u>29,805,522</u>            | <u>1,518,190</u>                        | <u>33,846,231</u> |
| Accumulated depreciation and impairment:             |                  |                              |   |                   |
| At 1 January 2023                                    | 212,998          | 1,830,794                    | 327,275                                 | 2,371,067         |
| Charge for the year                                  | -                | 894,281                      | -                                       | 894,281           |
| Transfer to property, plant and equipment (note 7)   | -                | (1,681)                      | -                                       | (1,681)           |
| Relating to disposals                                | -                | (4,826)                      | -                                       | (4,826)           |
| Impairment (reversal of impairment) loss             |                  |                              |   |                   |
| for the year (note 31)                               | 1,768            | (87,106)                     | -                                       | (85,338)          |
| Derecognition of a subsidiary (note 6.4(a))          | -                | (3,095)                      | -                                       | (3,095)           |
| At 31 December 2023                                  | <u>214,766</u>   | <u>2,628,367</u>             | <u>327,275</u>                          | <u>3,170,408</u>  |
| Net carrying amount:                                 |                  |                              |   |                   |
| At 31 December 2023                                  | <u>2,307,753</u> | <u>27,177,155</u>            | <u>1,190,915</u>                        | <u>30,675,823</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 9 INVESTMENT PROPERTIES continued

|  | Land<br>AED'000  | Leased properties<br>AED'000 | Properties under<br>development AED'000 | Total<br>AED'000  |
|--|------------------|------------------------------|---|-------------------|
| <b>2022</b>  |                  |                              |   |                   |
| Cost:  |                  |                              |   |                   |
| At 1 January 2022  | 2,157,188        | 5,305,003                    | 1,354,941                               | 8,817,132         |
| Acquired in business combinations (note 6.2(b))          | 613,361          | 18,091,487                   | 1,622,906                               | 20,327,754        |
| Additions during the year                                | 464              | 4,939,630                    | 260,759                                 | 5,200,853         |
| Transfer from properties under development               | -                | 754,631                      | (754,631)                               | -                 |
| Transfer to assets held for sale (note 19.1)             | -                | -                            | (994,858)                               | (994,858)         |
| Transfer to inventories (note 13)                        | (67,702)         | (57,120)                     | (17,122)                                | (141,944)         |
| Transfer from development work in progress (note 16)     | -                | 24,949                       | -                                       | 24,949            |
| Transfer to development work in progress (note 16)       | (952,300)        | -                            | (441,399)                               | (1,393,699)       |
| Transfer from property, plant and equipment (note 7)     | -                | 474,581                      | -                                       | 474,581           |
| Disposed during the year                                 | -                | (226,792)                    | -                                       | (226,792)         |
| Foreign currency exchange                                | -                | (66,093)                     | (48,690)                                | (114,783)         |
| At 31 December 2022                                      | <u>1,751,011</u> | <u>29,240,276</u>            | <u>981,906</u>                          | <u>31,973</u>     |
| Accumulated depreciation and impairment:                 |                  |                              |   |                   |
| At 1 January 2022  | 37,045           | 642,126                      | 211,059                                 | 890,230           |
| Acquired in business combinations (note 6.2(b))          | -                | 2,796                        | -                                       | 2,796             |
| Transfer from property, plant and equipment (note 7)     | -                | 358,364                      | -                                       | 358,364           |
| Charge for the year                                      | -                | 687,205                      | -                                       | 687,205           |
| Relating to disposals                                    | -                | (72,300)                     | -                                       | (72,300)          |
| Relating to transfer to assets held for sale (note 19.1) | -                | -                            | (260,768)                               | (260,768)         |
| Impairment loss for the year (note 31)                   | <u>175,953</u>   | <u>212,603</u>               | <u>376,984</u>                          | <u>765,540</u>    |
| At 31 December 2022                                      | <u>212,998</u>   | <u>1,830,794</u>             | <u>327,275</u>                          | <u>2,371,067</u>  |
| Net carrying amount:                                     |                  |                              |   |                   |
| At 31 December 2022                                      | <u>1,538,013</u> | <u>27,409,482</u>            | <u>654,631</u>                          | <u>29,602,126</u> |

Investment properties with a fair value of AED 5,424,212 thousand (2022: AED 6,959,301 thousand) are pledged against borrowings (note 24).

Included in additions for the year ended 31 December 2023:

- During the year, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 100% ownership interest in C 2 R Real Estate Investment - Sole Proprietorship LLC, resulting in additions to investment properties of AED 79,650 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC, a subsidiary, acquired a 60% ownership in AMI Properties Holding Limited ("AMI"), resulting in additions to investment properties of AED 163,854 thousand. AMI owns two plots of land on Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 48,008 thousand to investment properties, being the portion of the asset leased to a third party. The remaining portion amounting to AED 33,592 thousand, being the portion of the asset occupied by the Group, has been classified as property, plant and equipment (note 7).

## Notes to the Consolidated Financial Statements

31 December 2023

### 9 INVESTMENT PROPERTIES continued

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Investment Properties LLC, a subsidiary, acquired a 100% ownership interest in Confluence Partners (HQ) RSC Ltd. ("Confluence"), resulting in additions to investment properties of AED 4,373,000 thousand. Confluence owns the Abu Dhabi Global Market towers located in Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).
- During the prior year, Aldar Investment Properties LLC, a subsidiary, acquired a 60% ownership interest in Al Maryah Property Holdings Limited, an entity that owns Al Maryah Tower. The transaction resulted in additions to investment properties of AED 481,500 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).

#### Land

During the year, impairment loss amounting to AED 1,768 thousand on land was recorded by the Group (2022: AED 175,953 thousand).

A market-based valuation suggests that the fair value of the Group's plots of land approximates AED 2,411,105 thousand at 31 December 2023 (2022: AED 1,614,204 thousand).

#### Leased properties

Leased properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2023 amounted to AED 31,197,982 thousand (2022: AED 29,455,842 thousand). As a result of the valuation, reversal of impairment amounting to AED 87,106 thousand was recorded during the year (2022: impairment of AED 212,603 thousand).

(Reversal of impairment losses) impairment losses were derived from the following properties:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Moon Flower <sup>(i)</sup>                            | (154,990)       | 154,990         |
| Construction Workers Residential City <sup>(ii)</sup> | (42,366)        | 42,366          |
| Remal Mall <sup>(iii)</sup>                           | 66,923          | -               |
| Baniyas Towers <sup>(iv)</sup>                        | 26,459          | -               |
| Daman House - Capital Center <sup>(v)</sup>           | 13,415          | -               |
| Saadiyat Accommodation Village <sup>(vi)</sup>        | 11,224          | -               |
| Other properties                                      | (7,771)         | 15,247          |
| Net (reversal) impairment during the year             | <u>(87,106)</u> | <u>212,603</u>  |

- (i) The fair value of the Moon Flower project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 154,990 thousand (2022: impairment loss of AED 154,990 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 8.54% (2022: 7.51%).
- (ii) The fair value of the Construction Workers Residential City project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 42,366 thousand (2022: impairment loss of AED 42,366 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 9.14% (2022: 7.60%).
- (iii) The fair value of Remal Mall, performed by an independent external valuer, resulted in an impairment loss of AED 66,923 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 12.5%.



## Notes to the Consolidated Financial Statements

31 December 2023

### 9 INVESTMENT PROPERTIES continued

#### Leased properties continued

- (iv) The fair value of the Baniyas Towers, performed by an independent external valuer, resulted in an impairment loss of AED 26,459 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 10.5%.
- (v) fair value of the Daman House - Capital Center, performed by an independent external valuer, resulted in an impairment loss of AED 13,415 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 9.25%.
- (vi) The fair value of the Saadiyat accommodation village, performed by an independent external valuer, resulted in an impairment loss of AED 11,224 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 25%.

#### Properties under development

Properties under development comprise of land and buildings under construction, where the Group has approved plan to develop commercial and residential properties.

During the year, the Group conducted impairment assessments on its ongoing projects classified as properties under development, which resulted in no impairment. During 2022, an impairment amounting to AED 376,984 thousand was recorded against the following projects:

|                                 | 2022<br>AED'000 |
|---------------------------------|-----------------|
| Traditional Souk <sup>(i)</sup> | 260,768         |
| Reem residential towers         | <u>116,216</u>  |
|                                 | <u>376,984</u>  |

- (i) The construction of the Traditional Souq with a balance of AED 734,090 thousand was transferred to assets held for sale in line with the requirements of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," as the Group resolved to sell the related properties under development and not continue with its original intended use. Prior to the transfer, the Group performed an impairment assessment and based on the assessment recorded an impairment provision of AED 260,768 thousand.

The fair value of the Group's investment properties as at 31 December 2023 and 2022 has been arrived by management by reference to valuation carried out on the respective dates by independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

## Notes to the Consolidated Financial Statements

31 December 2023

### 9 INVESTMENT PROPERTIES continued

The following table shows the fair value analysis of assets by level of the fair value hierarchy for the year ended 31 December:

|  | Level 1<br>AED'000 | Level 2<br>AED'000 | Level 3<br>AED'000 | Total<br>AED'000  |
|--|--------------------|--------------------|--------------------|-------------------|
| <b>31 December 2023</b>                  |                    |                    |                    |                   |
| Investment properties                    |                    |                    |                    |                   |
| (excluding properties under development) | <u>-</u>           | <u>171,100</u>     | <u>33,437,987</u>  | <u>33,609,087</u> |
| <b>31 December 20232</b>                 |                    |                    |                    |                   |
| Investment properties                    |                    |                    |                    |                   |
| (excluding properties under development) | <u>-</u>           | <u>155,900</u>     | <u>30,914,146</u>  | <u>31,070,046</u> |

There were no transfers between level 1, level 2 and level 3 fair values during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

| Property          | Valuation technique        | Significant unobservable inputs   |
|-------------------|----------------------------|---|
| Land              | Sales comparison           | - Sales rate: AED 2 - 350 /sq.ft. (2022: AED 2 - 402 /sq. ft.); and   |
|                   |                            | - Acquisition fee: 2.25% (2022: 2.25%).   |
| Leased properties | Sales comparison           | - Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> <li>Residential properties: AED 78,000 - AED 350,000 per unit (2022: AED 900 - AED 335,000 per unit);</li> <li>Commercial properties: AED 45/sq. ft - AED 1,200/sq. ft. (2022: AED 47/sq. ft. - AED 1,200/sq. ft.);</li> <li>Retail: AED 110/sq. ft. - AED 1,250/sq. ft. (2022: 92/sq. ft. - AED 1,250/sq. ft.); and</li> <li>Car park: AED 1,180 - AED 6,300 per unit (2022: AED 572 - AED 6,300 per unit).</li> </ul>                                  |
|                   |                            | - Operating expenses: 10% - 32% of market rent (2022: 3% - 35%); and  |
|                   |                            | - Terminal capitalisation rate: 7.5% - 8.75% (2022: 7.2% - 8.75%).  |
|                   |                            | - Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> <li>Residential properties: AED 20,400 - AED 350,000 per unit (2022: AED 19,200 - AED 210,000 per unit);</li> <li>Commercial properties: AED 45/sq. ft. - 386/sq. ft. (2022: AED 70/sq. ft. - 3,750/sq. ft.);</li> <li>Retail: AED 9/sq. ft. - 743/sq. ft. (2022: 460/sq. ft. - 7,500/sq. ft.); and</li> <li>Labour camp: AED 250 - AED 610 per person (2022: AED 250 - 610 per person) and AED 156 million (2022: AED 156 million) per year.</li> </ul> |
| Leased properties | Discounted cash flow (DCF) | - Operating expenses: AED 29/sq. ft. - AED 36/sq. ft. (2022: AED 193 /sq. ft. - AED 366/sq. ft.);   |
|                   |                            | - Labour camp operating expense: <ul style="list-style-type: none"> <li>Rent charge: AED 27,000,000 to AED 34,275,000 per year (2022: AED 2,682,764 to AED 4,309,737 per year)</li> <li>Variable rent: AED 15 per person (2022: AED 15 per person)</li> </ul>   |
|                   |                            | - Discount rate: 7.25% - 12.5% (2022: 7.25% - 10.5%); and   |
|                   |                            | - Terminal capitalisation rate: 6.75% - 10% (2022: 6.51% - 10%).  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 9 INVESTMENT PROPERTIES continued

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Cost of revenue (note 31)                     | 891,304         | 683,375         |
| General and administrative expenses (note 32) | 2,977           | 3,830           |
|   | <u>894,281</u>  | <u>687,205</u>  |

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties are as follows:

|                           | 2023<br>AED'000  | 2022<br>AED'000  |
|---------------------------|------------------|------------------|
| Rental income             | 2,605,624        | 1,910,507        |
| Direct operating expenses | <u>(912,175)</u> | <u>(566,686)</u> |
|                           | <u>1,693,449</u> | <u>1,343,821</u> |

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

| Name of entity   | Principal activities   | Place of incorporation and operation | Ownership interest |        |
|--|--|--------------------------------------|--------------------|--------|
|  |  |                                      | 2023               | 2022   |
| <b>Associates:</b>   |  |                                      |                    |        |
| Emirates Refreshments P.S.C  | Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers. | UAE                                  | 21%                | 21%    |
| Canal Sugar S.A.E  | Sugar farming and production.  | Egypt                                | 33%                | 33%    |
| Principia SAS  | Engineering and consultancy services.  | France                               | 33%                | 33%    |
| Al Jazira Technical Solutions & Consulting LLC                         | Consulting in computer devices and equipment.  | UAE                                  | 35%                | 35%    |
| Response Plus Holding PJSC   | Healthcare services and medical facilities.  | UAE                                  | 36.15%             | 36.15% |
| Sawaeed Holding PJSC   | Manpower and investment solutions.   | UAE                                  | 36.69%             | 36.69% |
| BGI for Commercial Investment LLC (formerly "Al Bustan Farms Limited") | Agriculture enterprise investment.   | Mozambique                           | 30%                | 30%    |
| Lynx Technology Group Ltd. (i)   | Custom software application development services and IT consulting services.   | British Virgin Islands               | -                  | 25%    |
| Iskandar Holdings Limited  | Real estate enterprise.  | Cayman Islands                       | 19%                | 19%    |
| Al Sdeirah Real Estate Investment                                      | Real estate enterprise.  | UAE                                  | 30%                | 30%    |
| Abu Dhabi Finance PJSC   | Finance company.   | UAE                                  | 32%                | 32%    |
| Invictus Investment Company PLC  | Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items.                     | UAE                                  | 22.96%             | 22.96% |
| Royal Gardens for Investment Property Co.                              | Real estate development.   | Egypt                                | 20%                | 20%    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

| Name of entity  | Principal activities   | Place of incorporation and operation | Ownership interest |        |
|---|--|--------------------------------------|--------------------|--------|
|   |  |                                      | 2023               | 2022   |
| <b>Associates:</b> continued                                |  |                                      |                    |        |
| Deco Vision Company - WLL                                   | Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.                       | UAE                                  | 45%                | 45%    |
| Burjeel Holdings PLC  | Medical related services.  | UAE                                  | 14.48%             | 14.55% |
| Bayanat AI PLC (ii)   | Data collection, analysis, storing and recovering, survey planning and information and maps management systems.                            | UAE                                  | -                  | 15.03% |
| Lulo Bank S.A   | Online banking services.   | Columbia                             | 46.16%             | 46.16% |
| Gordon Technologies LLC*                                    | Sale of drilling equipment, downhole tools, technology and related services.   | United States of America             | 25%                | 25%    |
| Safeen Survey and Subsea Services LLC (vii)                 | Survey and diving business.  | UAE                                  | 49%                | 49%    |
| EHC Investment LLC (iii)                                    | Holding company.   | UAE                                  | 34.57%             | 50%    |
| Kizad Communities Development and Services Company LLC (iv) | Real estate lease and management services.   | UAE                                  | 23.91%             | -      |
| NICC Infrastructure Construction LLC (vi)                   | Construction and infrastructure activities.  | UAE                                  | 49%                | -      |
| Presight AI Holding PLC (v)                                 | Artificial intelligence research and information technology related services.  | UAE                                  | 15.35%             | -      |
| WISY Holding Cyprus Ltd** (vii)                             | Holding company.   | Cyprus                               | 44.4%              | -      |
| Nammos World SARL**   | Hospitality management.  | Monaco                               | 44.4%              | -      |
| WISY Management Cyprus Ltd**                                | Hospitality management.  | Cyprus                               | 44.4%              | -      |
| Anina Culinary Art Ltd. (viii)                              | Development of a technology that prepares a nutritionally balanced meal from fresh ugly produce that otherwise would have been discharged. | Israel                               | 45%                | -      |
| National Corporation for Tourism and Hotels PJSC (viii)     | Own, manage and invest in hotels and leisure complexes and to undertake other related business.  | UAE                                  | 36.39%             | -      |
| Yas Projects LLC (viii)                                     | Construction.  | UAE                                  | 49%                | -      |
| Ta'ziz UAE Investment Company RSC Limited (viii)            | Investment in chemical projects.   | UAE                                  | 25.07%             | -      |
| Pure Health Holding LLC (ix)                                | Hospitals and other healthcare related services, including health insurance.   | UAE                                  | 41.61%             | -      |
| Modon Properties PJSC (x)                                   | Infrastructure development and managing of completed operating properties.   | UAE                                  | 49%                | -      |
| <b>Joint ventures:</b>                                      |  |                                      |                    |        |
| Lazio Real Estate Investment LLC                            | Real estate enterprise investment, development, institution and management.  | UAE                                  | 65%                | 65%    |
| Progressive Real Estate Development LLC (xi)                | Real estate enterprise investment, development, institution and management.  | UAE                                  | -                  | 70%    |
| China Railway Construction                                  | Construction.  | UAE                                  | 49%                | 49%    |
| ORA Developers Investment Holding Limited (vi)              | Develop, finance, own and operate, lease or sell directly or indirectly, the Plots or any of its components.                               | UAE                                  | 30%                | -      |



## Notes to the Consolidated Financial Statements

31 December 2023

### 10. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

| Name of entity   | Principal activities  | Place of incorporation and operation | Ownership interest |      |
|--|---|--------------------------------------|--------------------|------|
|  |   |                                      | 2023               | 2022 |
| <b>Joint ventures: continued</b>   |   |                                      |                    |      |
| The Challenge Egyptian Emirates Marine Dredging Company                      | Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.  | Egypt                                | 49%                | 49%  |
| Eltizam Asset Management LLC (xii)   | Services management holding company.  | UAE                                  | -                  | 50%  |
| EDE Research Institute LLC   | Diagnostics, imaging & IT, information systems consultancy & workflow & solutions.  | UAE                                  | 50%                | 50%  |
| Emirates International Gas LLC (iii)   | Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant.  | UAE                                  | -                  | 50%  |
| Al Qudra Sports Management LLC   | Sport enterprises investment, institution and management.   | UAE                                  | 50%                | 50%  |
| Al Qudra Addoha pour L'Investissement Immobilier                             | Import and export and trading of oil and gas related material.  | UAE                                  | 50%                | 50%  |
| ABGC DMCC (vii)  | Activities related to shipping lines of freight and passenger transportation, ship charter, sea freight and passenger charters, sea cargo services, ship management and operation and freight broker. | UAE                                  | 51%                | 51%  |
| WIO Holding Restricted Ltd.  | Digital banking services.   | UAE                                  | 51%                | 51%  |
| Exceed Holding for Sports LLC  | Sport enterprises investment, institution and management.   | UAE                                  | 50%                | 50%  |
| Al Raha International Integrated Facilities Management LLC                   | Facilities management.  | UAE                                  | 50%                | 50%  |
| Royal House LLC  | Hotel operations.   | UAE                                  | 50%                | 50%  |
| Palmyra SODIC Real Estate Development  | Real estate development.  | Syria                                | 50%                | 50%  |
| Deyafah Holding Limited  | Special purpose vehicle.  | UAE                                  | 50%                | 50%  |
| Kalyon Enerji Yatirimlari A.S  | Clean and renewable energy related projects.  | Turkey                               | 50%                | 50%  |
| Sky Go Transport of Goods LLC (vii)  | Engaged in air transportation for goods using unmanned aerial vehicles (Drones).  | UAE                                  | 50%                | 50%  |
| Munich Health Daman Holding Limited***                                       | Healthcare services.  | UAE                                  | -                  | 49%  |
| MW Energy  | Development and renewal of energy related projects.   | UAE                                  | 50%                | 50%  |
| Mawarid Desert Control LLC****   | Agriculture and landscaping services and irrigation system installation and maintenance.  | UAE                                  | -                  | 50%  |
| Trojan General Contracting and Six Construct Limited – Guggenheim Museum     | Construction.   | UAE                                  | 50%                | 50%  |
| Trojan General Contracting and Six Construct Limited – Zayed National Museum | Construction.   | UAE                                  | 50%                | 50%  |
| Micad Credit JV RSC LTD (vi)   | Investment holding company  | UAE                                  | 20%                | -    |
| Impact Nation Research Institute Limited (vi)                                | Carbon management, control and mitigation of emissions and energy generation.   | UAE                                  | 50%                | -    |
| DTEC Industries Limited (viii)   | Providing independent and specialist industrial participation and offset services for the global defense and security market primarily in the maritime industry.                                      | UAE                                  | 57.50%             | -    |

## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

| Name of entity                                       | Principal activities                 | Place of incorporation and operation | Ownership interest |      |
|--|--------------------------------------|--------------------------------------|--------------------|------|
|  |                                      |                                      | 2023               | 2022 |
| <b>Joint ventures: continued</b>                     |                                      |                                      |                    |      |
| NT Energies (vi)                                     | Engineering and consulting services. | UAE                                  | 51%                | -    |
| Mawarid Intelligent Irrigation Technologies LLC (vi) | Agriculture enterprise investment.   | UAE                                  | 50%                | -    |
| Avobar Restaurant – Sole Proprietorship LLC (vi)     | Restaurant.                          | UAE                                  | 30%                | -    |
| APHE Restaurants Management LLC (vi)                 | Restaurant management.               | UAE                                  | 50%                | -    |
| South Development One DWC LLC (vi)                   | General warehousing.                 | UAE                                  | 50%                | -    |
| Richmond Hill Developments (Jersey) Limited**        | Real estate development.             | Jersey                               | 15%                | -    |
| Vulcan Wharf Holdings LLP**                          | Real estate development.             | United Kingdom                       | 50%                | -    |
| VST JV (vi)  | Construction.                        | UAE                                  | 33%                | -    |

\* Gordon Technologies LLC, an associate of Transcend Blocker INC, has been transferred to assets held for sale (note 19.2).

\*\* These became associates and joint ventures of the Group during the year as a result of business combinations.

\*\*\* Derecognised as a result of derecognition of a subsidiary (note 6.4(a)).

\*\*\*\* During the year, the Group acquired the remaining shareholding interest in Mawarid Desert Control LLC, an entity with net liabilities on transaction date of AED 2,867 thousand, and accordingly the entity became a subsidiary from the date of acquisition with its previous held interest having a nil fair value (note 6.2(a)).

#### (i) Lynx Technology Group Ltd.

Effective 1 December 2023, the Group obtained control over Lynx Technology Group Ltd. and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

|   | AED'000        |
|---|----------------|
| Fair value of previously held equity interest (note 6.2(a))       | 4,973          |
| Carrying value of previously held equity interest                 | <u>(3,205)</u> |
| Fair value gain on revaluation of previously held equity interest | <u>1,768</u>   |

#### (ii) Bayanat AI PLC ("Bayanat")

Bayanat was previously classified as an investment in associate, due to the Group having significant influence through representation on the Board of Directors of Bayanat and the participation in decisions over the relevant activities. With effect from 29 December 2023, the Group ceased to have a board representation in Bayanat, therefore lost significant influence over Bayanat. Accordingly, the investment in Bayanat with a carrying value of AED 469,575 thousand was transferred to investment in financial assets at its fair value of AED 1,287,202 thousand (note 11.2), resulting in a fair value gain of AED 817,627 thousand (note 34).

#### (iii) EHC Investment LLC ("EHC") and Emirates International Gas LLC ("EIG")

With effect from 1 October 2023, the Group disposed off its 75% equity interest in Fooj Fire Fighting Services LLC (note 6.4(a)) and 50% equity interest in EIG for in-kind consideration being in the form of 98,708 new shares in EHC. Accordingly, the additional investment in EHC was recognised at the fair value of the in-kind consideration of AED 66,395 thousand, and the investment in EIG was derecognised, resulting in a gain of AED 32,895 thousand.

Further, the Group's shareholding in EHC was diluted as a result of the issuance of 191,292 new shares to third parties, resulting in a gain on deemed disposal of AED 78,731 thousand.



## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

#### (iv) Kizad Communities Development and Services Company LLC ("KIZAD")

On 1 January 2023, the Group acquired a 50% shareholding in Al Eskan Al Jamae LLC, by acquiring Tri Star Investment LLC, an entity accounted for as an asset acquisition from an entity under common control (note 6.3(a)). Accordingly, the acquisition was recorded at its predecessor (i.e. the previous owner) equity - accounted carrying value on the date of acquisition of AED 762,313 thousand.

Subsequently, with effect from 1 April 2023, the Group acquired a 23.91% shareholding in Kizad Communities Development and Services Company LLC for in-kind consideration, being the 50% ownership in Al Eskan Al Jamae LLC. Accordingly, the investment in KIZAD was recognised at the fair value of the in-kind consideration of AED 1,171,439 thousand, and the investment in Al Eskan Al Jamae LLC was derecognised, resulting in a gain of AED 417,279 thousand.

#### (v) Presight AI Holding PLC ("Presight")

During the year, the Group acquired a 15.52% shareholding in Presight for a consideration of AED 1,170,410 thousand. Although the Group holds less than 20% of the voting power in Presight, significant influence exists due to having representation on the Board of Directors and participation in decisions over the relevant activities.

#### (vi) NICC Infrastructure Construction LLC ("NICC"), ORA Developers Investment Holding Limited ("ORA"), NT Energies, Micad Credit JV RSC LTD ("Micad"), Impact Nation Research Institute Limited ("Impact Nation), Mawarid Intelligent Irrigation Technologies LLC ("Mawarid Intelligent"), Avobar Holding Limited ("Avobar"), APHE Restaurants Management LLC ("APHE"), South Development One DWC LLC ("South Development") and VST JV ("VST")

NICC, ORA, NT Energies, Micad, Impact Nation, Mawarid Intelligent, Avobar, APHE, South Development and VST were incorporated by the Group during the year by injecting cash against the share of capital of AED 17,983 thousand, AED 1,103 thousand, AED 77 thousand, USD 20, AED 500 thousand, AED 150 thousand, AED 529 thousand, AED 6,428 thousand, AED 75 thousand and nil, respectively. Further, an additional contribution was paid to Micad, ORA, APHE and South Development amounting to AED 154,319 thousand, AED 9,919 thousand, AED 7,353 thousand and AED 9,925 thousand respectively.

#### (vii) Safeen Survey and Subsea Services LLC ("Safeen"), WISY Holding Cyprus Ltd ("WISY Holding"), ABGC DMCC and Sky Go Transport of Goods LLC ("Sky Go")

The Group injected additional cash in Safeen, WISY Holding, ABGC DMCC and Sky Go amounting to AED 49,000 thousand, AED 34,654 thousand, AED 118,754 thousand and AED 180 thousand respectively.

#### (viii) Anina Culinary Art Ltd. ("Anina"), National Corporation for Tourism and Hotels PJSC ("NCTH"), Yas Projects LLC ("YAS"), Ta'ziz UAE Investment Company RSC Limited ("Ta'ziz") and DTEC Industries Limited ("DTEC")

During the year, the Group acquired a 45%, 36.39%, 49%, 25.07% and 57.5% shareholding in Anina, NCTH, YAS, Ta'ziz and DTEC respectively for a consideration of AED 36,735 thousand, AED 730,000 thousand, AED 10,790 thousand, AED 103,565 thousand and AED 129 thousand respectively. Further, the Group injected additional cash in DTEC amounting to AED 298 thousand. The acquisition of NCTH resulted in a gain of AED 100,080 thousand.

#### (ix) Pure Health Holding PJSC (formerly "Pure Health Holding LLC") ("Pure Health")

Effective 30 March 2023, Pure Health, previously a subsidiary, became a joint venture of the Group due to loss of control (note 6.4(a)). Subsequently on 22 December 2023, upon listing the shares of Pure Health on the primary market of Abu Dhabi Exchange, the conditions for maintaining joint control, as originally stipulated in shareholders' agreement, were no longer applicable and accordingly, the investment was reclassified to investment in associate. The Group retains significant influence in Pure Health, through its board representation (i.e. two out of five board members) and its participation in decisions over the relevant activities.

The Group's ownership in Pure Health was diluted from 46.12% to 41.61% due to the issuance of new share on listing date, which resulted in a gain on deemed disposal of AED 65,963 thousand.

## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

#### (x) Modon Properties PJSC ("Modon")

The Group entered into a sale and purchase agreement ("Agreement") on 31 July 2023 with a third party, to acquire a 49% stake in Modon for a consideration of AED 490,000 thousand. On the date of entering into the Agreement, Modon's principal activities were to manage the development of integrated urban and commercial projects of a developmental and community nature on behalf of the Government of Abu Dhabi.

The completion of the acquisition was subject to obtaining regulatory approval on the transfer of shares to the Group. The regulatory approval was obtained in early November 2023, at which time the shares were allotted to the Group and Modon's shareholders register was amended.

During the period from the agreement date to the date at which the shares were registered in the name of the Group, Land plots with fair value of AED 25,634,620 thousand were granted by the Government of Abu Dhabi and legally transferred to Modon.

As required by IAS 28, the Group performed a purchase price allocation exercise, which resulted in a gain of AED 12,194,173 thousand for the excess of the Group's share of the net fair value of Modon's identifiable assets and liabilities over the cost of investment in Modon, as summarised below:

|   | <b>AED'000</b>    |
|---|-------------------|
| Modon net assets on acquisition date                                      | 197,018           |
| Intangible assets identified, net of deferred tax (i.e. contract backlog) | 54,429            |
| Fair value of land plots  | <u>25,634,620</u> |
|   | <u>25,886,067</u> |
| Group's share of net assets (i.e. 49%)                                    | 12,684,173        |
| Less: consideration paid  | <u>(490,000)</u>  |
|   | <u>12,194,173</u> |

#### (xi) Progressive Real Estate Development LLC

Effective 1 January 2023, the Group obtained control over Progressive Real Estate Development LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

|   | <b>AED'000</b> |
|---|----------------|
| Fair value of previously held equity interest (note 6.2(a)) | 5,781          |
| Carrying value of previously held equity interest           | <u>(5,571)</u> |
|   | <u>210</u>     |

#### (xii) Eltizam Asset Management LLC

Effective 1 July 2023, the Group obtained control over Eltizam Asset Management LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

|   | <b>AED'000</b>   |
|---|------------------|
| Fair value of previously held equity interest (note 6.2(a)) | 506,500          |
| Carrying value of previously held equity interest           | <u>(189,779)</u> |
|   | <u>316,721</u>   |



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### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Movements in investment in associates and joint ventures are as follows:

|   | 2023<br>AED'000   | 2022<br>AED'000  |
|---|-------------------|------------------|
| At 1 January  | 7,654,312         | 12,103,106       |
| Acquired in business combination (note 6.1 & 6.2)       | 416,801           | 155,726          |
| Additions during the year <sup>(i)</sup>                | 19,174,156        | 7,624,954        |
| Disposals during the year <sup>(ii)</sup>               | (908,763)         | (920,652)        |
| Derecognition of a subsidiary (note 6.4)                | (46,273)          | -                |
| Transferred to investment in subsidiaries               | (198,555)         | (10,891,279)     |
| Transferred to investment in financial assets           | (469,575)         | -                |
| Transferred to assets held for sale (note 19.2)         | (626,061)         | -                |
| Share of profit for the year <sup>(iii)</sup>           | 13,233,218        | 245,820          |
| Share of other comprehensive income (loss) for the year | 80,573            | (23,587)         |
| Foreign exchange translation                            | (8,530)           | (113,383)        |
| Dividend received during the year                       | (241,046)         | (526,393)        |
| At 31 December  | <u>38,060,257</u> | <u>7,654,312</u> |

(i) Included in additions are:

#### 2023:

- AED 14,159,134 thousand, being the fair value of the retained interest in Pure Health Holding LLC at the date on which the Group lost control (i.e. 30 March 2023) (note 6.4).
- AED 762,313 thousand relating to Al Eskan Al Jamae LLC, which became an associate of the Group due to the acquisition of Tri Star Investment LLC, an entity treated as an acquisition of assets (note 6.3).
- AED 1,171,439 thousand, being the fair value of the non-monetary contribution to acquire Kizad Communities Development and Services Company LLC (note 10 (iv)).
- AED 129 thousand advance paid during 2022 to acquire DTEC Industries Limited, which was previously included in trade and other receivables in 2022.
- AED 66,395 thousand, being the fair value of the non-monetary contribution to acquire additional shareholding in EHC Investments LLC (note 10 (iii)).

#### 2022:

- AED 9,188 thousand, being the fair value of the previously held interest in Esyasoft Holding Ltd. at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.2).
- AED 61,496 thousand advance paid during 2021 to acquire ABGC, which was previously included in trade and other receivables in 2021.
- AED 140,067 thousand, being the fair value of the non-monetary assets contributed to Safeen, by transferring its diving and subsea division property, plant and equipment with a carrying value of AED 23,637 thousand (note 7), employees and revenue contracts. The transaction resulted in a gain of AED 116,430 thousand (note 34).
- AED 28,544 thousand and AED 754,820 thousand relating to Deco Vision and Aldar respectively, that were transferred from related parties under common control.
- AED 920,587 thousand, being the second tranche of Kalyon consideration, which was recorded in 2021 under due to related parties.

## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(ii) Included in disposals are:

#### 2023:

- AED 762,313 thousand, being the carrying value of Al Eskan Al Jamae LLC derecognised to acquire Kizad Communities Development and Services Company LLC.
- AED 85,240 thousand received by the Group from EDE Research Institute LLC ("EDE"), being the reduction in the additional capital contributed, as per the shareholders resolution passed on 14 April 2023.
- AED 13,905 thousand received by the Group as a further capital reduction in Abu Dhabi Finance PJSC. The Group's carrying value of the investment as of 31 December 2023 is nil.
- AED 2,226 thousand, being the carrying value of Emirates International Gas LLC derecognised to acquire additional shareholding in EHC Investments LLC.

#### 2022:

- AED 800,000 thousand received by the Group from EDE, being the reduction in the additional capital contributed. As per the resolution passed in the General Assembly meeting held on 26 August 2022, an amount of AED 800,000 thousand recorded by EDE as additional capital contribution, is to be repaid to the Group in four equal monthly instalments starting from September 2022. As of 31 December 2022, the full amount was recovered by the Group.
- AED 32,000 thousand received by the Group as a capital reduction in Abu Dhabi Finance PJSC.

(iii) Included in share of profit for the year are:

|  | 2023<br>AED'000   | 2022<br>AED'000 |
|--|-------------------|-----------------|
| Gain on acquisition of associates (note 10 (viii & x)) | 12,294,253        | -               |
| Gain on deemed disposal (note 10 (iii & ix))           | 144,694           | -               |
| Impairment loss during the year, net of reversals      | (28,493)          | (177,731)       |
| Share of profit for the year                           | <u>822,764</u>    | <u>423,551</u>  |
|  | <u>13,233,218</u> | <u>245,820</u>  |

During the year, the Group performed impairment assessment for investments in associates and joint ventures and concluded the following:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| Impairment of Lulo Bank S.A                            | 65,874          | -               |
| Impairment of BGI for Commercial Investment LLC        | 4,419           | -               |
| Impairment of Lazio Real Estate Investment LLC         | 200             | -               |
| Impairment of Canal Sugar S.A.E                        | -               | 143,078         |
| (Reversal of) impairment of EDE Research Institute LLC | (42,000)        | 42,000          |
| Reversal of impairment of Abu Dhabi Finance PJSC       | -               | (7,347)         |
|  | <u>28,493</u>   | <u>177,731</u>  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Included in the consolidated statement of profit or loss as of 31 December 2023 and 31 December 2022 is as follows:

|  | 2023<br>AED'000          | 2022<br>AED'000         |
|--|--------------------------|-------------------------|
| Gain on disposal of Al Eskan Al Jamae LLC (note 10(iv))                      | 417,279                  | -                       |
| Gain on disposal of Emirates International Gas LLC (note 10(iii))            | 32,895                   | -                       |
| Gain on disposal of Agriculture Investment Holding Company                   | -                        | 37,379                  |
| Gain on partial disposals of investment in associates, net                   | <u>42,936</u>            | <u>25,732</u>           |
| <b>Total gain on disposal of investment in associates and joint ventures</b> | <b>493,110</b>           | 63,111                  |
| Share of profit for the year   | <b>13,233,218</b>        | 245,820                 |
| Fair value gain on revaluation of previously held equity interest            | <u>318,699</u>           | <u>2,848,679</u>        |
|  | <u><b>14,045,027</b></u> | <u><b>3,157,610</b></u> |

Summary of fair value gain on revaluation of previously held equity interests:

|   | 2023<br>AED'000       | 2022<br>AED'000         |
|---|-----------------------|-------------------------|
| Lynx Technology Group Ltd. (note 10(ii))              | 1,768                 | -                       |
| Progressive Real Estate Development LLC (note 10(xi)) | 210                   | -                       |
| Eltizam Asset Management LLC (note 10(xii))           | <b>316,721</b>        | -                       |
| NRTC Food Holding LLC (note 6.2(b))                   | -                     | 90,000                  |
| Aldar Properties PJSC (note 6.2(b))                   | -                     | 2,742,265               |
| Esyasoft Holding Ltd. (note 6.2(b))                   | -                     | 16,414                  |
|   | <u><b>318,699</b></u> | <u><b>2,848,679</b></u> |

Contingencies and commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows:

|                                   | 2023<br>AED'000         | 2022<br>AED'000       |
|-----------------------------------|-------------------------|-----------------------|
| Letters of guarantees and credits | <u><b>489,022</b></u>   | <u><b>211,372</b></u> |
| Capital commitments               | <u><b>2,038,484</b></u> | <u><b>2,946</b></u>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associate and joint ventures of the Group is set out below:

Summarised statements of financial position:

|  | Pure Health<br>AED'000 | Kalyon<br>Enerji<br>AED'000 | Burjeel<br>Holding<br>AED'000 | Presight<br>AED'000 | Kizad<br>AED'000 | NCTH<br>AED'000  | W/O<br>Holding<br>AED'000 | Lulo Bank<br>AED'000 | Invictus<br>AED'000 | Modon<br>AED'000  | WISY<br>Holding<br>AED'000 | RPM<br>AED'000 | Safeen<br>AED'000 | Others<br>AED'000 | Total<br>AED'000   | 2022<br>AED'000   |
|--|------------------------|-----------------------------|-------------------------------|---------------------|------------------|------------------|---------------------------|----------------------|---------------------|-------------------|----------------------------|----------------|-------------------|-------------------|--------------------|-------------------|
| Non-current asset  | 8,363,592              | 7,758,349                   | 3,021,354                     | 27,773              | 5,133,386        | 2,262,487        | 7,615                     | 207,879              | 39,679              | 25,646,101        | 169,594                    | 68,455         | 498,002           | 2,084,180         | 55,289,446         | 11,239,878        |
| Current assets   | 18,564,268             | 441,882                     | 2,126,051                     | 4,045,195           | 474,112          | 577,773          | 13,488,898                | 725,601              | 2,643,456           | 2,462,329         | 102,424                    | 254,984        | 549,264           | 6,931,090         | 534,073,277        | 13,574,176        |
| Non-current liabilities  | (3,891,508)            | (3,678,359)                 | (2,015,545)                   | (33,771)            | (867,449)        | (381,725)        | -                         | -                    | (7,516)             | (547,165)         | (87,510)                   | (13,331)       | -                 | (1,252,408)       | (12,776,287)       | (6,957,604)       |
| Current liabilities  | (8,185,287)            | (627,848)                   | (1,574,803)                   | (987,961)           | (326,163)        | (213,306)        | (11,648,618)              | (123,916)            | (1,608,366)         | (1,729,627)       | (52,656)                   | (88,486)       | (565,324)         | (4,287,849)       | (31,986,210)       | (6,780,550)       |
| Equity (100%)  | <b>14,873,065</b>      | <b>3,894,024</b>            | <b>1,557,057</b>              | <b>3,051,236</b>    | <b>4,413,886</b> | <b>2,245,229</b> | <b>1,847,895</b>          | <b>809,564</b>       | <b>1,067,253</b>    | <b>25,831,638</b> | <b>131,852</b>             | <b>251,622</b> | <b>482,942</b>    | <b>3,475,013</b>  | <b>63,932,276</b>  | <b>10,875,900</b> |
| Less: non-controlling interests                                | <u>(4,173)</u>         | <u>(1,113)</u>              | <u>(47,472)</u>               | <u>(83,105)</u>     | <u>-</u>         | <u>(646,763)</u> | <u>(17,981)</u>           | <u>-</u>             | <u>-</u>            | <u>-</u>          | <u>(35,315)</u>            | <u>-</u>       | <u>-</u>          | <u>-</u>          | <u>(835,922)</u>   | <u>(727,174)</u>  |
| Equity attributable to the owners of the entities              | <b>14,868,892</b>      | <b>3,892,911</b>            | <b>1,509,585</b>              | <b>2,968,131</b>    | <b>4,413,886</b> | <b>2,245,229</b> | <b>1,201,152</b>          | <b>791,583</b>       | <b>1,067,253</b>    | <b>25,831,638</b> | <b>96,537</b>              | <b>251,622</b> | <b>482,942</b>    | <b>3,475,013</b>  | <b>63,096,354</b>  | <b>10,148,726</b> |
| Group percentage holding                                       | 41.61%                 | 50%                         | 14.48%                        | 15.35%              | 23.91%           | 36.39%           | 51%                       | 46.16%               | 22.96%              | 49%               | 44.40%                     | 36.15%         | 49%               | -                 | 49%                | -                 |
| Group's share in net assets                                    | <u>6,186,946</u>       | <u>1,946,456</u>            | <u>218,588</u>                | <u>4,555,608</u>    | <u>1,055,360</u> | <u>817,039</u>   | <u>612,577</u>            | <u>365,395</u>       | <u>245,041</u>      | <u>12,657,503</u> | <u>42,862</u>              | <u>90,961</u>  | <u>236,642</u>    | <u>1,219,150</u>  | <u>261,501,228</u> | <u>3,354,817</u>  |
| Group's carrying amount of the investment (including goodwill) | <u>14,466,926</u>      | <u>2,065,268</u>            | <u>1,574,635</u>              | <u>1,244,126</u>    | <u>1,184,640</u> | <u>841,315</u>   | <u>697,294</u>            | <u>661,251</u>       | <u>608,532</u>      | <u>12,689,635</u> | <u>327,384</u>             | <u>244,762</u> | <u>236,642</u>    | <u>1,217,847</u>  | <u>38,060,257</u>  | <u>7,654,312</u>  |

|   | Pure Health<br>AED'000 | Kalyon<br>Enerji<br>AED'000 | Burjeel<br>Holding<br>AED'000 | Presight<br>AED'000 | Kizad<br>AED'000 | NCTH<br>AED'000 | W/O<br>Holding<br>AED'000 | Lulo Bank<br>AED'000 | Invictus<br>AED'000 | Modon<br>AED'000 | WISY<br>Holding<br>AED'000 | RPM<br>AED'000 | Safeen<br>AED'000 | Others<br>AED'000 | Total<br>AED'000 | 2022<br>AED'000  |
|---|------------------------|-----------------------------|-------------------------------|---------------------|------------------|-----------------|---------------------------|----------------------|---------------------|------------------|----------------------------|----------------|-------------------|-------------------|------------------|------------------|
| Revenue   | 12,378,788             | 692,697                     | 4,535,008                     | 1,780,559           | 435,260          | 425,890         | 266,428                   | 49,774               | 8,101,003           | 46,089           | 130,329                    | 345,367        | 446,273           | 5,312,228         | 34,945,693       | 12,749,620       |
| Profit (loss) from operations                                 | 315,714                | 457,116                     | 516,192                       | 570,108             | 69,729           | 30,870          | 1,247                     | (90,953)             | 213,665             | 11,147           | 37,680                     | 48,555         | 97,092            | 569,047           | 2,871,926        | 1,208,894        |
| Less: profit (loss) attributable to non-controlling interests | -                      | -                           | 24,223                        | 494                 | -                | -               | -                         | (4,223)              | -                   | -                | -                          | -              | -                 | 815               | 21,509           | (132,369)        |
| Profit (loss) attributable to the owners of the Company       | <u>315,714</u>         | <u>457,116</u>              | <u>516,192</u>                | <u>570,108</u>      | <u>69,729</u>    | <u>30,870</u>   | <u>1,247</u>              | <u>(86,750)</u>      | <u>213,665</u>      | <u>11,147</u>    | <u>37,680</u>              | <u>48,555</u>  | <u>97,092</u>     | <u>568,232</u>    | <u>2,850,617</u> | <u>1,341,263</u> |
| Group percentage holding                                      | 41.61%                 | 50%                         | 14.48%                        | 15.35%              | 23.91%           | 36.39%          | 51%                       | 46.16%               | 22.96%              | 49%              | 44.40%                     | 36.15%         | 49%               | -                 | 49%              | -                |
| Group's share of profit (loss)                                | <u>145,799</u>         | <u>228,558</u>              | <u>74,912</u>                 | <u>87,728</u>       | <u>16,672</u>    | <u>11,235</u>   | <u>636</u>                | <u>(40,035)</u>      | <u>49,498</u>       | <u>5,462</u>     | <u>16,750</u>              | <u>17,553</u>  | <u>47,575</u>     | <u>160,441</u>    | <u>822,764</u>   | <u>423,551</u>   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 11 INVESTMENT IN FINANCIAL ASSETS

|  | Notes | 2023<br>AED'000   | 2022<br>AED'000   |
|--|-------|-------------------|-------------------|
| Investments carried at fair value through other comprehensive income | 11.1  | 1,391,383         | 1,788,035         |
| Investments carried at fair value through profit or loss             | 11.2  | 60,237,417        | 56,774,667        |
| Investments carried at amortised cost                                | 11.3  | 124,320           | 229,509           |
|  |       | <u>61,753,120</u> | <u>58,792,211</u> |

Disclosed in the consolidated statement of financial position as follows:

|             | 2023<br>AED'000   | 2022<br>AED'000   |
|-------------|-------------------|-------------------|
| Current     | 39,912,437        | 32,176,907        |
| Non-current | 21,840,683        | 26,615,304        |
|             | <u>61,753,120</u> | <u>58,792,211</u> |

#### 11.1 Investments carried at fair value through other comprehensive income

|                             | 2023<br>AED'000  | 2022<br>AED'000  |
|-----------------------------|------------------|------------------|
| Quoted equity investments   | 176,872          | 355,657          |
| Unquoted equity investments | 1,214,511        | 1,343,237        |
| Unquoted debt instruments   | -                | 89,141           |
|                             | <u>1,391,383</u> | <u>1,788,035</u> |

Management of the Group has elected to designate these investments in financial instruments as fair value through other comprehensive income, as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The geographical distribution of investments is as follows:

|                 | 2023<br>AED'000  | 2022<br>AED'000  |
|-----------------|------------------|------------------|
| Inside the UAE  | 464,237          | 542,011          |
| Outside the UAE | 927,146          | 1,246,024        |
|                 | <u>1,391,383</u> | <u>1,788,035</u> |

As of 31 December 2023, investment in shares with a fair value of AED 745 thousand (2022: AED 1,152 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

## Notes to the Consolidated Financial Statements

31 December 2023

### 11 INVESTMENT IN FINANCIAL ASSETS continued

#### 11.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

|  | 2023                           |                                 |                  | 2022                           |                                 |                  |
|--|--------------------------------|---------------------------------|------------------|--------------------------------|---------------------------------|------------------|
|  | Debt<br>instruments<br>AED'000 | Equity<br>securities<br>AED'000 | Total<br>AED'000 | Debt<br>instruments<br>AED'000 | Equity<br>securities<br>AED'000 | Total<br>AED'000 |
| At 1 January                                       | 89,141                         | 1,698,894                       | 1,788,035        | -                              | 1,143,972                       | 1,143,972        |
| Additions <sup>(i)</sup>                           | 2,040                          | 399,140                         | 401,180          | 3,435                          | 1,030,157                       | 1,033,592        |
| Acquired in business combinations (note 6.1 & 6.2) | -                              | -                               | -                | 82,114                         | 348,532                         | 430,646          |
| Disposals  | (1,778)                        | (3,443)                         | (5,221)          | -                              | (56,085)                        | (56,085)         |
| Derecognition of a subsidiary (note 6.4(a))        | (90,504)                       | (147,929)                       | (238,433)        | -                              | -                               | -                |
| Transfer to investment in subsidiaries(ii)         | -                              | (13,025)                        | (13,025)         | -                              | (283,234)                       | (283,234)        |
| Foreign exchange loss                              | -                              | -                               | -                | -                              | (586)                           | (586)            |
| Changes in fair value                              | 1,101                          | (542,254)                       | (541,153)        | 3,592                          | (483,862)                       | (480,270)        |
| At 31 December                                     | <u>-</u>                       | <u>1,391,383</u>                | <u>1,391,383</u> | <u>89,141</u>                  | <u>1,698,894</u>                | <u>1,788,035</u> |

(i) Included in additions during the year ended 31 December 2023 are:

- AED 1,718 thousand, being an investment acquired as part of an acquisition of an entity treated as an asset acquisition during the year (note 6.3(a)).
- AED 209 thousand, being an investment acquired by Palms Sports PJSC, a subsidiary of the Group, from the Ultimate Parent for nil consideration. The investment was recorded at its fair value of AED 209 thousand, and the excess of the fair value over the consideration was recognised within equity under merger, acquisition and other reserves.

(ii) Represents the following:

#### 2023:

During the year, the Group obtained control over LVL Technology Holding (formerly "Switch Technology Holding") through acquiring an additional 33% ownership interest. Accordingly, the fair value of the previously held interest amounting to AED 13,025 thousand was transferred to investment in subsidiaries (note 6.2(a)).

#### 2022:

|  | 2022<br>AED'000 |
|--|-----------------|
| Previously held interest in Ras Al Khaimah Cement Investment PJSC (note 6.1(b))        | 12,162          |
| Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))                | 261,420         |
| Alpha Dhabi Holding PJSC shares acquired through business combination (note 6.6(b)(A)) | 9,652           |
|  | <u>283,234</u>  |

#### 11.2 Investments carried at fair value through profit or loss

|                             | 2023<br>AED'000   | 2022<br>AED'000   |
|-----------------------------|-------------------|-------------------|
| Quoted equity investments   | 47,059,273        | 46,264,412        |
| Unquoted equity investments | 12,864,992        | 10,414,260        |
| Unquoted debt instruments   | 313,152           | 95,995            |
|                             | <u>60,237,417</u> | <u>56,774,667</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 11 INVESTMENT IN FINANCIAL ASSETS continued

#### 11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

|                 | 2023<br>AED'000   | 2022<br>AED'000   |
|-----------------|-------------------|-------------------|
| Inside the UAE  | 39,380,125        | 35,468,464        |
| Outside the UAE | 20,857,292        | 21,306,203        |
|                 | <u>60,237,417</u> | <u>56,774,667</u> |

As of 31 December 2023, shares with a fair value of AED 31,409,510 thousand (2022: 30,718,580 thousand), are pledged as security against borrowings (note 24).

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

|   | 2023                           |                                 |                   | 2022                           |                                 |                   |
|---|--------------------------------|---------------------------------|-------------------|--------------------------------|---------------------------------|-------------------|
|   | Debt<br>instruments<br>AED'000 | Equity<br>securities<br>AED'000 | Total<br>AED'000  | Debt<br>instruments<br>AED'000 | Equity<br>securities<br>AED'000 | Total<br>AED'000  |
| At 1 January  | 95,995                         | 56,678,672                      | 56,774,667        | -                              | 9,096,931                       | 9,096,931         |
| Additions   | 211,976                        | 5,858,480                       | 6,070,456         | 96,521                         | 24,541,620                      | 24,638,141        |
| Acquired in business combinations (note 6.1 & 6.2)  | -                              | -                               | -                 | -                              | 3,699,827                       | 3,699,827         |
| Derecognition of a subsidiary (note 6.4)            | -                              | (343,085)                       | (343,085)         | -                              | -                               | -                 |
| Disposals   | (1,562)                        | (4,398,922)                     | (4,400,484)       | (5,831)                        | (1,525,978)                     | (1,531,809)       |
| Transferred to investment in subsidiaries(i)        | -                              | -                               | -                 | -                              | (332,495)                       | (332,495)         |
| Transferred from investment in associates (note 10) | -                              | 1,287,202                       | 1,287,202         | -                              | -                               | -                 |
| Transferred to investment in associates (note 10)   | -                              | -                               | -                 | -                              | (9,188)                         | (9,188)           |
| Foreign exchange loss                               | -                              | (19,304)                        | (19,304)          | -                              | (816,516)                       | (816,516)         |
| Changes in fair value (note 34)                     | 6,743                          | 861,222                         | 867,965           | 5,305                          | 22,024,471                      | 22,029,776        |
| At 31 December                                      | <u>313,152</u>                 | <u>59,924,265</u>               | <u>60,237,417</u> | <u>95,995</u>                  | <u>56,678,672</u>               | <u>56,774,667</u> |

(i) The balance transferred to investment in subsidiaries during 2022, represents the following:

|  | AED'000        |
|--|----------------|
| Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))          | 57,190         |
| Aldar Holding PJSC shares acquired through business combination (note 6.6(b)(A)) | 275,305        |
|  | <u>332,495</u> |

#### 11.3 Investments carried at amortised cost

|                  | 2023<br>AED'000 | 2022<br>AED'000 |
|------------------|-----------------|-----------------|
| Debt instruments | <u>124,320</u>  | <u>229,509</u>  |

Debt instruments are stated at amortised cost using the effective profit rate method.

## Notes to the Consolidated Financial Statements

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### 11 INVESTMENT IN FINANCIAL ASSETS continued

#### 11.3 Investments carried at amortised cost continued

The geographical distribution of investments is as follows:

|                 | 2023<br>AED'000 | 2022<br>AED'000 |
|-----------------|-----------------|-----------------|
| Inside the UAE  | 47,733          | 19,389          |
| Outside the UAE | 76,587          | 210,120         |
|                 | <u>124,320</u>  | <u>229,509</u>  |

Movement in investment in financial assets carried at amortised cost is as follows:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| At 1 January                                       | 229,509         | -               |
| Acquired in business combinations (note 6.2(b))    | -               | 192,115         |
| Additions  | 586,336         | 454,532         |
| Disposals  | (652,149)       | (375,799)       |
| (Allowance for) reversal of expected credit losses | (372)           | 20              |
| Foreign exchange loss                              | (39,004)        | (41,359)        |
| At 31 December                                     | <u>124,320</u>  | <u>229,509</u>  |

During the year ended 31 December 2023, the Group recorded an expected credit loss charge of AED 372 thousand on the financial assets carried at amortised cost (2022: acquired in business combinations an amount of AED 20 thousand, which was fully reversed in the same year).



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### 12 INTEREST IN JOINT OPERATIONS

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

|                                     | 2023 | 2022 |
|-------------------------------------|------|------|
| <b>Joint operations</b>             |      |      |
| Technip – NPCC – Satah Full Field   | 50%  | 50%  |
| NPCC – TECHNIP – UZ-750 (EPC-1)     | 40%  | 40%  |
| NPCC – TECHNIP UL-2                 | 50%  | 50%  |
| NPCC – TECHNIP AGFA                 | 50%  | 50%  |
| NPCC – Technip JV – US GAS CAP Feed | 50%  | 50%  |
| NPC-ATC JV                          | 50%  | 50%  |
| NPC-BCEG JV                         | 50%  | 50%  |
| WOW Hydrate Limited <sup>(i)</sup>  | -    | 50%  |
| Saipem – NPCC – Hail and Ghasha     | 50%  | -    |
| Technicas – NPCC – Meeram           | 50%  | -    |

(i) During the year, Quant Lase Lab LLC, a subsidiary, terminated its joint operation agreement relating to WOW Hydrate Limited.

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

|                     | 2023<br>AED'000  | 2022<br>AED'000 |
|---------------------|------------------|-----------------|
| Total assets        | <u>1,582,691</u> | <u>65,626</u>   |
| Total liabilities   | <u>1,543,700</u> | <u>64,140</u>   |
| Net assets          | <u>38,991</u>    | <u>1,486</u>    |
| Total revenue       | <u>71,049</u>    | <u>11,033</u>   |
| Profit for the year | <u>36,475</u>    | <u>10,663</u>   |

### 13 INVENTORIES

|   | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------------------|-------------------|
| Land plots held for sale <sup>(i)</sup>     | 10,808,105        | 8,163,029         |
| Real estate properties                      | 2,793,809         | 2,992,350         |
| Spares and consumables                      | 803,462           | 676,730           |
| Other finished goods                        | 328,006           | 152,820           |
| Packing and raw material                    | 290,025           | 188,559           |
| Food and its related non-food items         | 122,003           | 75,753            |
| Household furniture                         | 114,452           | 151,750           |
| Fish and fish products                      | 40,281            | 33,176            |
| Animal feed                                 | 24,116            | -                 |
| Medical supplies                            | 16,904            | 1,011,159         |
| Poultry products                            | 213               | 3,324             |
|   | <u>15,341,376</u> | <u>13,448,650</u> |
| Goods in transit                            | 10,819            | 17,561            |
| Work in progress                            | 80,943            | 22,287            |
| Less: allowance for slow moving inventories | <u>(111,234)</u>  | <u>(487,127)</u>  |
|   | <u>15,321,904</u> | <u>13,001,371</u> |

## Notes to the Consolidated Financial Statements

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### 13 INVENTORIES continued

(i) During the year, Aldar Properties PJSC, a subsidiary, acquired 3.4 million square meters of land plots on Al Fahid Island and 3 parcels of land in Dubai, for consideration of AED 2.5 billion and AED 2.08 billion respectively, which are payable over a period of 5 years. These lands are recognised at the present value of the consideration payable amounting to AED 3.86 billion (note 27).

Movement in allowance for slow moving inventories is as follows:

|                                   | 2023<br>AED'000  | 2022<br>AED'000 |
|-----------------------------------|------------------|-----------------|
| At 1 January                      | 487,127          | 281,658         |
| Acquired in business combinations | 4,100            | 215,575         |
| Charge for the year               | 57,201           | 21,117          |
| Write-off during the year         | (41,598)         | (31,223)        |
| Derecognition of a subsidiary     | <u>(395,596)</u> | <u>-</u>        |
| At 31 December                    | <u>111,234</u>   | <u>487,127</u>  |

As at 31 December 2023, inventories amounting to AED 56,445 thousand were pledged as security against borrowings (2022: AED 562,576 thousand) (note 24).

The determination of net realisable value ("NRV") of land plots held for sale is based on external valuations using various valuation methodologies and techniques. Based on the NRV assessment conducted during the year, land plots held for sale were written down to its NRV by an amount of AED 109,198 thousand (note 32) (2022: AED 71,191 thousand).

During the year, completed properties with an aggregate value of AED 44,391 thousand were transferred to inventories from development work-in-progress (note 16) upon completion (2022: investment properties of AED 141,944 thousand (note 9) and development work-in progress of AED 206,280 thousand (note 16) were transferred to inventories).

During the year, land plots held for sale amounting to AED 882,063 (2022: AED 426,622 thousand) (note 16) were transferred to development work in progress, as management intends to develop these lands for future sale.

Allowance for slow moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Cost of revenue (note 31)                     | 1,061           | -               |
| General and administrative expenses (note 32) | <u>56,140</u>   | <u>21,117</u>   |
|   | <u>57,201</u>   | <u>21,117</u>   |

As at 31 December 2023 and 31 December 2022, the Group determined the net realisable value of its inventories and conclude that they are stated at the lower of cost and net realisable value.



## Notes to the Consolidated Financial Statements

31 December 2023

### 14 TRADE AND OTHER RECEIVABLES

|  | 2023<br>AED'000    | 2022<br>AED'000    |
|--|--------------------|--------------------|
| Trade receivables  | 14,156,121         | 12,137,267         |
| Due from policy holders  | -                  | 1,046,248          |
| Less: allowance for expected credit losses                     | <u>(1,021,069)</u> | <u>(1,110,771)</u> |
|  | <b>13,135,052</b>  | <b>12,072,744</b>  |
| Advances to suppliers and sub-contractors                      | 4,167,584          | 4,044,447          |
| Margin receivables, net <sup>(i)</sup>                         | 2,736,987          | 2,110,218          |
| Receivable under sale purchase agreements <sup>(ii)</sup>      | 1,585,949          | 1,983,110          |
| Prepayments  | 1,210,905          | 948,389            |
| Retention receivables, net                                     | 1,174,145          | 734,838            |
| Advances paid towards investments                              | 434,719            | 720,478            |
| Receivables relating to project finance                        | 140,263            | 144,125            |
| Unbilled revenue   | 374,787            | 145,804            |
| Accrued interest/ profit receivable                            | 120,750            | 54,410             |
| Due from security markets                                      | 4,938              | 20,342             |
| Government funded programs receivables                         | -                  | 1,740,078          |
| Subsidy receivable from Government <sup>(iii)</sup>            | -                  | 961,380            |
| Reinsurance receivables  | -                  | 199,780            |
| Deferred commission expense                                    | -                  | 33,481             |
| Deposits and other receivables                                 | <u>3,297,644</u>   | <u>2,901,210</u>   |
|  | <b>28,383,723</b>  | <b>28,814,834</b>  |
| Less: non-current portion                                      | <u>(2,922,578)</u> | <u>(2,674,851)</u> |
|  | <b>25,461,145</b>  | <b>26,139,983</b>  |
| Non-current portion consists of the following:                 |                    |                    |
| Receivable under sale purchase agreement <sup>(ii)</sup>       | 1,236,517          | 1,647,558          |
| Trade receivables, net of allowance for expected credit losses | 1,122,292          | 761,571            |
| Retention receivable, net                                      | 266,012            | 54,303             |
| Receivables relating to project finance                        | 131,940            | 135,262            |
| Other non-current receivables                                  | <u>165,817</u>     | <u>76,157</u>      |
|  | <b>2,922,578</b>   | <b>2,674,851</b>   |

(i) Margin receivables relate to receivables from customers from margin trading services. As at 31 December 2023, the securities available in the margin trading account amounted to AED 7,794,556 thousand (2022: AED 6,849,921 thousand), which are held as collateral against the margin receivables. There were no provision for impairment on margin trade receivables as of 31 December 2023 (2022: AED 43 thousand).

(ii) During 2022, the Group entered into an agreement to acquire equity shares. As per the agreement, the Group is entitled to receive a guaranteed return over a period of time reduced by any dividends that may be declared and paid by the investee. Accordingly, the Group recognised a non-current receivable of AED 1.94 billion on the transaction date, using a discount rate of 8%, with a corresponding deferred income.

## Notes to the Consolidated Financial Statements

31 December 2023

### 14 TRADE AND OTHER RECEIVABLES continued

(iii) Movement in subsidy receivable from Government, relating to an insurance product offered by a subsidiary of the Group, is as follows:

|                                  | 2023<br>AED'000    | 2022<br>AED'000 |
|----------------------------------|--------------------|-----------------|
| Balance at 1 January             | 961,380            | -               |
| Acquired in business combination | -                  | 930,159         |
| Subsidy earned                   | 239,903            | 208,414         |
| Funds collected                  | -                  | (177,193)       |
| Derecognition of a subsidiary    | <u>(1,201,283)</u> | -               |
| Balance at 31 December           | <b>-</b>           | <b>961,380</b>  |

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Below is the information about the credit risk exposure on the Group's trade receivables:

|  | Total<br>AED'000 | Not past<br>due<br>AED'000 | <30<br>days<br>AED'000 | 31-60<br>days<br>AED'000 | 61-120<br>days<br>AED'000 | 121-360<br>days<br>AED'000 | >360<br>days<br>AED'000 |
|--|------------------|----------------------------|------------------------|--------------------------|---------------------------|----------------------------|-------------------------|
| <b>31 December 2023</b>                          |                  |                            |                        |                          |                           |                            |                         |
| Expected credit loss rate                        |                  | 0.34%                      | 1.08%                  | 1.92%                    | 1.68%                     | 6.98%                      | 38.72%                  |
| Estimated total gross carrying amount at default | 14,156,121       | 6,551,819                  | 1,546,444              | 1,579,905                | 1,283,172                 | 965,719                    | 2,229,062               |
| Life time ECL                                    | 1,021,069        | 22,073                     | 16,750                 | 30,269                   | 21,582                    | 67,363                     | 863,032                 |
| <b>31 December 2022</b>                          |                  |                            |                        |                          |                           |                            |                         |
| Expected credit loss rate                        |                  | 0.89%                      | 1.01%                  | 5.91%                    | 5.32%                     | 11.27%                     | 38.31%                  |
| Estimated total gross carrying amount at default | 13,183,515       | 5,300,508                  | 1,511,656              | 982,605                  | 1,423,494                 | 2,237,250                  | 1,728,002               |
| Life time ECL                                    | 1,110,771        | 47,423                     | 15,279                 | 58,109                   | 75,692                    | 252,227                    | 662,041                 |

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

|  | 2023<br>AED'000  | 2022<br>AED'000  |
|--|------------------|------------------|
| Balance at 1 January   | 1,110,771        | 433,312          |
| Acquired in business combinations                                  | 72,964           | 507,566          |
| Charge for the year (note 32)                                      | 34,555           | 266,994          |
| Derecognition of subsidiaries                                      | <u>(141,594)</u> | <u>(3,602)</u>   |
| Transfer from ECL on balances due from related parties (note 35.1) | 2,985            | 1,959            |
| Written off during the year  | <u>(58,612)</u>  | <u>(95,458)</u>  |
| Balance at 31 December   | <b>1,021,069</b> | <b>1,110,771</b> |



## Notes to the Consolidated Financial Statements

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### 15 BIOLOGICAL ASSETS

|                           | 2023<br>AED'000 | 2022<br>AED'000 |
|---------------------------|-----------------|-----------------|
| <i>Immature livestock</i> |                 |                 |
| - Cows                    | 39,377          | -               |
| - Camels                  | 6,006           | -               |
|                           | <u>45,383</u>   | <u>-</u>        |
| <i>Mature livestock</i>   |                 |                 |
| - Cows                    | 46,442          | -               |
| - Camels                  | 5,598           | -               |
|                           | <u>52,040</u>   | <u>-</u>        |
| Plants                    | -               | 273             |
| Sheep                     | 19,039          | 27,008          |
| Chicken                   | 11,738          | 6,140           |
| Fish, caviar and shrimps  | 67,873          | 51,500          |
|                           | <u>98,650</u>   | <u>84,921</u>   |
|                           | <u>196,073</u>  | <u>84,921</u>   |

Movement in biological assets is as follows:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| <i>At 1 January</i>                                      | 84,921          | 30,636          |
| Acquired in business combinations (note 6.1)             | 109,536         | 22,916          |
| Additions  | 52,568          | 7,691           |
| Depreciation capitalised (note 7)                        | 16,314          | 1,270           |
| <i>Disposals</i>   | (42,915)        | (1,054)         |
| Depreciation for the year (note 31)                      | (16,982)        | (5,870)         |
| Change in fair value, net of impairment losses (note 34) | (7,369)         | 29,332          |
| <i>At 31 December</i>                                    | <u>196,073</u>  | <u>84,921</u>   |

Biological assets are classified in the consolidated statement of financial position as follows:

|                    | 2023<br>AED'000 | 2022<br>AED'000 |
|--------------------|-----------------|-----------------|
| <i>Current</i>     | 40,643          | 35,246          |
| <i>Non-current</i> | <u>155,430</u>  | <u>49,675</u>   |
|                    | <u>196,073</u>  | <u>84,921</u>   |

## Notes to the Consolidated Financial Statements

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### 16 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| At 1 January  | 6,990,398        | 1,737,183        |
| Acquired in business combinations (note 6.2)                          | 1,152,558        | 3,678,915        |
| Development costs incurred during the year                            | 5,284,627        | 2,651,727        |
| Transferred from investment properties <sup>(i)</sup> (note 9)        | -                | 1,393,699        |
| Transferred from inventories (note 13)                                | 882,063          | 426,622          |
| Transferred to property, plant and equipment <sup>(ii)</sup> (note 7) | (22,597)         | -                |
| Transferred to investment properties <sup>(iii)</sup> (note 9)        | (316,531)        | (24,949)         |
| Transferred to inventories (note 13)                                  | (44,391)         | (206,280)        |
| Recognised in direct costs of properties sold                         | (3,674,913)      | (1,804,757)      |
| Project costs written-off <sup>(iv)</sup> (note 31)                   | (133,216)        | (37,715)         |
| Foreign exchange difference   | (443,679)        | (824,047)        |
|   | <u>9,674,319</u> | <u>6,990,398</u> |
| Less: provision for impairment  | <u>(563,925)</u> | <u>(622,850)</u> |
| <i>At 31 December</i>   | <u>9,110,394</u> | <u>6,367,548</u> |

- (i) During 2022, investment properties with a carrying value of AED 1,393,699 thousand were transferred to development work-in-progress due to change in use, as the Group commenced development of such properties with a view to sell. There were no such transfers during the year.
- (ii) During the year, the Group transferred development work-in-progress with a carrying value of AED 22,597 thousand to property, plant and equipment due to change in use, as the Group intends to construct labor camps on the land.
- (iii) During the year, the Group transferred development work-in-progress with a carrying value of AED 316,531 thousand (2022: AED 24,949 thousand) to investment properties due to change in use, as these properties are under development for lease and management intends to lease these properties on completion.
- (iv) During the year, project costs of AED 133,216 thousand (AED 37,715 thousand) were written-off. These costs relate to non-viable design/uses and other costs relating to projects under planning which management considers not feasible to continue.

There are no borrowing costs capitalised within development work-in-progress during the year (2022: nil).

Movement in provision for impairment is as follows:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| At 1 January   | 622,850         | 387,359         |
| (Reversal) charge for the year, net <sup>(i)</sup> (note 31) | (52,927)        | 235,491         |
| Write off during the year                                    | (5,998)         | -               |
| <i>At 31 December</i>  | <u>563,925</u>  | <u>622,850</u>  |



## Notes to the Consolidated Financial Statements

31 December 2023

### 16 DEVELOPMENT WORK-IN-PROGRESS continued

- (i) During the year, the Group determined the net realisable value of its development work in progress and concluded that the carrying value was lower than the net realisable value for certain projects and accordingly a net reversal of provision of impairment amounting to AED 52,927 thousand was recorded (2022: carrying value higher than net realisable value by AED 235,491 thousand). The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

### 17 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

|  | 2023<br>AED'000   | 2022<br>AED'000  |
|--|-------------------|------------------|
| Contract assets                            | 9,088,213         | 6,115,434        |
| Contract costs <sup>(i)</sup>              | 1,047,327         | 1,708,665        |
| Reinsurance contract assets (note 28)      | -                 | 394,127          |
|  | <u>10,135,540</u> | <u>8,218,226</u> |
| Less: allowance for expected credit losses | <u>(158,925)</u>  | <u>(89,970)</u>  |
|  | <u>9,976,615</u>  | <u>8,128,256</u> |

- (i) Contract costs represents costs incurred on projects, on which the Group is not contractually entitled to recognise revenue until various work packages are completed and handed over. While the work packages are yet to be handed over up to 31 December 2023, commencing from the year 2024, a number of packages are scheduled to be completed and handed over, which will result in winding down of the balance throughout the remaining contractual period.

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| At 1 January   | 89,970          | 103,478         |
| Acquired in business combinations  | 2,000           | -               |
| Charge (reversal) for the year, net (note 32)  | 69,573          | (14,285)        |
| Transfer from allowance from expected credit losses against amounts due from related parties | -               | 777             |
| Written off during the year  | <u>(2,618)</u>  | <u>-</u>        |
| At 31 December   | <u>158,925</u>  | <u>89,970</u>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 18 CASH AND CASH EQUIVALENTS

|   | 2023<br>AED'000    | 2022<br>AED'000   |
|---|--------------------|-------------------|
| Cash on hand  | 45,112             | 28,281            |
| <i>Bank balances:</i>   | <b>39,377</b>      | -                 |
| Current and call accounts   | 16,618,902         | 18,963,877        |
| Group's bank accounts for clients' deposits <sup>(i)</sup>                                  | 5,485,675          | 4,741,008         |
| <i>Term deposits</i>  | <b>11,142,343</b>  | 13,287,836        |
| Margin accounts   | 94,242             | 16,380            |
| Wakala deposits with Islamic financial institutions   | 563,286            | 223,816           |
| Less: allowance for expected credit loss  | <u>(31,001)</u>    | <u>(31,056)</u>   |
| Cash and bank balances  | <b>33,918,559</b>  | 37,230,142        |
| Less: term deposits and margin accounts with an original maturity of more than three months | <b>(3,335,165)</b> | (4,097,079)       |
| Less: restricted cash <sup>(ii)</sup>   | <b>(8,020,227)</b> | (5,540,613)       |
| Less: Wakala deposits with Islamic financial institutions                                   | <b>(242,572)</b>   | (171,617)         |
| Less: Group's bank accounts for clients' deposits   | <b>(5,485,675)</b> | (4,741,008)       |
| Less: bank overdrafts (note 24)   | <b>(787,676)</b>   | (38,688)          |
|   | <u>16,047,244</u>  | <u>22,641,137</u> |
| Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)          | <u>36,394</u>      | <u>2,048</u>      |
| Cash and cash equivalents   | <b>16,083,638</b>  | <b>22,643,185</b> |

- (i) In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("ESCA"), a subsidiary of the Group maintains separate bank accounts for advances received from its customers ("clients' deposits"). The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients' deposits by the Group is restricted, they have been presented on the consolidated statement of financial position as notified by ESCA.

- (ii) Restricted cash mainly includes an amount of AED 6,624,183 thousand (2022: AED 2,970,712 thousand), which are deposited into escrow accounts representing cash received from customers against the sale of development properties. The remaining balance of restricted cash mainly represent balances designated against government projects and dividends payable for which separate bank accounts are maintained.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirham and earn interest at market rates. These deposits have original maturity between 1 to 12 months.



## Notes to the Consolidated Financial Statements

31 December 2023

### 19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

|  | 2023<br>AED'000  | 2022<br>AED'000  |
|--|------------------|------------------|
| Assets held for sale – buildings (note 19.1)                             | -                | 1,256,424        |
| Discontinued operations (note 19.2)                                      | <u>1,348,827</u> | <u>683,327</u>   |
|  | <u>1,348,827</u> | <u>1,939,751</u> |
| Liabilities directly associated with discontinued operations (note 19.2) | <u>41,986</u>    | <u>8,015</u>     |

#### 19.1 Assets held for sale – buildings

##### Buildings

Al Tamouh Investments Company LLC, a subsidiary, entered into a sale and purchase agreement in respect of one of its assets, having a net book value of AED 385,119 thousand. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 35,987 thousand.

##### Property, plant and equipment and investment properties

During 2022, Q Holding PSC, a subsidiary, committed based on a sale and purchase agreement to sell its property, plant and equipment and investment properties relating to the Traditional Souq project with carrying value of AED 137,215 thousand (note 7) and AED 734,090 thousand (note 9) respectively. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 182,361 thousand.

Total gain on the completion of the above sale of assets resulted in a gain of AED 218,348 thousand (note 34).

The movement during the year is as follows:

|  | 2023<br>AED'000    | 2022<br>AED'000  |
|--|--------------------|------------------|
| At 1 January   | 1,256,424          | 394,250          |
| Transfer from investment properties (note 9)         | -                  | 734,090          |
| Transfer from property, plant and equipment (note 7) | -                  | 137,215          |
| Completed sales during the year <sup>(i)</sup>       | <u>(1,256,424)</u> | <u>(9,131)</u>   |
| At 31 December                                       | <u>-</u>           | <u>1,256,424</u> |

(i) During 2021, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. During 2022, the units with a value of AED 9,131 thousand were sold in full.

#### 19.2 Discontinued operations

##### Paragon Malls LLC ("Paragon")

On 31 October 2020, the Group signed a sale and purchase agreement to sell a subsidiary, Paragon Mall LLC. During 2021, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2023, the sale was not completed.

##### Holiday Inn Abu Dhabi ("Holiday Inn")

Holiday Inn Abu Dhabi, a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Q Holding PSC in 2021. Prior to acquisition, the buyer and Q Holding entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly, the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 31 December 2023.

## Notes to the Consolidated Financial Statements

31 December 2023

### 19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

#### 19.2 Discontinued operations continued

##### Transcend Blocker. INC ("Transcend")

During the year, the Group decided to dispose of Transcend Blocker INC., a subsidiary, therefore classifying it under discontinued operations as at 31 December 2023. Subsequent to the year end, the sale of Transcend was completed on 9 January 2024.

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2023 and 2022 are as follows:

|   | Paragon<br>2023<br>AED'000 | Holiday Inn<br>2023<br>AED'000 | Transcend<br>2023<br>AED'000 | Total<br>2023<br>AED'000 | Paragon<br>2022<br>AED'000 | Holiday Inn<br>2022<br>AED'000 | Total<br>2022<br>AED'000 |
|---|----------------------------|--------------------------------|------------------------------|--------------------------|----------------------------|--------------------------------|--------------------------|
| <b>ASSETS</b>                               |                            |                                |                              |                          |                            |                                |                          |
| Property, plant and equipment – building    | 503,096                    | 162,080                        | -                            | 665,176                  | 503,096                    | 162,080                        | 665,176                  |
| Investment in associates and joint ventures | -                          | -                              | 626,061                      | 626,061                  | -                          | -                              | -                        |
| Trade and other receivables                 | 9,859                      | 5,930                          | 5,093                        | 20,882                   | 9,859                      | 5,930                          | 15,789                   |
| Inventories                                 | -                          | 223                            | -                            | 223                      | -                          | 223                            | 223                      |
| Due from related parties                    | -                          | 91                             | -                            | 91                       | -                          | 91                             | 91                       |
| Cash and bank balances                      | -                          | 2,048                          | 34,346                       | 36,394                   | -                          | 2,048                          | 2,048                    |
| <b>TOTAL ASSETS</b>                         | <u>512,955</u>             | <u>170,372</u>                 | <u>665,500</u>               | <u>1,348,827</u>         | <u>512,955</u>             | <u>170,372</u>                 | <u>683,327</u>           |
| <b>LIABILITIES</b>                          |                            |                                |                              |                          |                            |                                |                          |
| Employees' end of service benefits          | -                          | 867                            | -                            | 867                      | -                          | 867                            | 867                      |
| Contract liabilities                        | 408                        | -                              | -                            | 408                      | 408                        | -                              | 408                      |
| Trade and other payables                    | -                          | 6,740                          | 33,971                       | 40,711                   | -                          | 6,740                          | 6,740                    |
| <b>TOTAL LIABILITIES</b>                    | <u>408</u>                 | <u>7,607</u>                   | <u>33,971</u>                | <u>41,986</u>            | <u>408</u>                 | <u>7,607</u>                   | <u>8,015</u>             |
| <b>NET ASSETS</b>                           | <u>512,547</u>             | <u>162,765</u>                 | <u>631,529</u>               | <u>1,306,841</u>         | <u>512,547</u>             | <u>162,765</u>                 | <u>675,312</u>           |

Building held for sale with a carrying value of AED 162,080 thousand (2022: AED 162,080 thousand) are mortgaged as security against borrowings (note 24).

The results of operations of the discontinued subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

### 20 SHARE CAPITAL

|  | 2023<br>AED'000  | 2022<br>AED'000  |
|--|------------------|------------------|
| <b>Authorised issued and fully paid</b>  |                  |                  |
| 2,193,540 thousand shares of AED 1 each<br>(31 December 2022: 2,193,540 thousand shares of AED 1 each) | <u>2,193,540</u> | <u>2,193,540</u> |

In the General Assembly Meeting held on 9 November 2022, the shareholders approved to increase the share capital of the Company from AED 1,821,429 thousand to AED 2,193,540 thousand, through the issuance of 372,111 thousand new shares with a fair value of AED 151,560,938 thousand in order to acquire additional shareholding in existing subsidiaries, namely Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (note 6.6(b)(E)). The issuance of the new shares resulted in a share premium of AED 151,188,827 thousand. The transaction was executed and completed on 25 November 2022.

During the year, in the Annual General Meeting held on 19 April 2023, the shareholders approved the transfer of AED 127,639,366 thousand from share premium to merger, acquisition and other reserves and the transfer of AED 23,549,461 thousand from share premium to retained earnings.



## Notes to the Consolidated Financial Statements

31 December 2023

### 21 STATUTORY RESERVE

In accordance with UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

### 22 HYBRID EQUITY INSTRUMENTS

Aldar Investment Properties LLC, a subsidiary, had issued hybrid equity instruments in two tranches to an investor ("Noteholder") worth USD 500 million (the "Notes"). The first tranche amounting to USD 310.5 million was received during March 2022 and the second tranche of USD 189.5 million was received during April 2022.

| Issuance period | Issued amount                         | Coupon rate  |
|-----------------|---------------------------------------|--|
| March 2022      | USD 310.5 million (AED 1,140 million) | Fixed interest of 5.625% with a reset after 15 years |
| April 2022      | USD 189.5 million (AED 696 million)   | Fixed interest of 5.625% with a reset after 15 years |

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Note and the Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of IAS 32 Financial Instruments: Presentation.

Transaction costs of AED 20,604 thousand related to issuance of the Notes were recorded directly in equity.

The movement in hybrid equity instruments net off transaction costs is as follows:

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| At 1 January                                    | 1,815,646        | -                |
| Acquired in business combinations (note 6.2(b)) | -                | 1,126,639        |
| Proceeds from issuance of second tranche        | -                | 689,007          |
|   | <u>1,815,646</u> | <u>1,815,646</u> |

During the year, the Group paid a coupon amounting to AED 103,289 thousand (2022: AED 51,645 thousand) on the hybrid instrument.

### 23 EMPLOYEES' END OF SERVICE BENEFITS

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| At 1 January  | 2,771,254        | 809,804          |
| Acquired in business combinations (note 6.1 & 6.2)      | 212,894          | 1,816,532        |
| Charge for the year                                     | 335,696          | 303,005          |
| Actuarial loss recognised in other comprehensive income | -                | 35,748           |
| Derecognition on disposal of subsidiaries (note 6.4(a)) | (1,541,480)      | (2,858)          |
| Paid during the year                                    | (263,458)        | (191,528)        |
| Transfer from related parties                           | 681              | 551              |
|   | <u>1,515,587</u> | <u>2,771,254</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 24 BORROWINGS

Movement in borrowings during the year is as follows:

|  | 2023<br>AED'000   | 2022<br>AED'000   |
|--|-------------------|-------------------|
| Balance at 1 January                               | 36,319,442        | 8,421,423         |
| Acquired in business combinations (note 6.1 & 6.2) | 913,801           | 5,654,889         |
| Drawdowns during the year                          | 18,088,956        | 33,572,235        |
| Derecognition of a subsidiaries (note 6.4)         | (293,131)         | (3,429)           |
| Foreign exchange difference                        | (119,911)         | (174,229)         |
| Repayments during the year                         | (11,914,130)      | (11,151,447)      |
|  | <u>42,995,027</u> | <u>36,319,442</u> |
| Less: unamortised transaction cost                 | (59,711)          | (52,725)          |
|  | <u>42,935,316</u> | <u>36,266,717</u> |

Disclosed in the consolidated statement of financial position as follows:

|                     | 2023<br>AED'000   | 2022<br>AED'000   |
|---------------------|-------------------|-------------------|
| Non-current portion | 36,613,733        | 33,829,725        |
| Current portion     | 6,321,583         | 2,436,992         |
|                     | <u>42,935,316</u> | <u>36,266,717</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>                                    | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i> | <i>Purpose</i>  | <i>Security</i>   |
|---|--|-----------------|---------------------|---------------------|--------------------|---|---|
| Term loan 1                                   | EIBOR + 3%   | March 2025      | 25,790              | 40,437              | Quarterly          | To finance the construction of a factory              | Corporate guarantee and mortgage over the asset   |
| Term loan 2                                   | EIBOR + 1.85%  | December 2023   | -                   | 10,640              | Semi-annual        | To finance the construction of a plant                | Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party  |
| Term loan 3                                   | EIBOR + 1.85%  | December 2024   | 74,864              | 111,885             | Annual             | To finance the construction of a plant                | Personal guarantee of a related party and mortgage of the asset   |
| Term loan 4                                   | EIBOR + 1.85%  | September 2030  | 83,656              | 95,648              | Quarterly          | To finance the construction of a plant                | Mortgage over the asset and an irrevocable corporate guarantee of a related party   |
| Term loan 5                                   | EIBOR + 1.85%  | December 2027   | 129,850             | 139,106             | Quarterly          | To finance the construction of a plant                | Mortgage over the asset and an irrevocable corporate guarantee of a related party   |
| Term loan 6                                   | 3.25% - 4.41%  | November 2025   | 35,856              | 33,517              | Monthly            | To finance the purchase of motor vehicles             | Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank, assignment of insurance policy over financed motorcycles and motor vehicles |
| Term loan 7                                   | 3.25%  | November 2024   | 1,069               | 6,783               | Monthly            | To finance the purchase of motor vehicles             | Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank  |
| Term loan 8                                   | EIBOR + 2.4%   | September 2024  | 43,153              | 100,753             | Quarterly          | Project financing                                     | Assignment of project proceeds and first degree mortgage over certain properties  |
| Term loan 9                                   | EIBOR + 1.3%   | March 2029      | 192,049             | 219,084             | Quarterly          | To finance the construction of residential apartments | Assignment of property proceeds and a first degree mortgage over the asset  |
| Term Loan 10                                  | EIBOR + 2%   | September 2025  | 21,344              | 31,439              | Semi-annual        | Project financing                                     | Corporate guarantees of related parties, mortgage over certain properties, including assignment of insurance policy of and rental proceeds from the mortgaged properties  |
| Term Loan 11                                  | 3.75% up to 31 December 2023 and subsequently EIBOR + 2% | December 2028   | 223,622             | 239,708             | Quarterly          | General corporate purpose                             | First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Banyas Project (as and when the project is awarded)                            |

## Notes to the Consolidated Financial Statements

31 December 2023

### 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>     | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>         | <i>Purpose</i>                                     | <i>Security</i>   |
|---|---------------------------|-----------------|---------------------|---------------------|----------------------------|--|---|
| Term Loan 12                                  | EIBOR + 2.5% (minimum 3%) | June 2030       | 107,623             | 110,608             | Quarterly                  | General corporate purpose                          | Unsecured   |
| Term Loan 13                                  | EIBOR + 2.5%              | October 2026    | 54,613              | 78,613              | Quarterly                  | Construction of factory building                   | Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties |
| Term Loan 14                                  | EIBOR + 2.25%             | December 2023   | 6,000               | 24,000              | Quarterly                  | Project financing                                  | Projects proceeds   |
| Term Loan 15                                  | EIBOR + 2.65%             | December 2026   | -                   | 441,698             | Quarterly                  | Investment purpose                                 | Projects proceeds   |
| Term Loan 16                                  | LIBOR + 0.90%             | March 2027      | 844,721             | 1,109,155           | Quarterly                  | Project financing                                  | Mortgage of property, plant and equipment   |
| Term Loan 17                                  | EIBOR + 1.15%             | December 2026   | 185,414             | 217,414             | Quarterly                  | To finance the purchase of a machinery             | Mortgage over the asset acquired and assignment of insurance policy of the asset acquired   |
| Term Loan 18                                  | 2.75%                     | December 2025   | 158,151             | 194,295             | Annual                     | To finance purchase of a hotel                     | Mortgage over the assets  |
| Term Loan 19                                  | 2.5%                      | October 2028    | 367,568             | 367,500             | Semi-annual                | To finance construction of a factory               | Unsecured   |
| Term Loan 20                                  | EIBOR + 1.85%             | February 2028   | 179,445             | 234,445             | Semi-annual                | To finance purchase of a hotel                     | Mortgage over the asset, including assignment of insurance policy of the mortgaged asset  |
| Term Loan 21                                  | 2%                        | April 2024      | 1,500,000           | 1,500,000           | Bullet payment on maturity | To finance the investment in financial asset       | Custody of financial instruments covering minimum of 200% of the facility amount and assignment of related dividend proceeds                |
| Term loan 22                                  | EIBOR + 2%                | September 2025  | -                   | 30,557              | Quarterly                  | To finance the purchase of machinery and equipment | Corporate guarantee   |
| Term loan 23                                  | 3.6% - EIBOR + 1.9%       | December 2029   | 113,884             | 85,821              | Quarterly                  | To finance the purchase of equipment and vehicles  | Corporate guarantees and mortgage over the assets   |
| Term loan 24                                  | EIBOR + 2%                | February 2027   | 56,874              | 69,999              | Quarterly                  | To finance the construction of warehouse           | Pledge and hypothecation of inventories and movables over stocks and deed of assignment of receivables                                      |



## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i> | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>                                 | <i>Purpose</i>                      | <i>Security</i>  |
|---|-----------------------|-----------------|---------------------|---------------------|--|-------------------------------------|--|
| Term loan 25                                  | 3.4%                  | September 2024  | 71                  | 161                 | Monthly  | To finance the purchase of vehicles | Mortgage over the asset  |
| Term loan 26                                  | LIBOR + 2.25%         | January 2032    | 191,298             | 84,574              | Quarterly  | Project financing                   | Mortgage of investment property  |
| Term loan 27                                  | EIBOR + 3.5%          | November 2036   | -                   | 294,316             | Quarterly  | Investment purposes                 | Secured on movable assets and shares   |
| Term loan 28                                  | 2.85% - EIBOR + 3.5%  | February 2027   | 2,079,354           | 1,819,354           | Two equal instalments during 2025 and 2027         | Investment purposes                 | Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends |
| Term loan 29                                  | EIBOR + 1.70%         | May 2027        | 4,500,000           | 2,760,000           | Two equal instalments during May 2025 and May 2027 | Investment purposes                 | Pledge of shares covering minimum of 154% of the facility amount                                     |
| Term loan 30                                  | EIBOR + 0.88%         | May 2032        | 390,257             | 436,169             | Quarterly  | Finance acquisition of vessels      | Mortgage of vessel acquired  |
| Term loan 31                                  | EIBOR + 1%            | March 2025      | 419,949             | 419,949             | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 32                                  | EIBOR + 2%            | March 2025      | (3,995)             | 295,305             | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 33                                  | EIBOR + 1.2%          | March 2027      | (4,404)             | (4,427)             | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 34                                  | EIBOR + 1%            | March 2025      | 469,320             | 469,166             | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 35                                  | EIBOR + 1%            | March 2027      | (6,165)             | 1,173,750           | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 36                                  | EIBOR + 1%            | March 2027      | (4,237)             | (4,306)             | Revolving facility                                 | General corporate purposes          | Unsecured  |
| Term loan 37                                  | EIBOR + 1%            | June 2026       | 298,104             | 297,319             | Revolving facility                                 | General corporate purposes          | Mortgage of retail and commercial properties   |

## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>       | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>   | <i>Purpose</i>                                   | <i>Security</i>  |
|---|-----------------------------|-----------------|---------------------|---------------------|--|--|--|
| Term loan 38                                  | EIBOR + 2.25%               | October 2027    | -                   | 94,626              | Semi-annual  | General corporate purposes                       | Assignment of receivables and insurance policies   |
| Term loan 39                                  | CBE Corridor + 0.9%         | October 2027    | 65,304              | 81,578              | Quarterly  | Project financing                                | Mortgage of property, assignment of receivables and insurance policies                               |
| Term loan 40                                  | CBE Corridor + 1.2% - 1.5%  | December 2031   | 149,241             | 189,058             | Quarterly  | Project financing                                | Mortgage of property, assignment of receivables and insurance policies                               |
| Term loan 41                                  | CBE Corridor + 0.7%         | December 2024   | 55,955              | 29,814              | Quarterly  | Project financing                                | Mortgage of property, assignment of receivables and insurance policies                               |
| Term loan 42                                  | CBE Corridor + 0.7% - 0.85% | June 2027       | 31,342              | 131,618             | Quarterly  | Project financing                                | Mortgage of property, assignment of receivables and insurance policies                               |
| Term loan 43                                  | CBE Corridor + 1%           | June 2028       | 26,429              | 37,172              | Bullet payment on maturity   | Project financing and general corporate purposes | Mortgage of property, assignment of receivables and insurance policies                               |
| Term loan 44                                  | 3.32%                       | December 2028   | 845,960             | 944,986             | Semi-annual  | To refinance existing debts                      | Mortgage of properties and pledge of shares  |
| Term loan 45                                  | EIBOR + 2.50%               | January 2027    | 99,776              | 108,460             | Semi-annual  | To finance construction project                  | Mortgage of land plot  |
| Term loan 46                                  | EIBOR + 2.50%               | January 2030    | 63,951              | 71,265              | Semi-annual  | To finance construction project                  | Mortgage of land plot  |
| Term loan 47                                  | EIBOR + 1.75%               | February 2027   | 309,268             | 199,268             | Two equal instalments one in 2025 and the second in 2027             | Investment purposes                              | Pledge of shares covering minimum of 170% of the facility amount and assignment of related dividends |
| Term loan 48                                  | 3.5%                        | April 2027      | 3,675,000           | 3,675,000           | Two equal instalments one in April 2025 and the second in April 2027 | Investment purposes                              | Pledge of shares covering minimum of 200% of the facility amount                                     |



## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i> | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>   | <i>Purpose</i>                                   | <i>Security</i>   |
|---|-----------------------|-----------------|---------------------|---------------------|--|--|---|
| Term loan 49                                  | 3.5%                  | April 2027      | 3,675,000           | 3,675,000           | Two equal instalments one in April 2025 and the second in April 2027 | Investment purposes                              | Pledge of shares covering minimum of 200% of the facility amount  |
| Term loan 50                                  | SOFR+ Variable Margin | October 2023    | -                   | 60,039              | Bullet payment on maturity   | Investment purposes and working capital purposes | Mortgage of assets.   |
| Term loan 51                                  | EIBOR +2%             | October 2023    | -                   | 1,207               | Revolving facility   | To support working capital                       | Corporate guarantee   |
| Term loan 52                                  | EIBOR +0.95%          | September 2027  | 994,920             | 995,055             | Bullet payment on maturity   | General corporate purposes                       | Unsecured   |
| Term loan 53                                  | EIBOR +0.9%           | September 2027  | 498,041             | 497,560             | Revolving facility   | General corporate purposes                       | Unsecured   |
| Term loan 54                                  | EIBOR +0.95%          | September 2027  | 995,009             | 995,250             | Bullet payment on maturity   | General corporate purposes                       | Unsecured   |
| Term loan 55                                  | 5.5%                  | July 2024       | 688                 | 1,307               | Monthly  | To support working capital                       | Post dated cheques.   |
| Term loan 56                                  | 5.6%                  | September 2025  | 16,308              | 24,955              | Monthly  | To fund acquisition of new subsidiary            | Corporate guarantee of subsidiaries of the Company                |
| Term loan 57                                  | 2.25%                 | April 2025      | 11,279              | 1,162               | Monthly  | To finance purchase of motor vehicle             | Mortgage over the asset.  |
| Term loan 58                                  | 3.88%                 | July 2027       | 5,996,988           | 5,996,150           | Two equal bullet payments on July 2025 and July 2027                 | To finance the acquisition of investments        | Pledge of shares covering minimum of 200% of the facility amount. |
| Term loan 59                                  | 3.88%                 | August 2025     | 1,000,000           | 1,000,000           | Two equal bullet payments on February 2024 and August 2025           | To finance the acquisition of investments.       | Pledge of shares covering minimum of 200% of the facility amount. |

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## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>          | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>   | <i>Purpose</i>                            | <i>Security</i>  |
|---|--------------------------------|-----------------|---------------------|---------------------|--|---|--|
| Term loan 60                                  | 4.2%                           | August 2027     | 496,744             | 496,674             | Two equal bullet payments on September 2025 and August 2027. | To finance the acquisition of investments | Pledge of shares covering minimum of 200% of the facility amount                                     |
| Term loan 61                                  | EIBOR + 0.85%                  | September 2025  | 333,134             | 499,684             | Semi-annual  | To finance the acquisition of investments | Pledge of shares covering minimum of 200% of the facility amount                                     |
| Term loan 62                                  | EIBOR + 2.25%                  | September 2026  | -                   | 5,600               | Semi-annual  | To finance the acquisition of properties  | Mortgage of acquired properties  |
| Term loan 63                                  | 4.99%                          | December 2027   | 400,000             | 500,000             | Annual   | Investment purposes                       | Mortgage over the acquired investment and assignment of related dividends                            |
| Term loan 64                                  | EIBOR + 0.95%                  | September 2027  | 398,058             | 398,055             | Bullet payment on maturity.                                  | General corporate purposes                | Unsecured  |
| Term loan 65                                  | EIBOR + 0.95%                  | November 2023   | 499,555             | 499,555             | Bullet payment on maturity.                                  | General corporate purposes                | Mortgage of commercial properties  |
| Term loan 66                                  | EIBOR +1.55%                   | February 2027   | 367,500             | 367,500             | Two equal instalments in February 2025 and February 2027     | Acquisition of vessels                    | Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends |
| Term loan 67                                  | 5.03%                          | December 2027   | 600,000             | 750,000             | Annual   | Investment purposes                       | Pledge of acquired investments.  |
| Term loan 68                                  | EIBOR + 4.50 % (minimum of 6%) | September 2024  | 303                 | -                   | Monthly  | To finance the working capital            | Corporate and personal guarantee   |
| Term loan 69                                  | EIBOR + 1.50%                  | July 2030       | 354,960             | -                   | Fixed Monthly.   | Investment purposes                       | Pledge of shares and corporate guarantee   |
| Term loan 70                                  | EIBOR + 1.10%                  | January 2028    | 400,000             | -                   | Bullet payment on maturity                                   | To finance construction project           | Pledge of shares   |
| Term loan 71                                  | 2.75%                          | April 2027      | 862                 | -                   | Monthly  | To finance purchase of motor vehicle      | Mortgage of vehicles   |

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## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>      | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>                                 | <i>Purpose</i>                            | <i>Security</i>  |
|---|----------------------------|-----------------|---------------------|---------------------|--|---|--|
| Term loan 72                                  | EIBOR + 1.70%              | May 2024        | 447                 | -                   | Bullet payment on maturity                         | General corporate purposes                | Unsecured  |
| Term loan 73                                  | EIBOR + 1% + 3%            | May 2028        | 1,545,000           | -                   | Two equal instalments during May 2026 and May 2028 | Investment purposes                       | Pledge of shares.  |
| Term loan 74                                  | EIBOR + 1.5%               | May 2028        | 480,000             | -                   | Quarterly  | Investment purposes                       | Pledge of shares   |
| Term loan 75                                  | EIBOR + 0.91% (minimum 3%) | December 2029   | 490,000             | -                   | Annual   | To finance the working capital            | Pledge of shares covering minimum of 165% of the facility amount |
| Term loan 76                                  | EIBOR + 0.91% (minimum 3%) | December 2029   | 375,000             | -                   | Annual   | Investment purposes                       | Pledge of shares covering minimum of 165% of the facility amount |
| Term loan 77                                  | EIBOR + 1.25%              | September 2028  | 150,000             | -                   | Annual   | Finance the acquisition of a subsidiary   | Unsecured  |
| Term loan 78                                  | 5.5%                       | August 2027     | 104                 | -                   | Monthly  | To finance the working capital            | Post dated cheques   |
| Term loan 79                                  | SOFR + 2.3%                | November 2026   | 275,500             | -                   | Bullet payment on maturity                         | To finance the working capital            | Mortgage over the asset  |
| Term loan 80                                  | EIBOR + 0.85%              | March 2026      | 832,823             | -                   | Semi-annual  | To finance the acquisition of investments | Pledge of shares covering minimum of 200% of the facility amount |
| Term loan 81                                  | EIBOR + 0.85%              | June 2026       | 158,226             | -                   | Semi-annual  | To finance the acquisition of investments | Pledge of shares covering minimum of 200% of the facility amount |
| Term loan 82                                  | EIBOR + 0.85%              | September 2026  | 309,803             | -                   | Semi-annual  | To finance the acquisition of investments | Pledge of shares covering minimum of 200% of the facility amount |
| Term loan 83                                  | 5.5%                       | October 2026    | 3,040               | -                   | Monthly  | To finance purchase of motor vehicle      | Post dated cheques   |

## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i> | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i> | <i>Purpose</i>                                | <i>Security</i>  |
|---|-----------------------|-----------------|---------------------|---------------------|--------------------|---|--|
| Term loan 84                                  | EIBOR + 1.5%          | November 2027   | 38,300              | -                   | Quarterly          | To finance the purchase of a factory premises | Mortgage over the assets   |
| Term loan 85                                  | CBE Corridor + 0.80%  | December 2030   | 54,619              | -                   | Quarterly          | General corporate purposes                    | Commercial properties including land   |
| Term loan 86                                  | EIBOR + 0.85%         | March 2029      | 498,687             | -                   | Quarterly          | General corporate purposes                    | Unsecured  |
| Term loan 87                                  | EIBOR + 0.70%         | March 2024      | 299,271             | -                   | Revolving facility | General corporate purposes                    | Unsecured  |
| Term loan 88                                  | EIBOR + 0.90%         | June 2030       | 197,593             | -                   | Quarterly          | General corporate purposes                    | Unsecured  |
| Term loan 89                                  | SONIA + 2.95%         | March 2024      | 529,415             | -                   | Quarterly          | General corporate purposes                    | Unsecured  |
| Term loan 90                                  | EIBOR + 0.70%         | January 2024    | 102                 | -                   | Quarterly          | General corporate purposes                    | Unsecured  |
| Term loan 91                                  | EIBOR + 0.75%         | December 2028   | (4,917)             | -                   | Revolving facility | General corporate purposes                    | Unsecured  |
| Term loan 92                                  | 20.00%                | January 2026    | 5,395               | -                   | Monthly            | To fund the working capital                   | Equity terms placed upon the debt  |
| Term loan 93                                  | 6.5%                  | April 2024      | 245                 | -                   | Monthly            | Working capital requirements                  | Post dated cheques   |
| Term loan 94                                  | 5%                    | January 2025    | 2,369               | -                   | Monthly            | Working capital requirements                  | Assignment of contractor's vehicle insurance policy in favour of the bank, mortgage of vehicle favoring the bank and a security cheque drawn in favour of the bank |
| Term loan 95                                  | EIBOR + 1.85%         | November 2029   | 33,000              | -                   | Quarterly          | To finance the construction of a plant        | mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee   |
| Term loan 96                                  | 4.95%                 | Jan 2024        | 111,793             | -                   | Quarterly          | General corporate purposes                    | Unsecured  |



## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>  | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>                                  | <i>Purpose</i>   | <i>Security</i>   |
|---|------------------------|-----------------|---------------------|---------------------|---|--|---|
| Term loan 97                                  | EIBOR +0.91%           | January 2028    | 365,000             | -                   | Annual  | Investment purposes                                      | Mortgage over the acquired investment and assignment of related dividends                           |
| Short term loan I                             | EIBOR + 3%             | 150 days        | 10,576              | 9,582               | Bullet payment on maturity                          | Working capital requirements                             | Corporate guarantee and assignment of insurance policy  |
| Short term loan II                            | EIBOR + 3.5%           | 90-120 days     | -                   | 4,771               | Bullet payment on maturity                          | Working capital requirements                             | Personal and corporate guarantees and assignment of receivables                                     |
| Short term loan III                           | EIBOR + 3%             | 30-90 days      | -                   | 1,159               | Bullet payment on maturity                          | To finance the construction of waste heat recovery plant | Pledge over the asset and assignment of comprehensive insurance policy on waste heat recovery plant |
| Short term loan IV                            | 14%                    | May 2023        | -                   | 195                 | Monthly   | To finance purchase of inventory                         | Cheque in favor of bank covering 120% of principal amount   |
| Short term loan V                             | 10%                    | April 2023      | -                   | 500                 | Bullet payment on maturity                          | Working capital requirement                              | Unsecured   |
| Short term loan VI                            | SONIA+ Variable margin | October 2023    | -                   | 112,265             | Bullet payment on maturity                          | Investment & working capital                             | Mortgage over assets  |
| Short term loan VII                           | SOFR + Variable margin | October 2023    | -                   | 36,828              | Bullet payment on maturity                          | Investment & working capital                             | Mortgage over assets  |
| Short term loan VIII                          | SONIA+ Variable margin | October 2023    | -                   | 13,331              | Quarterly   | To support working capital                               | Mortgage over assets  |
| Short term loan IX                            | EIBOR + 2.25%          | April 2023      | -                   | 2,602               | Quarterly   | To support working capital                               | Corporate and personal guarantee  |
| Short term loan X                             | EIBOR + 2.25%          | March 2023      | -                   | 6,803               | Annual  | To support working capital                               | Corporate and personal guarantee  |
| Short term loan XI                            | EIBOR + 3%             | April 2023      | -                   | 2,613               | Quarterly   | To support working capital                               | Corporate and personal guarantee  |
| Short term loan XII                           | 4%                     | October 2023    | -                   | 8,887               | Two equal instalments during April and October 2023 | To support working capital                               | Unsecured   |

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## Notes to the Consolidated Financial Statements

31 December 2023

## 24 BORROWINGS continued

| <i>Borrowings from financial institutions</i> | <i>Interest rates</i>                | <i>Maturity</i> | <i>2023 AED'000</i> | <i>2022 AED'000</i> | <i>Instalments</i>                   | <i>Purpose</i>  | <i>Security</i>   |
|---|--------------------------------------|-----------------|---------------------|---------------------|--------------------------------------|---|---|
| Short term loan XIII                          | EIBOR + 2.00% (minimum rate of 4.5%) | April 2024      | 8,024               | -                   | 120 days Maturity from In-voice date | To support working capital                                | 10% Cash margin to be maintained                        |
| Short term loan XIV                           | 3%-5.51%                             | November 2027   | 1,007               | -                   | Monthly                              | To finance purchase of motor vehicle                      | Mortgage over the assets                                |
| Trust receipts                                | Various rates                        | Various         | 280,605             | 166,460             |                                      |   |   |
| Bank overdraft                                | EIBOR + margin                       | 90 to 180 days  | 787,676             | 38,688              |                                      | To meet working capital requirements and daily operations | Partially secured against approved payment certificates |
| Total borrowings                              |                                      |                 | <u>42,935,316</u>   | <u>36,266,717</u>   |                                      |   |   |

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## Notes to the Consolidated Financial Statements

31 December 2023

### 24 BORROWINGS continued

Term loan 32,33,35, 36 and 91

There were no drawdowns taken by the Group on these revolving loan facilities as at 31 December 2023. Further, the transaction costs relating to these loans were settled by the Group.

Borrowing cost included in the cost of qualifying assets for the year was AED 6,345 thousand (2022: AED 8,485 thousand).

Borrowings are denoted in the following currencies:

|                                   | 2023<br>AED'000   | 2022<br>AED'000   |
|-----------------------------------|-------------------|-------------------|
| United Arab Emirates Dirham (AED) | 40,072,934        | 33,810,603        |
| United States Dollar (USD)        | 1,561,738         | 1,755,524         |
| Egyptian Pound (EGP)              | 382,870           | 469,240           |
| Great Britain Pound (GBP)         | 916,708           | 231,350           |
| Euro (EUR)                        | 447               | -                 |
| Indian Rupee (INR)                | 619               | -                 |
|                                   | <u>42,935,316</u> | <u>36,266,717</u> |

Movement of unamortised transaction cost during the year is as follows:

|                                     | 2023<br>AED'000 | 2022<br>AED'000 |
|-------------------------------------|-----------------|-----------------|
| Balance at 1 January                | 52,725          | 13,486          |
| Acquired in business combinations   | -               | 28,372          |
| Paid during the year                | 11,146          | 23,071          |
| Amortised during the year (note 38) | (4,151)         | (12,067)        |
| Foreign exchange difference         | (9)             | (137)           |
|                                     | <u>59,711</u>   | <u>52,725</u>   |

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

|   | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------------------|-------------------|
| On demand                                 | 787,676           | 38,688            |
| Less than 3 months                        | 1,079,408         | 521,096           |
| After 3 months but no more than 12 months | 5,965,776         | 2,689,488         |
| After one but not more than five years    | 38,970,877        | 35,769,955        |
| More than 5 years                         | 856,917           | 1,216,468         |
|   | <u>47,660,654</u> | <u>40,235,695</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 25 NON-CONVERTIBLE SUKUK

#### Sukuk launched in 2018 ("Sukuk 1")

On 1 October 2018, Aldar Sukuk Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED 1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 4.750% per annum payable semi-annually and due for repayment in September 2025.

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| Balance at 1 January                            | 1,847,444        | -                |
| Acquired in business combinations (note 6.2(b)) | -                | 1,900,622        |
| Accrued profit                                  | 73,173           | 58,164           |
| Amortisation of issue costs                     | 4,706            | 3,442            |
| Other movement                                  | -                | (78,432)         |
| Less: settled during the year                   | <u>(73,179)</u>  | <u>(36,352)</u>  |
|   | <u>1,852,144</u> | <u>1,847,444</u> |

#### Sukuk launched in 2019 ("Sukuk 2")

On 22 October 2019, Aldar Sukuk (No.2) Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 3.875% per annum payable semi-annually and due for repayment in October 2029.

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| Balance at 1 January                            | 1,834,472        | -                |
| Acquired in business combinations (note 6.2(b)) | -                | 1,831,759        |
| Accrued profit                                  | 41,511           | 41,518           |
| Amortisation of issue costs                     | 4,832            | 1,418            |
| Other movement                                  | -                | 18,891           |
| Less: settled during the year                   | <u>(41,713)</u>  | <u>(59,114)</u>  |
|   | <u>1,839,102</u> | <u>1,834,472</u> |

#### Sukuk launched in 2023 ("Sukuk 3")

During the year, Aldar Investment Properties Sukuk 3 Limited, a subsidiary, issued non-convertible sukuk for a total value of AED 1,836,250 thousand (USD 500,000 thousand), carrying a profit rate of 4.875% per annum payable semi-annually and due for repayment in May 2033.

|                               | 2023<br>AED'000  | 2022<br>AED'000 |
|-------------------------------|------------------|-----------------|
| Gross value of issue          | 1,836,250        | -               |
| Discount on issue             | <u>(22,313)</u>  | -               |
| Net proceeds from issue       | 1,813,937        | -               |
| Issue costs                   | <u>(12,863)</u>  | -               |
| Accrued profit                | 31,580           | -               |
| Amortisation of issue costs   | 1,434            | -               |
| Less: settled during the year | <u>(22,380)</u>  | -               |
|                               | <u>1,811,708</u> | -               |



## Notes to the Consolidated Financial Statements

31 December 2023

### 25 NON-CONVERTIBLE SUKUK continued

Non-convertible sukuks are disclosed in the consolidated statement of financial position as follows:

|                     | 2023<br>AED'000  | 2022<br>AED'000  |
|---------------------|------------------|------------------|
| Current portion     | 46,098           | 37,104           |
| Non-current portion | <u>5,456,856</u> | <u>3,644,812</u> |
|                     | <u>5,502,954</u> | <u>3,681,916</u> |

### 26 DERIVATIVE FINANCIAL INSTRUMENTS

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings and to cover specific foreign currency payments and receipts, the Group has entered into interest rate swap and interest rate cap arrangements and forward currency contracts with counter-party banks, generally for amounts matching to those particular borrowings.

*Derivatives designated as hedging instruments:*

|                                      | Fix leg on<br>instrument | Notional amount<br>AED'000 | Assets<br>AED'000 | Liabilities<br>AED'000 |
|--------------------------------------|--------------------------|----------------------------|-------------------|------------------------|
| <b>31 December 2023</b>              |                          |                            |                   |                        |
| - Foreign exchange forward contracts |                          | 164,255                    | -                 | (9,790)                |
| - Interest rate swaps                | 0.80%                    | 422,338                    | <u>24,602</u>     | -                      |
|                                      |                          |                            | <u>24,602</u>     | <u>(9,790)</u>         |
| <b>31 December 20232</b>             |                          |                            |                   |                        |
| - Foreign exchange forward contracts |                          | 644,445                    | -                 | (47,236)               |
| - Interest rate swaps                | 0.80% - 2.82%            | 2,023,578                  | <u>248,792</u>    | -                      |
|                                      |                          |                            | <u>248,792</u>    | <u>(47,236)</u>        |

*Derivatives not designated as hedging instruments:*

|                          | Fix leg on<br>instrument | Notional amount<br>AED'000 | Assets<br>AED'000 | Liabilities<br>AED'000 |
|--------------------------|--------------------------|----------------------------|-------------------|------------------------|
| <b>31 December 2023</b>  |                          |                            |                   |                        |
| - Interest rate swaps    | 4.27%                    | 355,501                    | -                 | (2,348)                |
| - Interest rate cap      | 2.52% - 3.00%            | 441,664                    | <u>8,311</u>      | -                      |
|                          |                          |                            | <u>8,311</u>      | <u>(2,348)</u>         |
| <b>31 December 20232</b> |                          |                            |                   |                        |
| - Interest rate swaps    | 4.27%                    | 470,314                    | -                 | (2,935)                |

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

|                | Assets          |                 | Liabilities     |                 |
|----------------|-----------------|-----------------|-----------------|-----------------|
|                | 2023<br>AED'000 | 2022<br>AED'000 | 2023<br>AED'000 | 2022<br>AED'000 |
| <b>Current</b> | 24,602          | 41,747          | 12,138          | 50,171          |
| Non-current    | <u>8,311</u>    | <u>207,045</u>  | -               | -               |
|                | <u>32,913</u>   | <u>248,792</u>  | <u>12,138</u>   | <u>50,171</u>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 27 TRADE AND OTHER PAYABLES

|   | 2023<br>AED'000    | 2022<br>AED'000    |
|---|--------------------|--------------------|
| Provisions, accruals and other payables                 | 16,844,426         | 18,674,831         |
| Trade payables  | 6,951,331          | 5,276,185          |
| Payable to customers relating to brokerage business     | 5,410,851          | 4,123,980          |
| Payable for the acquisition of land <sup>(i)</sup>      | 3,602,076          | 189,727            |
| Retention payable                                       | 2,210,846          | 2,526,422          |
| Deferred income   | 1,500,003          | 1,818,655          |
| Payable to a government authority for purchase of lands | 695,829            | 778,469            |
| Payables related to government funded programs          | -                  | 1,870,024          |
| Insurance and reinsurance payables                      | -                  | 984,236            |
| Deferred government grant                               | -                  | 42,143             |
|   | <u>37,215,362</u>  | <u>36,284,672</u>  |
| Less: non-current portion                               | <u>(5,794,202)</u> | <u>(3,334,080)</u> |
|   | <u>31,421,160</u>  | <u>32,950,592</u>  |

Non-current portion consists of the following:

|   |                  |                  |
|---|------------------|------------------|
| Payable for the acquisition of land <sup>(i)</sup>      | 3,197,385        | 184,557          |
| Deferred income   | 1,075,473        | 1,431,594        |
| Payable to a government authority for purchase of lands | 638,006          | 713,253          |
| Retention payable                                       | 545,692          | 678,996          |
| Trade payables  | 132,044          | 15,013           |
| Deferred government grant                               | -                | 42,143           |
| Other payables  | <u>205,602</u>   | <u>268,524</u>   |
|   | <u>5,794,202</u> | <u>3,334,080</u> |

(i) Mainly represents the consideration payable for land plots on Al Fahid Island and 3 parcels of land in Dubai, which are payable over a period of 5 years and are recognised at the present value of the consideration payable (note 13).

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade payables.

### 28 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

|   | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------------------|-------------------|
| Amounts received in advance from customers            | 6,464,979         | 6,051,115         |
| Amounts related to construction contracts             | 9,310,380         | 3,489,106         |
| Amounts related to insurance contracts <sup>(i)</sup> | -                 | 2,482,806         |
|   | <u>15,775,359</u> | <u>12,023,027</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 28 CONTRACT LIABILITIES continued

(i) Amounts related to insurance contracts relate to a subsidiary derecognised during the year, National Health Insurance Company (Daman) PJSC.

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| <b>Insurance contract liabilities</b>  |                 |                 |
| Claims incurred but not reported and claims reported but not approved                      | -               | 1,019,789       |
| Unearned premiums  | -               | 1,451,286       |
| Unallocated loss adjustment expense reserve  | -               | 11,731          |
| Total liabilities as of year end   | -               | 2,482,806       |
| <b>Reinsurance contract assets</b>   |                 |                 |
| Reinsurance share of claims incurred but not reported and claims reported but not approved | -               | (178,831)       |
| Reinsurance share of profit commission   | -               | (7,799)         |
| Reinsurance share of unearned premiums   | -               | (207,497)       |
| Total reinsurance contract assets as of year end (note 17)                                 | -               | (394,127)       |
| <b>Insurance contract liabilities - net</b>  |                 |                 |
| Claims incurred but not reported and claims reported but not approved (net)                | -               | 840,958         |
| Unearned premiums (net)  | -               | 1,243,789       |
| Unallocated loss adjustment expense reserve (net)  | -               | 11,731          |
| Net insurance contract liabilities   | -               | 2,096,478       |

The gross and net claims incurred but not reported and claims reported but not approved, in addition to the unallocated loss adjustment expense reserve, were calculated by the Group's independent actuary.

## Notes to the Consolidated Financial Statements

31 December 2023

### 29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

|  | Land<br>AED'000  | Warehouses, office spaces,<br>shops and cinema halls<br>AED'000 | Others<br>AED'000 | Total<br>AED'000 |
|--|------------------|---|-------------------|------------------|
| <b>Right-of-use assets:</b>                              |                  |   |                   |                  |
| 2023   |                  |   |                   |                  |
| At 1 January 2023  | 996,935          | 1,942,150   | 15,706            | 2,954,791        |
| Acquired in business combinations (note 6.1(a) & 6.2(a)) | 4,346            | 525,074   | -                 | 529,420          |
| Additions <sup>(i)</sup>                                 | 112,667          | 204,332   | 5,470             | 322,469          |
| Depreciation expense                                     | (67,971)         | (202,746)   | (8,230)           | (278,947)        |
| Derecognition of a subsidiary <sup>(iii)</sup>           | -                | (1,362,872)   | (5,768)           | (1,368,640)      |
| Termination of a lease                                   | (5,054)          | (6,623)   | -                 | (11,677)         |
| Lease modifications                                      | (2,249)          | (72,360)  | 1,195             | (73,414)         |
| Reclassification   | 19,362           | (19,362)  | -                 | -                |
| Exchange difference                                      | 594              | 3,347   | (231)             | 3,710            |
| <b>At 31 December 2023</b>                               | <b>1,058,630</b> | <b>1,010,940</b>  | <b>8,142</b>      | <b>2,077,712</b> |
| 2022   |                  |   |                   |                  |
| At 1 January 2022  | 600,214          | 369,838   | 761               | 970,813          |
| Acquired in business combinations (note 6.1(b) & 6.2(b)) | 381,950          | 337,447   | 7,291             | 726,688          |
| Additions  | 70,837           | 1,482,774   | 12,613            | 1,566,224        |
| Depreciation expense                                     | (56,797)         | (162,377)   | (5,289)           | (224,463)        |
| Derecognition on disposal of subsidiaries (note 6.4(b))  | -                | (1,070)   | -                 | (1,070)          |
| Termination of a lease                                   | (6,885)          | (9,194)   | (62)              | (16,141)         |
| Lease modifications                                      | 7,634            | 1,226   | -                 | 8,860            |
| Eliminated on acquisition of subsidiary <sup>(iii)</sup> | -                | (75,089)  | -                 | (75,089)         |
| Exchange difference                                      | (18)             | (1,405)   | 392               | (1,031)          |
| <b>At 31 December 2022</b>                               | <b>996,935</b>   | <b>1,942,150</b>  | <b>15,706</b>     | <b>2,954,791</b> |

Right of use assets with a carrying value of AED 51,000 thousand (2022: AED 54,232 thousand) are pledged as security against borrowings (note 24).

#### Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

|  | 2023<br>AED'000  | 2022<br>AED'000  |
|--|------------------|------------------|
| As at 1 January  | 3,082,342        | 1,004,432        |
| Acquired in business combinations (note 6.1(a) & 6.2(a))   | 526,516          | 757,876          |
| Additions during the year <sup>(i)</sup>                   | 291,441          | 1,552,858        |
| Interest expense (note 38)                                 | 98,450           | 89,491           |
| Repayments made during the year                            | (281,891)        | (228,178)        |
| Derecognition of a subsidiary <sup>(iii)</sup>             | (1,469,222)      | (1,133)          |
| Termination of a lease                                     | (4,830)          | (13,643)         |
| Lease modifications  | (93,531)         | 8,860            |
| Eliminated on acquisition of a subsidiary <sup>(iii)</sup> | -                | (83,479)         |
| Covid-19 related rent concessions (note 34)                | -                | (386)            |
| Exchange difference  | 3,472            | (4,356)          |
| <b>As at 31 December</b>                                   | <b>2,152,747</b> | <b>3,082,342</b> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

- (i) During the year, ADMO Lifestyle Holding Limited, a subsidiary, acquired a 95% ownership interest in Monterock Investments Nedafushi Maldives, resulting in additions to right-of use assets and lease liabilities of AED 56,947 thousand and AED 29,207 thousand respectively. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- (ii) These amounts presented are net of elimination at the group level (note 6.4(a)).
- (iii) Represents elimination of a lease of Pure Health Holding LLC ("Lessee"), which become an intercompany lease, after the acquisition of Aldar Properties PJSC ("Lessor") in 2022.

Lease liabilities are disclosed in the consolidated statement of financial position as:

|                     | 2023<br>AED'000  | 2022<br>AED'000  |
|---------------------|------------------|------------------|
| Non-current portion | 1,896,446        | 2,814,243        |
| Current portion     | <u>256,301</u>   | <u>268,099</u>   |
|                     | <u>2,152,747</u> | <u>3,082,342</u> |

Maturity analysis of lease liabilities is disclosed in note 43.

The following are the amounts recognised in the consolidated statement of profit or loss:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| Depreciation expense (included in cost of revenue) (note 31)                     | 57,336          | 48,841          |
| Depreciation expense (included in general and administrative expenses) (note 32) | 184,679         | 146,974         |
| Depreciation expense (included in selling and distribution expenses) (note 33)   | 36,932          | 28,648          |
| Expense relating to short-term leases  | 269,874         | 324,308         |
| Interest expense on lease liabilities (included in finance cost) (note 38)       | 98,450          | 89,491          |
| Covid-19 related rent concessions adjustment (note 34)                           | -               | (386)           |
|  | <u>647,271</u>  | <u>637,876</u>  |

## Notes to the Consolidated Financial Statements

31 December 2023

### 30 REVENUE

|   | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------------------|-------------------|
| <b>Type of goods or services</b>                              |                   |                   |
| Marine and dredging revenue                                   | 17,940,095        | 11,797,360        |
| Construction and related services revenue                     | 9,925,468         | 7,519,993         |
| Developing of properties                                      | 6,401,343         | 4,085,237         |
| Food and related non-consumable items                         | 4,027,539         | 2,386,566         |
| Rental income   | 3,823,022         | 2,827,270         |
| Management of properties, facilities and development projects | 3,309,837         | 1,420,921         |
| Healthcare and other medical supplies                         | 3,125,220         | 13,315,778        |
| Manpower and consultancy services                             | 2,131,054         | 769,697           |
| Information technology related revenue                        | 2,122,024         | 810,237           |
| Hospitality and leisure revenue                               | 1,553,797         | 1,177,786         |
| Premiums and other insurance related revenue                  | 1,466,282         | 1,050,133         |
| Education and related services                                | 686,579           | 453,160           |
| Coaching and training services                                | 673,295           | 619,483           |
| Sale of properties and land                                   | 479,820           | 714,088           |
| Sale of cosmetics and related personal care services          | 383,458           | 360,500           |
| Sale of furniture   | 381,428           | 311,249           |
| Sale of cement and other related products                     | 315,503           | 189,658           |
| Revenue from brokerage services                               | 313,134           | 213,106           |
| District cooling services                                     | 266,159           | 271,580           |
| Media and marketing services                                  | 239,206           | 107,362           |
| Delivery services   | 160,530           | 110,274           |
| Others  | <u>364,647</u>    | <u>434,695</u>    |
|   | <u>60,089,440</u> | <u>50,946,133</u> |

#### Timing of revenue recognition

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Revenue at a point in time | 16,175,991        | 22,631,563        |
| Revenue over time          | <u>43,913,449</u> | <u>28,314,570</u> |
|                            | <u>60,089,440</u> | <u>50,946,133</u> |

#### Geographical markets

|                 |                   |                   |
|-----------------|-------------------|-------------------|
| UAE             | 51,023,034        | 44,061,745        |
| Outside the UAE | <u>9,066,406</u>  | <u>6,884,388</u>  |
|                 | <u>60,089,440</u> | <u>50,946,133</u> |

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

|                                       | 2023<br>AED'000    | 2022<br>AED'000   |
|---------------------------------------|--------------------|-------------------|
| Within one year                       | 40,416,467         | 33,158,848        |
| After one but no more than five years | 39,600,459         | 24,254,532        |
| More than five years                  | <u>29,516,562</u>  | <u>28,102,004</u> |
|                                       | <u>109,533,488</u> | <u>85,515,384</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 31. COST OF REVENUE

|  | 2023<br>AED'000   | 2022<br>AED'000   |
|--|-------------------|-------------------|
| Other direct materials and charges                       | 17,149,278        | 14,646,803        |
| Subcontracting and maintenance costs                     | 12,268,867        | 8,881,773         |
| Staff costs  | 9,193,496         | 6,299,365         |
| Cost related to consumer products                        | 3,212,735         | 1,772,195         |
| Insurance claims incurred                                | 1,267,217         | 1,014,506         |
| Cost of healthcare and other medical supplies            | 602,357           | 2,890,209         |
| Cost incurred on leased properties                       | 190,005           | 78,927            |
| Cost related to sale of furniture                        | 178,881           | 164,211           |
| Cost of properties and land sold                         | 173,708           | 18,058            |
| Royalty fees   | 16,275            | 14,929            |
| Depreciation (note 7, 9, 15 & 29)                        | 1,975,530         | 1,730,229         |
| Amortisation (note 8)                                    | 110,183           | 109,569           |
| (Reversal of) impairment of non-financial assets, net(i) | (5,049)           | 1,120,849         |
| Allowance for slow moving inventories (note 13)          | 1,061             | -                 |
| Supply of installation of water desalination             | -                 | 22,252            |
| Others   | 714,879           | 504,970           |
|  | <u>47,049,423</u> | <u>39,268,845</u> |

i. The breakup of impairment of non-financial assets is as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000  |
|---|-----------------|------------------|
| Impairment loss on property, plant and equipment, net of reversals (note 7) | -               | 82,103           |
| (Reversal of) impairment loss on investment properties (note 9)             | (85,338)        | 765,540          |
| (Reversal of) impairment loss on development work in progress (note 16)     | (52,927)        | 235,491          |
| Write-off of project costs in development work in progress (note 16)        | 133,216         | 37,715           |
|   | <u>(5,049)</u>  | <u>1,120,849</u> |

### 32 GENERAL AND ADMINISTRATIVE EXPENSES

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| Staff costs   | 2,814,620        | 3,371,413        |
| Rent, utilities and communication                     | 369,234          | 443,366          |
| Professional and legal expenses                       | 388,028          | 384,013          |
| Board of Directors remuneration (note 35.2)           | 100,000          | -                |
| Allowance for expected credit loss (note 14, 17 & 35) | 382,990          | 450,628          |
| Depreciation (note 7, 9 & 29)                         | 796,419          | 611,579          |
| Amortisation (note 8)                                 | 238,814          | 192,731          |
| Allowance for slow moving inventories (note 13)       | 56,140           | 21,117           |
| Impairment <sup>(i)</sup>                             | 127,258          | 72,251           |
| Other expenses  | 826,325          | 1,908,974        |
|   | <u>6,099,828</u> | <u>7,456,072</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 32 GENERAL AND ADMINISTRATIVE EXPENSES continued

(i) The breakup of impairment of other assets is as follows:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Impairment loss on property, plant and equipment (note 7) | 7,006           | -               |
| Impairment loss on land plots held for sale (note 13)     | 109,198         | 71,191          |
| Impairment loss on other assets                           | 11,054          | 1,060           |
|   | <u>127,258</u>  | <u>72,251</u>   |

### 33 SELLING AND DISTRIBUTION EXPENSES

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| Staff cost   | 103,354         | 50,780          |
| Sales promotion and marketing                                    | 272,463         | 457,444         |
| Rent, utilities and communication                                | 12,610          | 11,863          |
| Freight and other direct selling expenses                        | 57,001          | 14,800          |
| Depreciation (note 7 & 29)                                       | 55,860          | 39,959          |
| Reversal of impairment on property, plant and equipment (note 7) | (2,726)         | -               |
| Other expenses   | 22,611          | 16,340          |
|  | <u>521,173</u>  | <u>591,186</u>  |

### 34 INVESTMENT AND OTHER INCOME

|   | 2023<br>AED'000  | 2022<br>AED'000   |
|---|------------------|-------------------|
| Interest and dividends income   | 1,928,332        | 840,492           |
| Reversal of excess provisions <sup>(i)</sup>  | 1,484,332        | 189,132           |
| Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)                                   | 867,965          | 22,029,776        |
| Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss (note 10) | 817,627          | -                 |
| Amortisation of deferred income   | 387,061          | 116,647           |
| Income from government grant  | 330,767          | 1,423,331         |
| Gain on disposal of assets held for sale (note 19.1)  | 218,348          | -                 |
| Unwinding of discounting of long-term receivables   | 146,225          | 47,808            |
| Recovery of bad debts written off   | 23,925           | 71,496            |
| Liabilities written back(ii)  | 91,317           | -                 |
| Reversal of provision for infrastructure cost <sup>(iii)</sup>  | 114,283          | -                 |
| Net gain on disposal of property, plant and equipment   | 41,883           | 326,871           |
| Gain on disposal of investment properties   | 28,788           | 27,952            |
| Fair value gain on remeasurement of a joint venture (note 10)   | -                | 116,430           |
| COVID-19 related rent concessions (note 29)   | -                | 386               |
| Change in fair value of biological assets, net of impairment losses (note 15)   | (7,369)          | 29,332            |
| Foreign exchange loss   | (57,395)         | (819,291)         |
| Loss on reassessment of non-current receivables   | (169,616)        | -                 |
| Others  | 515,666          | 393,080           |
|   | <u>6,762,139</u> | <u>24,793,442</u> |



## Notes to the Consolidated Financial Statements

31 December 2023

### 34 INVESTMENT AND OTHER INCOME continued

- (i) Represents reversal of provisions which were no longer required following management's assessment at the reporting date of the estimated cash flows required based on the latest information.
- (ii) Liabilities written back represent project accruals previously recorded by the Group against development work performed by a related party on the Traditional Souq Project amounting to AED 47,953 thousand and work performed by contractors on residential development projects amounting to AED 43,364 thousand. During the year, the Group entered into settlement agreements with the related party and other contractors whereby all the amounts payable in connection with the projects were considered to be fully and finally settled leading to the reversals noted.
- (iii) During the year, the Group completed the required infrastructure works on certain sold plots of land accordingly the deferred revenue and the related excess provision for infrastructure work was released given that the required provisions were no longer required.

### 35 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

#### 35.1 Balances

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

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| <b>Due from related parties:</b>                                  |                  |                  |
| <b>Current:</b>   |                  |                  |
| Entities under common control                                     | 564,200          | 481,888          |
| Joint ventures  | 302,072          | 235,363          |
| Joint operations  | 234              | 234              |
| Associates  | 232,507          | 44,851           |
| Entities managed by key management personnel                      | 635,298          | 1,397,237        |
| Ultimate Parent   | 4,161            | 2,025            |
| Other related parties   | 826,618          | 292,345          |
|   | <b>2,565,090</b> | <b>2,453,943</b> |
| Less: allowance for expected credit losses on current portion     | <b>(737,493)</b> | <b>(465,611)</b> |
|   | <b>1,827,597</b> | <b>1,988,332</b> |
| <b>Non-current:</b>   |                  |                  |
| Joint ventures  | 210,999          | 210,918          |
| Entities under common control <sup>(i)</sup>                      | 951              | 951              |
|   | <b>211,950</b>   | <b>211,869</b>   |
| Less: allowance for expected credit losses on non-current portion | <b>(210,999)</b> | <b>(210,918)</b> |
|   | <b>951</b>       | <b>951</b>       |
| Total due from related parties, net                               | <b>1,828,548</b> | <b>1,989,283</b> |

- (i) This balance pertains to retention receivables on contracts signed with related parties.

## Notes to the Consolidated Financial Statements

31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.1 Balances continued

**Due from related parties:** continued

Movement in allowance for expected credit losses of due from related parties is as follows:

|  | 2023<br>AED'000 | 2022<br>AED'000 |
|--|-----------------|-----------------|
| Balance at 1 January                                     | 676,529         | 301,331         |
| Acquired in business combinations                        | -               | 184,416         |
| Charge for the year (note 32)                            | 278,862         | 197,919         |
| Write-off during the year                                | -               | (5,178)         |
| Eliminated on derecognition of a subsidiary              | (3,914)         | -               |
| Transfer to ECL on trade and other receivables (note 14) | <b>(2,985)</b>  | <b>(1,959)</b>  |
|  | <b>948,492</b>  | <b>676,529</b>  |

|                                       | 2023<br>AED'000 | 2022<br>AED'000 |
|---------------------------------------|-----------------|-----------------|
| <b>Loans to related parties:</b>      |                 |                 |
|                                       | <b>622,205</b>  | <b>1,200</b>    |
| <b>Nature of relationship</b>         |                 |                 |
| Related party loan 1                  | -               | 1,200           |
| Related party loan 2 <sup>(i)</sup>   | 616,505         | -               |
| Related party loan 3 <sup>(ii)</sup>  | 1,400           | -               |
| Related party loan 4 <sup>(iii)</sup> | 4,300           | -               |

- (i) During the year, Multiply Group PJSC, a subsidiary, signed loan agreements with one of its joint venture's, Kalyon Enerjij Yatirimlari A.S amounting to AED 616,505 thousand (USD 128 million and EUR 36 million), in order to support their working capital requirements. The loans carry interest ranging from 8.25% to 10.5% per annum payable on a quarterly basis starting from 31 December 2023. The principle is repayable in full after 8 years from the date of the first drawdown (i.e. September 2031), being the maturity date.
- (ii) During the year, Palms Sports PJSC, a subsidiary, signed loan agreements with related parties carrying interest ranging from 2% to 3% per annum and repayable within one year.

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

|             | 2023<br>AED'000 | 2022<br>AED'000 |
|-------------|-----------------|-----------------|
| Non-current | 616,505         | -               |
| Current     | 5,700           | 1,200           |
|             | <b>622,205</b>  | <b>1,200</b>    |



## Notes to the Consolidated Financial Statements

31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.1 Balances continued

| <i>Due from related parties:</i>             | <i>2023<br/>AED'000</i> | <i>2022<br/>AED'000</i> |
|--|-------------------------|-------------------------|
| <b>Current:</b>                              |                         |                         |
| Entities under common control                | 595,373                 | 723,265                 |
| Joint ventures                               | 11,181                  | 1,312,798               |
| Associates                                   | 74,962                  | 3,650                   |
| Entities managed by key management personnel | 81,945                  | 1,882,625               |
| Ultimate Parent                              | 2,418                   | 4,183                   |
| Other related parties                        | 583,014                 | 413,996                 |
|  | <u>1,348,893</u>        | <u>4,340,517</u>        |
| <b>Non-current:</b>                          |                         |                         |
| Ultimate Parent                              | 2,520                   | 2,520                   |
| Entities under common control                | -                       | 613                     |
|  | <u>2,520</u>            | <u>3,133</u>            |
| <b>Total due to related parties</b>          | <b><u>1,351,413</u></b> | <b><u>4,343,650</u></b> |

| <i>Loans to related parties:</i> | <i>Nature of relationship</i> | <i>2023<br/>AED'000</i> | <i>2022<br/>AED'000</i> |
|----------------------------------|-------------------------------|-------------------------|-------------------------|
| Related party loan 1(i)          | Ultimate Parent               | 31,785                  | 40,995                  |
| Related party loan 2(ii)         | Other related party           | 34,860                  | 39,178                  |
| Related party loan 3(iii)        | Entity under common control   | 13,300                  | 13,300                  |
| Related party loan 4 (iv)        | Other related party           | 78,571                  | -                       |
| Related party loan 5 (v)         | Other related party           | 1,662                   | -                       |
|                                  |                               | <u>160,178</u>          | <u>93,473</u>           |

Disclosed in the consolidated statement of financial position as follows:

|             | <i>2023<br/>AED'000</i> | <i>2022<br/>AED'000</i> |
|-------------|-------------------------|-------------------------|
| Non-current | 122,118                 | 76,899                  |
| Current     | 38,060                  | 16,574                  |
|             | <u>160,178</u>          | <u>93,473</u>           |

- (i) A subsidiary of the Group obtained a loan from Royal Group Holding LLC, to finance 20% of the total cost of a district cooling plant project in Abu Dhabi, carrying interest of 5%. The principal portion of the loan is repayable in 4 equal annual instalments starting from 31 December 2023 and the interest portion is repayable in 12 annual instalments starting 31 December 2018. The loan is secured by a mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment.
- (ii) A subsidiary of the Group obtained a loan from Aafaq Islamic Finance PSC, to finance the purchase of sharia compliant commodities. The loan carries interest of 2.5% per annum and is repayable on monthly instalments up until 2026. The loan is secured by a corporate guarantee.

## Notes to the Consolidated Financial Statements

31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.1 Balances continued

#### *Loans from related parties:* continued

- (iii) A subsidiary of the Group obtained a loan from RG Treasury Holding LLC, to support the working capital requirements. The loan is repayable in 2025. The loan does not carry any interest.
- (iv) Prior to its acquisition by the Group, Al Ain Farms for Livestock Production, obtained a loan from one of its existing shareholders, Abu Dhabi Fund for Development. The loan carries interest of 2.5% per annum and is payable semi-annually over a period of ten years.
- (v) A subsidiary of the Group, LVL Technology Holding, obtained a loan from its existing shareholders, to support the working capital requirements. The loan carries interest of 13% per annum and is repayable in one bullet payment during April 2024.



## Notes to the Consolidated Financial Statements

31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.2 Transactions

During the year, the Group entered into the following transactions with related parties:

|  | 2023<br>AED'000  | 2022<br>AED'000  |
|--|------------------|------------------|
| <b>Revenue:</b>  |                  |                  |
| Entities under common control                                | 240,410          | 598,476          |
| Joint ventures   | 647,051          | 335,534          |
| Associates   | 46,558           | 41,976           |
| Entities managed by key management personnel                 | 104,232          | 50,368           |
| Other related parties  | <u>523,855</u>   | <u>437,565</u>   |
|  | <u>1,562,106</u> | <u>1,463,919</u> |
| <b>Cost of revenue</b>                                       |                  |                  |
| Entities under common control                                | 15,484           | 47,667           |
| Joint ventures   | 29,543           | 1,534,456        |
| Associates   | 17,049           | 5,542            |
| Entities managed by key management personnel                 | 83,491           | 10,603           |
| Other related parties  | <u>75,831</u>    | <u>28,168</u>    |
|  | <u>221,398</u>   | <u>1,626,436</u> |
| <b>General and administrative expenses</b>                   |                  |                  |
| Entities under common control                                | 7,086            | 5,009            |
| Joint ventures   | 10,360           | 1,521            |
| Entities managed by key management personnel                 | 621              | 21,768           |
| Other related parties  | <u>1,154</u>     | <u>20,948</u>    |
|  | <u>19,221</u>    | <u>49,246</u>    |
| <b>Investment and other income (interest income)</b>         |                  |                  |
| Joint ventures   | <u>31,038</u>    | <u>-</u>         |
| Disposal of investment in a joint venture to a related party | <u>-</u>         | <u>101,000</u>   |
| Disposal of investment in a subsidiary to a related party    | <u>31,275</u>    | <u>114,300</u>   |

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

## Notes to the Consolidated Financial Statements

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### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.2 Transactions continued

During the year, the Group made additional equity contributions to the following subsidiaries:

- Subsequent to the acquisition, the Group made an equity contribution of AED 140,000 thousand to Al Ain Farm against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 78,218 thousand, representing 49% of the contribution made.
- During the year, the Group made an equity contribution of AED 2,319 thousand, to Shory Technology LLC against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 696 thousand, representing 30% of the contribution made.

The above amounting to AED 78,914 thousand were recorded as other equity movement in the consolidated statement of changes in equity.

#### Balances and transactions with a financial institution (other related party):

##### Balances:

|                                       | 2023<br>AED'000   | 2022<br>AED'000   |
|---------------------------------------|-------------------|-------------------|
| Balances with a financial institution | <u>18,434,217</u> | <u>15,618,285</u> |
| Borrowings                            | <u>32,970,889</u> | <u>27,139,091</u> |

##### Transactions:

|                         | 2023<br>AED'000   | 2022<br>AED'000   |
|-------------------------|-------------------|-------------------|
| Interest expense        | <u>1,118,713</u>  | <u>581,662</u>    |
| Interest income         | <u>289,731</u>    | <u>52,738</u>     |
| Drawdowns of borrowings | <u>10,810,444</u> | <u>26,497,337</u> |
| Repayment of borrowings | <u>4,999,049</u>  | <u>3,738,119</u>  |

Transactions with related parties were entered into on terms agreed with management.

#### Key management remuneration

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| Salaries and other benefits - short term        | <u>60,347</u>   | <u>37,437</u>   |
| End of service benefits and pension - long term | <u>2,508</u>    | <u>1,083</u>    |
| Board of Directors remuneration (note 32)       | <u>100,000</u>  | <u>-</u>        |



## Notes to the Consolidated Financial Statements

31 December 2023

### 36 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

|   | 2023              | 2022              |
|---|-------------------|-------------------|
| Profit attributable to owners of the Company (AED'000)  | <u>27,523,100</u> | <u>12,652,578</u> |
| Weighted average number of shares (shares in '000)      | <u>2,193,540</u>  | <u>1,859,149</u>  |
| Basic and diluted earnings per share for the year (AED) | <u>12.55</u>      | <u>6.81</u>       |

As of 31 December 2023 and 31 December 2022, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

|                      | 2023<br>AED'000   | 2022<br>AED'000   |
|----------------------|-------------------|-------------------|
| Letters of guarantee | <u>29,642,137</u> | <u>19,567,353</u> |
| Letters of credit    | <u>856,128</u>    | <u>1,176,744</u>  |
| Capital commitments  | <u>53,522,340</u> | <u>46,514,089</u> |

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that require to be accrued for as of 31 December 2023.

### 38 FINANCE COSTS

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| Interest on borrowings                      | 2,143,183        | 1,051,191        |
| Interest on lease liabilities (note 29)     | 98,450           | 89,491           |
| Amortisation of transaction costs (note 24) | 4,151            | 12,067           |
| Others                                      | <u>31,582</u>    | <u>35,510</u>    |
|   | <u>2,277,366</u> | <u>1,188,259</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 39 TAXATION

#### UAE Corporate Tax Law

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

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

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

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Accordingly, the Group has recorded a deferred tax liability of AED 826,368 thousand as at 31 December 2023.

The Group's subsidiaries in United States of America, India, Kingdom of Saudi Arabia, Russia, Maldives, Arab Republic of Egypt, Cyprus, Switzerland, Seychelles, United Kingdom and Greece are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

The major components of taxation for the years ended 31 December 2023 and 2022 are:

|   | 2023<br>AED'000 | 2022<br>AED'000 |
|---|-----------------|-----------------|
| <b>Consolidated statement of profit or loss</b>                             | <b>676,529</b>  | <b>301,331</b>  |
| <i>Income tax:</i>  |                 |                 |
| Charge for the year   | 144,229         | 184,416         |
| Adjustments in respect of current income tax of previous year               | <u>(11,397)</u> | <u>(491)</u>    |
|   | <u>(3,914)</u>  | -               |
|   | <b>132,832</b>  | <b>135,105</b>  |
| <i>Deferred tax:</i>  |                 |                 |
| Relating to origination and reversal of temporary differences               | <u>723,095</u>  | <u>(46,231)</u> |
| Income tax expense reported in the consolidated statement of profit or loss | <u>855,927</u>  | <u>88,874</u>   |
| <b>Consolidated other comprehensive income</b>                              |                 |                 |
|   | <b>2023</b>     | <b>2022</b>     |
|   | <b>AED'000</b>  | <b>AED'000</b>  |
| <i>Deferred tax related to items recognised in OCI during the year:</i>     |                 |                 |
| Foreign exchange difference on translation of foreign operations            | <u>4,760</u>    | <u>13,991</u>   |
| Deferred income tax charged to OCI  | <u>4,760</u>    | <u>13,991</u>   |



## Notes to the Consolidated Financial Statements

31 December 2023

### 39 TAXATION continued

Reconciliation of tax expense and the accounting profit for 2023 and 2022:

|   | 2023<br>AED'000     | 2022<br>AED'000     |
|---|---------------------|---------------------|
| Accounting profit before tax  | 33,810,175          | 32,660,074          |
| Income not subject to tax   | <u>(32,781,148)</u> | <u>(31,933,426)</u> |
| Accounting profit subject to tax  | <u>1,029,027</u>    | <u>726,648</u>      |
| At effective tax rate ranging from 10% to 33% (2022: 10% to 20%)            | 152,584             | 83,671              |
| Tax losses  | (973)               | (12,572)            |
| Temporary differences   | 723,951             | (3,729)             |
| Adjustment related to previous year   | (11,397)            | (491)               |
| Permanent differences   | <u>(8,238)</u>      | <u>21,995</u>       |
| Income tax benefit reported in the consolidated statement of profit or loss | <u>855,927</u>      | <u>88,874</u>       |

### Deferred tax

Reconciliation of deferred tax (liabilities) assets:

|   | 2023<br>AED'000  | 2022<br>AED'000 |
|---|------------------|-----------------|
| At 1 January  | 41,209           | 15,053          |
| Acquired in business combination (note 6.2)                       | (45,434)         | (11,227)        |
| Foreign currency translation adjustment                           | (16,923)         | (22,839)        |
| Tax (expense) income recognised in profit or loss during the year | (723,095)        | 46,231          |
| Tax income recognised in OCI during the year                      | <u>4,760</u>     | <u>13,991</u>   |
| <b>At 31 December - (liabilities) assets</b>                      | <u>(739,483)</u> | <u>41,209</u>   |

Deferred tax assets (liabilities) relate to the following:

|   | 2023<br>AED'000  | 2022<br>AED'000 |
|---|------------------|-----------------|
| <i>Deferred tax assets</i>  |                  |                 |
| Foreign exchange difference on translation of foreign operations        | 18,845           | 9,853           |
| Losses available for offsetting against future taxable income           | 34,373           | 12,949          |
| Provisions and other  | <u>82,341</u>    | <u>83,555</u>   |
|   | <u>135,559</u>   | <u>106,357</u>  |
| <i>Deferred tax liabilities</i>   |                  |                 |
| Accelerated depreciation for tax purposes                               | (48,674)         | (40,461)        |
| Relating to business combinations prior to enactment of UAE CT Law      | (751,829)        | -               |
| Relating to business combinations subsequent to enactment of UAE CT Law | (74,539)         | -               |
| Others  | -                | (24,687)        |
|   | <u>(875,042)</u> | <u>(65,148)</u> |

## Notes to the Consolidated Financial Statements

31 December 2023

### 39 TAXATION continued

#### Deferred tax continued

Following is the deferred tax liability recorded on the application of UAE CT Law:

|   | 2023<br>AED'000  | 2022<br>AED'000 |
|---|------------------|-----------------|
| Goodwill - prior to enactment of UAE CT Law                 | (236,231)        | -               |
| Intangible assets acquired as part of business combinations |                  |                 |
| - prior to enactment of UAE CT Law                          | (317,605)        | -               |
| Intangible assets acquired as part of business combinations |                  |                 |
| - subsequent to enactment of UAE CT Law                     | (74,539)         | -               |
| Investment properties                                       | 288,465          | -               |
| Inventory properties  | (271,521)        | -               |
| Development work-in-progress                                | (169,903)        | -               |
| Property, plant and equipment                               | (44,639)         | -               |
| Others  | <u>(395)</u>     | <u>-</u>        |
|   | <u>(826,368)</u> | <u>-</u>        |

Furthermore, the UAE as a member of the OECD BEPS Inclusive Framework is committed to adopt Pillar Two rules (OECD Model Rules) in domestic legislation. OECD Pillar Two rules will apply to Multinational Enterprises (MNEs) such as the Group with consolidated revenues above EUR 750 million. The Pillar Two rules have not been yet adopted in the UAE or any foreign jurisdiction where the Group has presence.

Due to the uncertainties and on-going developments, the Group is not able to provide a reasonable estimation at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

| Name                                 | Country of incorporation and operation | 2023   | 2022   |
|--------------------------------------|--|--------|--------|
| Alpha Dhabi Holding PJSC             | United Arab Emirates                   | 10.30% | 10.30% |
| Multiply Group PJSC                  | United Arab Emirates                   | 41.26% | 41.26% |
| Q Holding PSC                        | United Arab Emirates                   | 44.40% | 44.44% |
| Ghitha Holding PJSC                  | United Arab Emirates                   | 13.10% | 13.10% |
| Sirius International Holding Limited | United Arab Emirates                   | 16.31% | 20.00% |



## Notes to the Consolidated Financial Statements

31 December 2023

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

|   | 2023<br>AED'000   | 2022<br>AED'000   |
|---|-------------------|-------------------|
| <b>Accumulated balances of material non-controlling interests:</b>    |                   |                   |
| Alpha Dhabi Holding PJSC  | 34,320,904        | 36,882,236        |
| Multiply Group PJSC   | 13,843,844        | 13,004,655        |
| Q Holding PSC   | 7,793,841         | 7,498,447         |
| Ghitha Holding PJSC   | 2,073,036         | 1,499,061         |
| Sirius International Holding Limited                                  | 688,431           | 424,942           |
|   | <b>58,720,056</b> | <b>59,309,341</b> |
| <b>Profit (loss) allocated to material non-controlling interests:</b> |                   |                   |
| Alpha Dhabi Holding PJSC  | 34,320,904        | 36,882,236        |
| Multiply Group PJSC   | 354,659           | 12,884,871        |
| Q Holding PSC   | 208,737           | 161,593           |
| Ghitha Holding PJSC   | 16,944            | 87,535            |
| Sirius International Holding Limited                                  | 250,901           | (38,428)          |
|   | <b>4,578,404</b>  | <b>19,050,388</b> |

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

#### Summarised statement of profit or loss of material partly-owned subsidiaries:

|  | Alpha Dhabi<br>AED'000 | Multiply<br>AED'000 | Q Holding<br>AED'000 | Ghitha<br>AED'000 | Sirius<br>AED'000 |
|--|------------------------|---------------------|----------------------|-------------------|-------------------|
| <b>31 December 2023</b>                                  |                        |                     |                      |                   |                   |
| Revenue  | 45,415,595             | 1,293,883           | 882,396              | 4,566,913         | 444,383           |
| Cost of revenue  | (36,068,092)           | (630,486)           | (398,157)            | (3,793,674)       | (269,609)         |
| General and administrative expenses                      | (4,389,381)            | (302,772)           | (276,426)            | (406,980)         | (109,698)         |
| Selling and distribution expenses                        | -                      | -                   | (27,942)             | (189,545)         | (853)             |
| Gain on acquisition of subsidiaries                      | 1,502                  | -                   | -                    | -                 | -                 |
| Gain on derecognition of subsidiaries                    | 7,457,394              | -                   | -                    | -                 | -                 |
| Share of profit (loss) from equity accounted investments | 458,239                | 228,558             | (697)                | 38,686            | 69,845            |
| Finance cost   | (1,125,913)            | (415,637)           | (89,469)             | (71,189)          | (103,274)         |
| Investment and other income                              | 2,161,332              | 4,07,329            | 563,753              | (69,127)          | 1,170,522         |
| Taxation   | (629,426)              | (28,887)            | (79,504)             | (31,895)          | (15,976)          |
| <b>Profit for the year</b>                               | <b>13,281,250</b>      | <b>551,988</b>      | <b>573,954</b>       | <b>43,189</b>     | <b>1,185,340</b>  |
| <b>Attributable to non-controlling interests</b>         | <b>3,747,163</b>       | <b>354,659</b>      | <b>208,737</b>       | <b>16,944</b>     | <b>250,901</b>    |
| <b>31 December 2022</b>                                  |                        |                     |                      |                   |                   |
| Revenue  | 40,049,989             | 1,125,509           | 682,407              | 2,278,565         | 22,620            |
| Cost of revenue  | (30,312,280)           | (556,351)           | (917,530)            | (1,895,244)       | (48,866)          |
| General and administrative expenses                      | (5,216,475)            | (237,564)           | (298,085)            | (192,594)         | (54,859)          |
| Selling and distribution expenses                        | -                      | -                   | (17,839)             | (48,758)          | -                 |
| Gain on acquisition of subsidiaries                      | -                      | -                   | 1,865,900            | -                 | -                 |
| Loss on disposal of subsidiaries                         | -                      | -                   | (16,253)             | -                 | -                 |
| Fair value gain on previously held equity interest       | 3,879,900              | -                   | -                    | 90,000            | -                 |
| Share of profit (loss) from equity accounted investments | 58,817                 | (14,533)            | (7,421)              | 8,784             | (99,834)          |
| Finance cost   | (583,798)              | (150,081)           | (116,443)            | (13,382)          | (1,907)           |
| Investment and other income                              | 2,799,753              | 18,395,968          | (352,085)            | 104,774           | 2,186             |
| Taxation   | (68,532)               | -                   | -                    | 356               | -                 |
| <b>Profit (loss) for the year</b>                        | <b>10,607,374</b>      | <b>18,562,948</b>   | <b>822,651</b>       | <b>332,501</b>    | <b>(180,660)</b>  |
| <b>Attributable to non-controlling interests</b>         | <b>5,954,817</b>       | <b>12,884,871</b>   | <b>161,593</b>       | <b>87,535</b>     | <b>(38,428)</b>   |

## Notes to the Consolidated Financial Statements

31 December 2023

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

#### Summarised statement of financial position of material partly-owned subsidiaries:

|  | Alpha Dhabi<br>AED'000 | Multiply<br>AED'000 | Q Holding<br>AED'000 | Ghitha<br>AED'000 | Sirius<br>AED'000 |
|--|------------------------|---------------------|----------------------|-------------------|-------------------|
| <b>31 December 2023</b>                                      |                        |                     |                      |                   |                   |
| Non-current assets   | 66,871,591             | 24,085,999          | 9,862,633            | 3,480,997         | 2,060,568         |
| Current assets   | 73,482,096             | 18,072,650          | 11,448,448           | 3,584,374         | 9,503,733         |
| Non-current liabilities                                      | (27,000,537)           | (9,574,954)         | (2,075,730)          | (900,328)         | (7,886,834)       |
| Current liabilities  | (37,376,119)           | (2,397,119)         | (4,316,691)          | (1,750,237)       | (514,007)         |
| <b>Total equity</b>  | <b>75,977,031</b>      | <b>30,186,576</b>   | <b>14,918,660</b>    | <b>4,414,806</b>  | <b>3,163,460</b>  |
| Less: non-controlling interest                               | 32,142,748             | 1,277,745           | 1,149,566            | 1,678,622         | 173,353           |
| Less: hybrid equity instruments                              | 1,815,646              | -                   | -                    | -                 | -                 |
| <b>Equity attributable to the owners of the subsidiaries</b> | <b>42,018,637</b>      | <b>28,908,831</b>   | <b>13,769,094</b>    | <b>2,736,184</b>  | <b>2,990,107</b>  |
| Attributable to:   |                        |                     |                      |                   |                   |
| Equity holders of parent                                     | 39,840,481             | 16,342,732          | 7,124,819            | 2,341,770         | 2,475,029         |
| Non-controlling interest                                     | 34,320,904             | 13,843,844          | 7,793,841            | 2,073,036         | 688,431           |
| <b>31 December 2022</b>                                      |                        |                     |                      |                   |                   |
| Non-current assets   | 56,145,804             | 28,125,027          | 8,906,345            | 2,498,353         | 1,832,898         |
| Current assets   | 74,883,420             | 13,080,855          | 10,635,399           | 2,867,862         | 1,141,962         |
| Non-current liabilities                                      | (23,461,806)           | (9,787,108)         | (1,709,480)          | (543,303)         | (643,229)         |
| Current liabilities  | (37,528,458)           | (2,038,067)         | (3,584,411)          | (1,025,799)       | (283,207)         |
| <b>Total equity</b>  | <b>70,038,960</b>      | <b>29,380,707</b>   | <b>14,247,853</b>    | <b>3,797,113</b>  | <b>2,048,424</b>  |
| Less: non-controlling interest                               | 36,328,703             | 853,219             | 955,255              | 1,271,296         | 9,272             |
| Less: hybrid equity instruments                              | 1,815,646              | -                   | -                    | -                 | -                 |
| <b>Equity attributable to the owners of the subsidiaries</b> | <b>31,894,611</b>      | <b>28,527,488</b>   | <b>13,292,598</b>    | <b>2,525,817</b>  | <b>2,039,152</b>  |
| Attributable to:   |                        |                     |                      |                   |                   |
| Equity holders of parent                                     | 31,341,078             | 16,376,052          | 6,749,406            | 2,298,052         | 1,623,482         |
| Non-controlling interest                                     | 36,882,236             | 13,004,655          | 7,498,447            | 1,499,061         | 424,942           |



## Notes to the Consolidated Financial Statements

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### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of financial position of material partly-owned subsidiaries:

|   | Alpha Dhabi<br>AED'000    | Multiply<br>AED'000       | Q Holding<br>AED'000    | Ghitha<br>AED'000     | Sirius<br>AED'000     |
|---|---------------------------|---------------------------|-------------------------|-----------------------|-----------------------|
| <b>31 December 2023</b>                                     |                           |                           |                         |                       |                       |
| Operating   | 5,966,471                 | 996,624                   | 82,062                  | 633,123               | (1,368,724)           |
| Investing   | (13,206,832)              | (1,755,097)               | (323,918)               | (568,142)             | 1,349,672             |
| Financing   | <u>2,210,450</u>          | <u>1,041,285</u>          | <u>18,102</u>           | <u>255,329</u>        | <u>699,187</u>        |
| <b>Net (decrease) increase in cash and cash equivalents</b> | <b><u>(5,029,911)</u></b> | <b><u>282,812</u></b>     | <b><u>(223,754)</u></b> | <b><u>320,310</u></b> | <b><u>680,135</u></b> |
| <b>31 December 2022</b>                                     |                           |                           |                         |                       |                       |
| Operating   | 13,479,250                | 857,155                   | 711,484                 | 162,744               | (668,931)             |
| Investing   | (10,206,023)              | (11,536,617)              | (557,851)               | (432,269)             | 752,253               |
| Financing   | <u>6,452,035</u>          | <u>8,070,277</u>          | <u>(791,928)</u>        | <u>561,820</u>        | <u>744,238</u>        |
| <b>Net (decrease) increase in cash and cash equivalents</b> | <b><u>9,725,262</u></b>   | <b><u>(2,609,185)</u></b> | <b><u>(638,295)</u></b> | <b><u>292,295</u></b> | <b><u>827,560</u></b> |

### 41 FAIR VALUE MEASUREMENT

Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Consolidated Financial Statements

31 December 2023

### 41 FAIR VALUE MEASUREMENT continued

Fair value of the Group's assets that are measured at fair value on recurring basis continued

Following is the information on how the fair value of the financial assets, financial liabilities and biological assets are determined.

|  | Fair value as at  |                  | Fair value hierarchy | Valuation techniques and key inputs                      | Significant unobservable input | Relationship of unobservable inputs to fair value                   |
|--|-------------------|------------------|----------------------|--|--------------------------------|---|
|  | 31 December 2023  | 31 December 2022 |                      |  |                                |   |
| <b>Financial assets</b>                                      |                   |                  |                      |  |                                |   |
| Quoted equity investments - investment in financial assets   | <b>47,236,145</b> | 46,620,069       | Level 1              | Quoted bid prices in an active market.                   | None                           | Not applicable  |
| Unquoted equity investments - investment in financial assets | <b>14,079,503</b> | 11,757,497       | Level 3              | Discounted cash flow method and latest transaction price | Net assets value               | Higher the net assets value of the investees, higher the fair value |
| Unquoted debt investments - investment in financial assets   | <b>313,152</b>    | 185,136          | Level 3              | Discounted cash flow method and latest transaction price | Net assets value               | Higher the net assets value of the investees, higher the fair value |
| Derivative financial assets                                  | <b>32,913</b>     | 248,792          | Level 2              | Significant observable inputs                            | None                           | Not applicable  |
| Derivative financial liabilities                             | <b>12,138</b>     | 50,171           | Level 2              | Significant observable inputs                            | None                           | Not applicable  |
| <b>Non-financial assets</b>                                  | <b>50,450</b>     | 78,781           | Level 2              | Significant observable inputs                            | None                           | Not applicable  |
| <b>Biological assets</b>                                     |                   |                  |                      |  |                                |   |

There were no transfers between each of the levels during the year. The fair values of all other financial assets and liabilities, other than the below, are not materially different from their carrying values at the reporting date.

Financial liabilities at amortised cost:

|                   | 2023 AED'000            |                         | 2022 AED'000            |                         |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                   | Gross carrying amount   | Fair value              | Gross carrying amount   | Fair value              |
| Sukuk 1 (note 25) | <b>1,852,144</b>        | <b>1,820,844</b>        | 1,847,444               | 1,803,119               |
| Sukuk 2 (note 25) | <b>1,839,102</b>        | <b>1,722,890</b>        | 1,834,472               | 1,683,694               |
| Sukuk 3 (note 25) | <b>1,811,708</b>        | <b>1,782,319</b>        | -                       | -                       |
|                   | <b><u>5,502,954</u></b> | <b><u>5,326,053</u></b> | <b><u>3,681,916</u></b> | <b><u>3,486,813</u></b> |

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.



# Notes to the Consolidated Financial Statements

31 December 2023

## 42 SEGMENTAL ANALYSIS

**Real estate and construction** includes construction, development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

**Food** includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

**Technology** includes the supply and maintenance of computer equipment, in addition to cyber risk management services.

**Financial services** includes brokerage services provided with respect to securities, in addition to health insurance solutions provided in UAE.

**Marine and dredging** includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included are dredging and its associated land reclamation works.

**Healthcare** includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

**Utilities** includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

**Services and other segments** mainly comprise of education, leisure & hospitality, communication and entertainment segments, investments in financial assets and its related financing activities, as well as other ancillary activities (i.e. retail trade of household and office furniture and other head office expenses).

# Notes to the Consolidated Financial Statements

31 December 2023

## 42 SEGMENTAL ANALYSIS continued

|   | Real estate and construction |              | Food        |           | Technology |           | Financial services |            | Marine and dredging |              | Healthcare  |             | Utilities |           | Services and other segments |             | Inter-segment elimination |              | Total        |              |         |
|---|------------------------------|--------------|-------------|-----------|------------|-----------|--------------------|------------|---------------------|--------------|-------------|-------------|-----------|-----------|-----------------------------|-------------|---------------------------|--------------|--------------|--------------|---------|
|   | 2023                         | 2022         | 2023        | 2022      | 2023       | 2022      | 2023               | 2022       | 2023                | 2022         | 2023        | 2022        | 2023      | 2022      | 2023                        | 2022        | 2023                      | 2022         | 2023         | 2022         |         |
|   | AED'000                      | AED'000      | AED'000     | AED'000   | AED'000    | AED'000   | AED'000            | AED'000    | AED'000             | AED'000      | AED'000     | AED'000     | AED'000   | AED'000   | AED'000                     | AED'000     | AED'000                   | AED'000      | AED'000      | AED'000      | AED'000 |
| Revenue   | 20,621,098                   | 14,562,138   | 4,163,065   | 2,286,433 | 2,416,517  | 952,097   | 1,729,415          | 1,177,156  | 179,669,429         | 119,04,218   | 3,187,108   | 13,485,666  | 3,09,321  | 313,656   | 10,377,416                  | 7,261,043   | (683,929)                 | (996,274)    | 60,089,440   | 50,946,133   |         |
| Cost of sales   | (15,626,354)                 | (12,540,913) | (5,469,799) | (803,376) | (818,279)  | (786,296) | (1,307,099)        | (973,355)  | (15,078,966)        | (10,835,171) | (2,461,982) | (8,423,536) | (84,868)  | (74,387)  | (7,033,254)                 | (4,804,327) | 495,690                   | 872,901      | (47,049,423) | (39,268,845) |         |
| Gross profit  | 4,994,764                    | 2,221,225    | 693,266     | 482,672   | 603,226    | 165,801   | 422,316            | 203,801    | 2,290,443           | 1,069,047    | 725,126     | 5,062,130   | 154,453   | 139,269   | 3,344,162                   | 2,456,716   | (188,239)                 | (123,373)    | 13,040,017   | 11,677,288   |         |
| Selling and distribution expenses   | (140,102)                    | (373,761)    | (189,722)   | (55,172)  | (4,127)    | (7,364)   | -                  | -          | -                   | -            | (6,135)     | (29,645)    | -         | (434)     | (162,253)                   | (117,865)   | (8,834)                   | (6,945)      | (521,173)    | (591,186)    |         |
| General and administrative expenses   | (1,497,010)                  | (8,066,854)  | (339,998)   | (149,120) | (273,880)  | (134,493) | (75,868)           | (201,333)  | (529,942)           | (186,246)    | (1,012,013) | (2,338,591) | (60,818)  | (54,484)  | (2,384,479)                 | (2,650,916) | 68,180                    | 44,965       | (6,099,828)  | (7,456,072)  |         |
| Investment and other income   | 1,218,059                    | 2,302        | 54,587      | 95,810    | 1,502,328  | 6,115     | 373,897            | 343,472    | 963,253             | 1,508,790    | 381,751     | 1,621,035   | 43,924    | 4,817     | 2,316,952                   | 21,261,576  | (82,622)                  | (50,475)     | 6,762,139    | 24,793,442   |         |
| Share of profit (loss) from investment in associates and joint ventures                         | 103,557                      | (107,848)    | 52,218      | 34,215    | 12,043     | 2,771     | -                  | 322        | 52,012              | 4,234        | 294,263     | 425,152     | 257,065   | (14,335)  | 12,355,671                  | (98,481)    | -                         | 13,235,218   | 24,582,0     |              |         |
| Gain on acquisition of subsidiaries   | 825                          | 1,743,900    | -           | -         | -          | 19,521    | -                  | -          | -                   | -            | -           | 249         | -         | -         | 2,173                       | 419,614     | -                         | -            | 2,988        | 2,183,284    |         |
| (Loss) gain on derecognition of subsidiaries  | -                            | (162,553)    | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | 28,234    | -         | 8,830,127                   | 107,297     | -                         | 8,858,361    | 91,044       |              |         |
| Fair value gain on revaluation of previously held equity interest                               | 316,931                      | 2,742,265    | -           | 90,000    | -          | 16,414    | -                  | -          | -                   | -            | -           | -           | -         | -         | 1,768                       | -           | -                         | -            | 316,699      | 2,948,679    |         |
| Gain (loss) on disposal of investment in a joint venture and an associate                       | 417,279                      | (61,352)     | -           | 37,379    | -          | -         | -                  | -          | -                   | -            | -           | 591         | 32,895    | -         | 42,956                      | 31,293      | -                         | -            | 493,110      | 63,111       |         |
| Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal | -                            | -            | -           | (7,077)   | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | (7,077)      |         |
| Finance costs   | (574,724)                    | (5,073,500)  | (68,260)    | (12,201)  | (62,549)   | (191,327) | (50,034)           | (28,873)   | (22,0377)           | (27,864)     | (68,551)    | (43,109)    | (20,841)  | (10,946)  | (12,441,194)                | (462,254,9) | 32,764                    | 24,740       | (2,277,566)  | (1,188,259)  |         |
| Taxation  | (191,021)                    | (21,344)     | (31,899)    | 356       | (6,613)    | (1,357)   | -                  | -          | (33,640)            | (41,982)     | (53,684)    | -           | -         | -         | (53,9074)                   | (14,547)    | -                         | -            | (855,927)    | (88,874)     |         |
| Profit (loss) for the year  | 4,648,558                    | 3,869,980    | 150,196     | 517,862   | 1,879,317  | 59,271    | 670,311            | 317,369    | 2,721,149           | 2,226,159    | 2,507,57    | 4,695,812   | 464,922   | 63,687    | 22,357,789                  | 20,832,128  | (188,751)                 | (111,088)    | 32,954,248   | 32,577,200   |         |
| Real estate and construction  | 574,724                      | (5,073,500)  | (68,260)    | (12,201)  | (62,549)   | (191,327) | (50,034)           | (28,873)   | (22,0377)           | (27,864)     | (68,551)    | (43,109)    | (20,841)  | (10,946)  | (12,441,194)                | (462,254,9) | 32,764                    | 24,740       | (2,277,566)  | (1,188,259)  |         |
| Food  | (191,021)                    | (21,344)     | (31,899)    | 356       | (6,613)    | (1,357)   | -                  | -          | (33,640)            | (41,982)     | (53,684)    | -           | -         | -         | (53,9074)                   | (14,547)    | -                         | -            | (855,927)    | (88,874)     |         |
| Technology  | 4,648,558                    | 3,869,980    | 150,196     | 517,862   | 1,879,317  | 59,271    | 670,311            | 317,369    | 2,721,149           | 2,226,159    | 2,507,57    | 4,695,812   | 464,922   | 63,687    | 22,357,789                  | 20,832,128  | (188,751)                 | (111,088)    | 32,954,248   | 32,577,200   |         |
| Financial services  | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Marine and dredging   | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Healthcare  | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Utilities   | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Services and other segments   | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Inter-segment elimination   | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |
| Total   | 106,224,666                  | 82,834,355   | 5,857,068   | 4,078,838 | 5,980,547  | 2,184,474 | 9,313,525          | 14,828,737 | 28,758,291          | 21,865,850   | 8,561,073   | 27,245,693  | 4,310,681 | 3,291,313 | 112,690,090                 | 87,222,769  | (7,450,988)               | (15,515,535) | 264,274,953  | 228,034,494  |         |
| Segment assets  | 45,415,595                   | 35,108,472   | 3,062,183   | 2,588,037 | 3,622,915  | 1,755,023 | 7,381,582          | 12,108,112 | 17,303,900          | 13,145,878   | 1,024,648   | 9,696,323   | 1,218,742 | 1,608,309 | 45,324,659                  | 38,108,901  | (17,216,142)              | (15,446,670) | 107,538,082  | 98,670,385   |         |
| Segment liabilities   | -                            | -            | -           | -         | -          | -         | -                  | -          | -                   | -            | -           | -           | -         | -         | -                           | -           | -                         | -            | -            | -            |         |

\* Gain from derecognition of Pure Health Holding PJSC and gain on acquisition of Modon amounting to AED 8,830,127 thousand and AED 12,194,173 thousand respectively, have been included within "services and other segments."



## Notes to the Consolidated Financial Statements

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net debt and equity. Net debt is calculated as borrowings, non-convertible sukuk, lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

|                               | 2023<br>AED'000 | 2022<br>AED'000 |
|-------------------------------|-----------------|-----------------|
| Borrowings                    | 42,935,316      | 36,266,717      |
| Lease liabilities             | 2,152,747       | 3,082,342       |
| Loan from related parties     | 160,178         | 93,473          |
| Trade and other payables      | 37,215,362      | 36,284,672      |
| Non-convertible sukuk         | 5,502,954       | 3,681,916       |
| Contract liabilities          | 15,775,359      | 12,023,027      |
| Due to related parties        | 1,351,413       | 4,343,650       |
| Cash and bank balances        | (33,918,559)    | (37,230,142)    |
| Net debt                      | 71,174,770      | 58,545,655      |
| Equity                        | 156,736,871     | 129,364,109     |
| Net debt and equity (capital) | 227,911,641     | 187,909,764     |
| Gearing ratio                 | 0.31            | 0.31            |

#### Financial instruments risk management objectives and policies

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Company establishes and oversees the Company's risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities' levels.

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. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. 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's Audit, Risk and Compliance 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.

## Notes to the Consolidated Financial Statements

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT continued

#### Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

#### Foreign exchange risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group's net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group's monetary assets and liabilities in major foreign currencies at the reporting date are as follows:

|                             | Net<br>2023<br>AED'000 | Liabilities<br>2023<br>AED'000 | Net Exposure<br>2022<br>AED'000 | Net<br>2022<br>AED'000 | Liabilities<br>2022<br>AED'000 | Net Exposure<br>2022<br>AED'000 |
|-----------------------------|------------------------|--------------------------------|---------------------------------|------------------------|--------------------------------|---------------------------------|
| Egyptian Pound ('EGP')      | 5,550,932              | 4,036,112                      | 1,514,820                       | 5,920,099              | 3,816,710                      | 2,103,389                       |
| Euro ('Eur')                | 1,822,918              | 443,630                        | 1,379,288                       | 163,213                | 50,191                         | 113,022                         |
| Great Britain Pound ('GBP') | 2,937,181              | 1,941,297                      | 995,884                         | 1,193,875              | 672,998                        | 520,877                         |
| Moroccan Dirham ('MD')      | 369,688                | 374,312                        | (4,624)                         | 221,401                | 223,376                        | (1,975)                         |
| Indian Rupees ('INR')       | 7,240,853              | 11                             | 7,240,842                       | 10,410,562             | -                              | 10,410,562                      |
| Others                      | 437,427                | 428,227                        | 9,200                           | 202,525                | 369,282                        | (166,757)                       |

#### Foreign currency sensitivity analysis

The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP, MD and INR. The following table demonstrates the sensitivity of AED on the Group's equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

|                             | Effect on Equity<br>2023<br>AED'000 | Effect on Equity<br>2023<br>AED'000 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Egyptian Pound ('EGP')      | 75,741                              | 105,169                             |
| Euro ('Eur')                | 68,964                              | 5,651                               |
| Great Britain Pound ('GBP') | 49,794                              | 26,044                              |
| Moroccan Dirham ('MD')      | (231)                               | (99)                                |
| Indian Rupees ('INR')       | 362,042                             | 520,528                             |
| Others                      | 460                                 | (8,338)                             |



## Notes to the Consolidated Financial Statements

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT continued

#### Price risk

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 47,236,145 thousand (2022: AED 46,620,069 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

|   | 2023<br>AED'000  | 2022<br>AED'000  |
|---|------------------|------------------|
| Impact on the Group's profit for the year (increase/decrease)                     | <u>2,352,964</u> | <u>2,313,221</u> |
| Impact on the Group's other comprehensive income for the year (increase/decrease) | <u>8,844</u>     | <u>17,783</u>    |

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2023, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 220,614 thousand (2022: AED 151,976 thousand).

#### Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract. The notional principal amounts are disclosed in note 26.

#### Interest rate cap contracts

The Group is exposed to interest rate risk on interest bearing debt and manages its exposure to interest rate risk through the proportion of fixed and variable rate debt in its total net debt portfolio.

As part of the London Square business acquisition, the Group acquired interest rate cap contracts with counterparties operating in England and Wales, which manage the exposure to variable rate interest on borrowings. The interest rate cap contracts derivatives are not designated as hedges, with the fair value changes being recognised in the Group's consolidated statement of profit or loss. The notional principal amounts are disclosed in note 26.

#### Credit risk management

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. 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.

## Notes to the Consolidated Financial Statements

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT continued

#### Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

|                                  | On demand<br>AED'000 | Less than<br>3 months<br>AED'000 | 3 to 12<br>months<br>AED'000 | 1 to 5<br>years<br>AED'000 | More than<br>5 years<br>AED'000 | Total<br>AED'000  |
|----------------------------------|----------------------|----------------------------------|------------------------------|----------------------------|---------------------------------|-------------------|
| <b>At 31 December 2023</b>       |                      |                                  |                              |                            |                                 |                   |
| Borrowings                       | 787,676              | 1,079,408                        | 5,965,776                    | 38,970,877                 | 856,917                         | 47,660,654        |
| Lease liabilities                | 12,062               | 60,117                           | 252,409                      | 863,001                    | 1,862,850                       | 3,050,439         |
| Due to related parties           | 380,251              | 460,415                          | 508,227                      | -                          | 2,520                           | 1,351,413         |
| Loan from related parties        | -                    | -                                | 38,060                       | 122,118                    | -                               | 160,178           |
| Derivative financial instruments | -                    | 12,138                           | -                            | -                          | -                               | 12,138            |
| Non-convertible sukuk            | -                    | -                                | 46,098                       | 2,792,886                  | 4,127,679                       | 6,966,663         |
| Trade and other payables         | <u>434,964</u>       | <u>11,345,458</u>                | <u>16,754,618</u>            | <u>4,520,863</u>           | -                               | <u>33,055,903</u> |
| Total                            | <u>1,614,953</u>     | <u>12,957,536</u>                | <u>23,565,188</u>            | <u>47,269,745</u>          | <u>6,849,966</u>                | <u>92,257,388</u> |
| <b>At 31 December 2022</b>       |                      |                                  |                              |                            |                                 |                   |
| Borrowings                       | 38,688               | 521,096                          | 2,689,488                    | 35,769,955                 | 1,216,468                       | 40,235,695        |
| Lease liabilities                | 6,504                | 103,139                          | 193,561                      | 1,460,037                  | 2,114,888                       | 3,878,129         |
| Due to related parties           | 663,068              | 687,596                          | 2,989,853                    | 3,133                      | -                               | 4,343,650         |
| Loan from related parties        | -                    | -                                | 16,574                       | 76,899                     | -                               | 93,473            |
| Derivative financial instruments | -                    | 50,171                           | -                            | -                          | -                               | 50,171            |
| Non-convertible sukuk            | -                    | -                                | 37,104                       | 2,161,743                  | 2,161,742                       | 4,360,589         |
| Trade and other payables         | <u>103,595</u>       | <u>17,398,992</u>                | <u>12,098,024</u>            | <u>1,793,928</u>           | -                               | <u>31,394,539</u> |
| Total                            | <u>811,855</u>       | <u>18,760,994</u>                | <u>18,024,604</u>            | <u>41,265,695</u>          | <u>5,493,098</u>                | <u>84,356,246</u> |

### 44 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 1,209,205 thousand was declared in 2023 (2022: AED 1,849,124 thousand).



## Notes to the Consolidated Financial Statements

31 December 2023

### 45 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

### 46 SUBSEQUENT EVENTS

Subsequent to the year end, the Group acquired shareholding interests in the following:

- Alpha Mind Holding Limited ("Alpha Mind") - 51% equity interest (Alpha Mind is involved in the hospitality business)
- Learn Education Investment LLC ("Learn") - 100% equity interest (Learn is an education services enterprise, dealing in investment and management of educational institutes)

Further, subsequent to the year end, the Group entered into the following transactions:

- The transfer of 2PointZero to the Group was completed. 2PointZero, a holding company incorporated in UAE, invests in companies across a multitude of sectors, with a focus on financial services, investment banking, technology & AI, mining & resource management and digital & crypto ecosystems.
- Tamween Companies Management LLC sold 3% of its ownership interest in Apex Investment PSC ("Apex").

In addition, the Group entered into the following major agreements:

- The Group and ADQ Real Estate and Hospitality Investments LLC entered into a share purchase agreement ("Agreement") to combine Modon Properties PJSC, Abu Dhabi National Exhibition Company (ADNEC) PJSC and other assets, with Q Holding PSC. The shareholders approved the transaction in the General Assembly meeting held on 28 November 2023, and the transaction is subject to completion upon the satisfaction of the associated conditions precedents set in the Agreement.
- Subsequent to year end, the Group formed a joint venture, Enersol Rsc Ltd, in collaboration with ADNOC Drilling Company PJSC, wherein ownership stakes are distributed as 49% and 51% respectively. The principal objective of this venture is to spearhead the development of an oil field services technology platform, with a total commitment amounting to USD 1,500 million. As an integral part of this endeavour, the Group contributed its 25% stake in Gordon Technologies LLC to Enersol Rsc Ltd, for a consideration of USD 87 million.



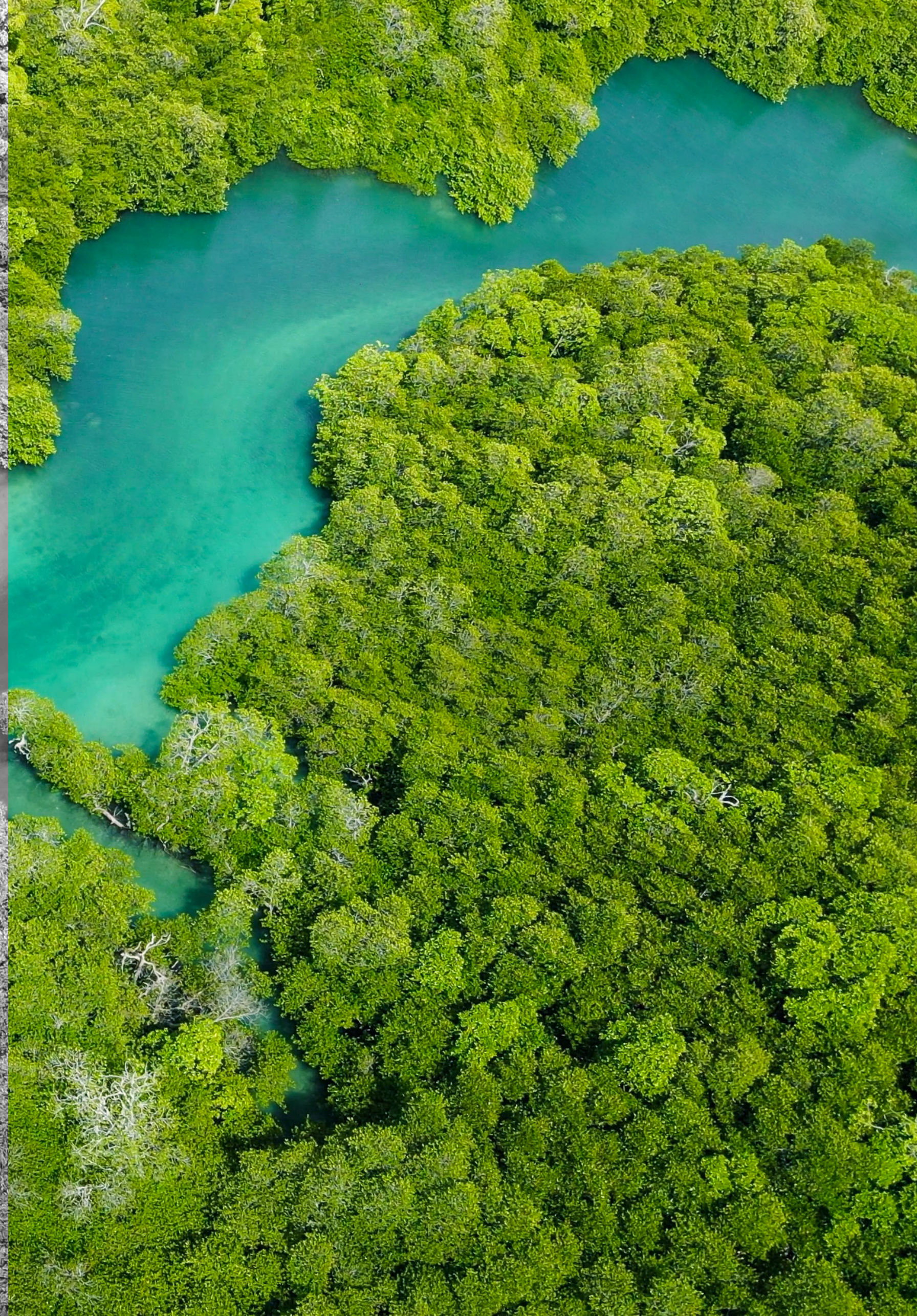




# 5.0 ESG Report

- 5.1 About this Report
- 5.2 A Letter from the CEO
- 5.3 About IHC
- 5.4 Our Sustainability Approach
- 5.5 Key Sustainability Initiatives at IHC
- 5.6 ESG Integration and Impact
- 5.7 Sustainable Operation







# 5.1 About this Report

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

## About the Report

International Holding Company's (IHC) 2023 Sustainability Report details the company's Environmental, Social, and Governance (ESG) Strategy and highlights the progress and performance of a selection of subsidiaries on key material ESG topics.

For a more comprehensive overview of our performance, we recommend reviewing this report in conjunction with IHC's 2023 Annual & Integrated Reports.



## Reporting Boundary

This report covers the 12-month period from 1 January to 31 December 2023 unless otherwise stated.

IHC has a vast and rapidly expanding portfolio comprising of over 600+ subsidiaries and investments, as of 31 December 2023, spanning a wide variety of business sectors.

Given the size and nature of IHC as a diversified company, we have chosen to focus the report on the primary revenue generators within the portfolio: Multiply Group PJSC and Alpha Dhabi Holding PJSC (ADH), which together account for a majority of the Group's total revenue.

As ADX-listed entities, both companies have published their own publicly available ESG reports. For this reason, we have opted to highlight key quantitative and qualitative aspects of their ESG achievements, along with those of a selection of their subsidiaries that are actively advancing their sustainability strategies.

These indirect subsidiaries of IHC are themselves independently listed on the ADX and therefore also publish standalone sustainability reports which readers may refer to for a more comprehensive view of their performance.

The table below shows the list of direct and indirect IHC subsidiaries featured in this report as well as links to their respective Sustainability Reports.

| Direct Subsidiaries  | Indirect Subsidiaries   |
|--|---|
|  Alpha Dhabi Holding PJSC (ADH) |  Aldar Properties PJSC               |
|  Multiply Group PJSC            |  PureHealth Holding PJSC             |
|  |  Emirates Driving Company PJSC (EDC) |

Given the above, the quantitative data contained in this report predominantly pertains to IHC at the Holding level, allowing IHC to adopt a more focused reporting approach.

Finally, this report also showcases IHC's approach to responsible investing through case studies of select direct and indirect subsidiaries making an impact in the sustainability space.

### These include

- Sirius International Holding (direct subsidiary)
- Mawarid Holding Investment (MHI) (indirect subsidiary – an ADH subsidiary)
- Rebound (indirect subsidiary – a Sirius subsidiary)
- Esyssoft (indirect subsidiary – a Sirius subsidiary)
- RESET (direct subsidiary)
- Botanical Water Technologies (indirect subsidiary – a Sirius subsidiary)

## Reporting Frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 Update, which is effective for reports published from 1 January 2023 onwards.

It is also aligned with the Abu Dhabi Securities Exchange's (ADX) ESG disclosure guidelines and its 31 ESG metrics as well as the Abu Dhabi Vision 2030, a government strategy that will guide the next decade of economic, social, and environmental development in the emirate.

Finally, the report is also aligned with those Sustainable Development Goals (SDGs) that are deemed most material to the Holding company's activities.

Alignment with the relevant reporting standards and frameworks is clearly indicated under each segment. In addition, the reader can refer to the Appendix section which includes indices indicating alignment with the various standards and frameworks.



The Board of Directors acknowledges its responsibility for ensuring the integrity of this report and confirms that the information contained within fairly represents IHC's performance and accurately references the applied reporting standards.

## Forward-Looking Statements

While every effort has been made to ensure the accuracy of the data contained in this report at the time of publication, the report contains forward-looking statements that could be subject to change beyond the control of IHC.

The Group bears no obligation to publicly update or revise any forward-looking statements included in this report unless required to do so by applicable laws and regulations.

## Feedback

IHC constantly reviews its sustainability reporting methodology. The production of this report is a collaborative process, and we welcome any feedback that may enhance its development.

For any queries or feedback about the content of this report, please contact: [ir@IHCuae.com](mailto:ir@IHCuae.com)

## Assurance

The information and data contained in this report have been reviewed for accuracy and completeness by relevant internal stakeholders as well as a reputable third-party consulting firm.



# 5.2

## A Letter from the CEO

(GRI 2-2)

### Investing in Sustainability with Innovation at our Core

In 2023, the UAE demonstrated leadership on the global stage, not only by hosting the COP28 United Nations Climate Change Conference but by playing a decisive role in galvanizing all nations to agree on a course of action that keeps the world on track to prevent the worst impacts of climate change.

COP28 will go down in history as a pivotal moment in the fight against global warming, one where the world chose to intensify efforts to curb greenhouse gas emissions and pave the way for a sustainable, low-carbon economy. The UAE can feel justly proud of the role it played in securing this landmark agreement – the “UAE Consensus.”

IHC is inspired by this leadership. While the company has for some time been strategically investing in the renewable energy and clean tech sectors, in line with our mandate to drive the diversification of the UAE’s non-oil economy, we have now embarked on a mission to strengthen our approach to sustainable development.

IHC has adopted a more strategic approach to sustainability through a combination of targeted investments, Group-wide initiatives, and a new ESG framework that will enable us to assess and better prepare our subsidiaries to effectively manage ESG risks and opportunities while amplifying our social, environmental, and economic impact.

We aim to achieve our goals by fostering global and local partnerships and through investments and acquisitions across multiple sectors, particularly in new innovative technologies and infrastructure that align with global sustainable development goals, while always seeking opportunities in high quality businesses that generate competitive financial returns for investors.

Technology and climate systems are key areas of growth for IHC in the current market and we are intent on developing innovative solutions that can support the transition to a more sustainable economy. Over the past 12 months we have looked to invest in companies and develop technologies that can support our vision for sustainable impact.



#### Key target sectors have included

- 01. Artificial Intelligence (AI) & Big Data Analytics across multiple sectors
- 02. Methane Abatement & Carbon Capture
- 03. Energy & Utilities
- 04. Deep Technology
- 05. Sustainable Water Solutions
- 06. EV Infrastructure & Mobility
- 07. Blockchain & Cryptocurrency Solutions

With sustainability and technology being a key focus, in 2023 IHC established Sirius International Holding with a commitment to catalyze the digital revolution. The company will focus on the nexus between green technology, digital transformation, and health tech to provide a better quality of life for all.

Under this new subsidiary, at COP28 IHC announced the establishment of ‘Smart Sustainability Solutions’ (S3), a pioneering climate company that will offer end-to-end industrial scale solutions for the transition to a net-zero economy. S3’s focus is on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency. With a clear commitment to advancing the transition to a sustainable future, the company has already begun to implement impactful solutions in these areas.

In addition, during 2023 IHC launched a new Sustainability Hub – Proseed, which is accelerating IHC’s sustainability journey. Firstly, it acts as a Center of Excellence to support talent development and build sustainability expertise and know-how within our organization and network. Through the Hub, IHC is delivering sustainability training & development programs and launch awareness and knowledge sharing campaigns. Secondly, it is also providing a platform to infuse UAE government sustainability programs and initiatives into our portfolio companies. And thirdly, the sustainability hub provides a platform for communicating and delivering IHC’s Sustainability Agenda and Framework.

We remain committed to fostering innovation, sustainability, community development and driving economic growth in the markets in which we operate. The Group is steadfastly focused on building a global ecosystem that harnesses the power of technology and innovation to drive growth across our portfolio for the benefit of shareholders and the environment.

Innovation has been key to IHC successfully navigating and growing throughout the global economic uncertainties of the past three years. Empowering employees and business unit leaders towards intrapreneurship, developing new business projects, scaling up innovative solutions, and building value chains have been fundamental to our extraordinary growth story and will continue to be as we march forward.

As we continue to evolve, IHC’s business-led decision making will also focus on creating a positive impact on the world by exploring new opportunities and achieving the best outcomes for people and planet.

**Syed Basar Shueb,**  
Managing Director &  
Chief Executive Officer



# 5.3 About IHC

(GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

## Who We Are

Headquartered in Abu Dhabi, IHC was founded in 1998 with a mandate to diversify and develop non-oil business sectors in the UAE and has grown to become the most valuable listed holding company in the Middle East.

The company endeavors to implement sustainability, innovation, and economic diversification initiatives across what is now one of the region's largest conglomerates. Listed on the Abu Dhabi Securities Exchange (ADX), IHC is included in FTSE ADX 15 Index (FADX 15), representing the top 15 largest and most liquid companies on the ADX.

IHC has a clear objective of enhancing its portfolio through acquisitions, strategic investments, and business combinations. Comprising more than 600+ subsidiaries and over 155,00+ employees, IHC seeks to expand and diversify its holdings across a growing number of sectors, including Asset Management, Healthcare, Real Estate and Construction, Marine and Dredging, AI & Technology, Financial Services, Food & Agriculture, Utilities, and Services.

With a core strategy to enhance shareholder value and achieve growth, IHC drives operational synergies and maximizes cost efficiencies across all verticals - it also continues to evaluate investment opportunities through direct ownership and entering partnerships in the UAE and abroad. As the world changes and new opportunities arise, IHC remains focused on resilience, innovation, and redefining the marketplace for itself, its clients, and its partners.

IHC's strategy is aligned with UAE National priorities, such as the "We the UAE 2031" vision, as well as Abu Dhabi's Economic Vision 2030 to drive the development of an inclusive, innovative and sustainable economy through tactical acquisitions of established businesses that deliver immediate shareholder value.



## Our Vision

To build a robust and diversified operating asset holding company through strategic acquisitions in growth-driven industries and the creation of innovative companies that add value and bring sustainable improvements to communities, businesses, and governments.

## Our Mission

To empower, enhance, advance and improve lives and opportunities. For our shareholders, our mission is to generate value, increase returns and create sustainable growth through:

- Organic Growth
- Strategic Acquisitions
- Strong Corporate Governance
- Business Combinations
- Consolidated Finance

## Featured Subsidiaries

While not technically part of the reporting boundary, this report features data on certain key subsidiaries and affiliates to highlight the progress of portfolio companies in integrating ESG strategies and roadmaps. In addition, it showcases select examples of how IHC's portfolio companies generate positive social and environmental impact through their core activities.

### Alpha Dhabi Holding PJSC (ADH)

#### Direct Subsidiary

Alpha Dhabi Holding (ADH) was established in 2013 and is one of the fastest growing Abu Dhabi-based investment holding companies, with more than 150 businesses spread across healthcare, renewable energy, climate capital and other industries such as real estate, construction and hospitality. With over 90,000 employees, ADH is a strategic contributor to the UAE economy and is committed to drive continuous growth for its stakeholders through investments in emerging businesses, supporting innovation and diversity. ADH is listed on the Abu Dhabi Securities Exchange (ADX) under the symbol 'ALPHADHABI'.



### Multiply Group PJSC

#### Direct Subsidiary

With its trademark growth mindset, Multiply Group PJSC (ADX: MULTIPLY), is an Abu Dhabi-based holding company that invests in transformative cash-generating businesses it understands. Multiply Group will continue to deploy capital across its two distinct arms, both of which follow a disciplined approach to investing and ensure consistent, sustainable value creation for shareholders in the short, medium and long-term

01. Multiply, the investments and operations in long-term strategic verticals, currently investing and operating in Mobility, Energy & Utilities, Media & Communications and Wellness & Beauty. Anchor investments provide long-term recurring income, through which bolt-on acquisitions are made.
02. Multiply+, a flexible, sector-agnostic, and opportunistic investment arm.



### Aldar Properties PJSC

#### Indirect Subsidiary - An ADH Subsidiary

Aldar Properties PJSC is the leading real estate developer, investor, and manager in the UAE with a diversified and sustainable operating model centered around two core businesses: Aldar Development and Aldar Investment. Aldar is driven by a vision to be a leading real estate developer and manager in the region by playing a key role in the development of quality, comfortable, desirable destinations that people can live in, work at and visit. Aldar's shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol 'ALDAR'.





### PureHealth Holding PJSC

#### Indirect Subsidiary - An ADH Subsidiary

PureHealth is the largest integrated healthcare platform in the Middle East, with an ecosystem that challenges lifespans and reimagines health spans. With 25+ hospitals, 100+ clinics, multiple diagnostic centers, health insurance solutions, pharmacies, health tech, procurement, investments and more, its groundbreaking innovations are at the forefront of healthcare, as the company is on a mission to unlock time for humankind. Abu Dhabi-based PureHealth is listed on the ADX under the symbol 'PUREHEALTH'.



### RESET

#### Direct Subsidiary

RESET is a leading energy service company (ESCO) based in the UAE, renowned for its expertise in delivering comprehensive energy and water-saving solutions for buildings and infrastructure. Committed to sustainability, RESET prioritizes the optimization of energy consumption, reduction of environmental impact, and attainment of cost savings. Aligned with the UAE governments strategic environmental initiatives, RESET is actively working towards achieving net-zero emissions by 2050, contributing to the global fight against climate change.



### Emirates Driving Company PJSC (EDC)

#### Indirect Subsidiary - A Multiply Group Subsidiary

Emirates Driving Company (PJSC) was established in 2000 and is considered the leading company for training and qualifying drivers and enhancing traffic safety on the roads in the Emirate of Abu Dhabi, using modern technologies and innovative methods in its training programs. Listed on the Abu Dhabi Securities Exchange (ADX) under the symbol 'DRIVE' since 2005, the company has partnerships with major international organizations to implement best practices in the field of driver training and awareness of road safety in the emirate.



### Rebound

#### Inirect Subsidiary

Rebound was established with a global mission of keeping plastics out of the environment and within the economy, to become part of the solution to reducing plastic pollution. Rebound, backed by IHC, has been founded to address these challenges through their trading platform along with their advisory services.



### Sirius International Holding

#### Direct Subsidiary

Sirius International Holding, headquartered in Abu Dhabi, is a subsidiary of IHC that stands at the forefront of the future of sustainability through technology and the digital transformation landscape. With a vision to drive profound change and ignite the possibilities of a better future, Sirius International Holding comprises of more than 20 subsidiaries globally, each contributing to shape today's health, climate and digital eco-system.



### Esyasoft

#### Inirect Subsidiary

Esyasoft is a technology & analytics product company catering to the distinct challenges of the energy sector. The company harnesses digital technologies to produce solutions, including advanced Meter Data Management (MDM) systems, that play a pivotal role in optimizing energy usage and enhancing demand-based generation. Esyasoft collaborates with leading utilities, OEMs, and system integrators to implement smart grid and smart city solutions.



### Mawarid Holding Investment (MHI)

#### Indirect Subsidiary - An ADH Subsidiary

Founded in 2016, Mawarid Holding Investment (MHI) is a leading investor in the field of natural capital conservation services in the UAE. Headquartered in Abu Dhabi, the MHI Group has a diversified portfolio of innovative businesses operating across multiple business lines. The Group adopts the latest emerging technologies and innovations to combat climate change, desertification, and water scarcity. Sustainable forestry, rehabilitation of degraded lands, sustainable usage of groundwater, wildlife management, and sustainable agricultural practices are at the heart of the Group's vision to nurture and conserve the UAE's unique biodiversity. Through its subsidiaries, the Group now manages 200,000 hectares of forests comprising over 13.5 million trees.





# 5.4 Our Sustainability Approach

(GRI 2-2)

As a company entrusted by its shareholders to drive the diversification of the UAE's non-oil economy, IHC has for some time been expanding into the renewable energy and clean tech sectors through strategic acquisitions.

In 2023, the UAE's 'Year of Sustainability' and the year the country hosted the successful COP28 UN Climate Change Conference, IHC embarked on a mission to accelerate its involvement in sustainable development and climate finance.

The company's ESG journey includes a new internal framework that enables it to assess and prepare subsidiaries to effectively manage ESG risks and opportunities, while amplifying its social and environmental impact.

IHC is accelerating progress through global and local partnerships, investments and acquisitions across multiple sectors, particularly in new innovative technologies and infrastructure that aligns with global social development goals, while always seeking opportunities in high quality businesses that generate competitive financial returns.

## IHC's ESG Integration Framework

IHC has developed an ESG Integration Framework & Roadmap, in line with globally recognized sustainability standards, that aligns with the company's role as:

- A responsible business operator
- A responsible investor
- A responsible asset owner

This Framework & Roadmap will guide decision-making as IHC continues its sustainability journey while enabling the company to communicate its ESG Statement and Commitments to all key stakeholders.

**The Framework & Roadmap is underpinned by a Sustainability Statement that captures IHC's commitment and overarching approach:**

"At International Holding Company, we are committed to driving sustainable development in the UAE & globally through impact investing, focusing on companies that prioritize sustainability technological solutions while driving growth. We are dedicated to transparency in our efforts and regularly reporting on the progress of our portfolio companies."



## ESG Framework

IHC approached the development of the ESG Integration Framework from two perspectives:

- 01. The 'Bottom Up' approach, based on a materiality assessment of the companies within the IHC portfolio
- 02. The 'Top Down' approach, which looks at materiality at the Holding level

By analyzing the company from two opposing angles, IHC developed a comprehensive framework that covers all ESG-related risks that IHC needs to manage.

### Bottom Up

The 'bottom-up' approach enabled us to identify all material ESG risks that IHC must embed in its Risk Management Framework. This was based on an analysis of IHC portfolio companies that carry the most weight in terms of revenue generation and sustainability impact. This process also enabled us to identify the most significant sustainability opportunities that IHC can address through its various entities.

While IHC has investments in more than 500 entities, a shortlist of portfolio companies met the criteria for initial inclusion in the organizational boundary for materiality assessment based on the significance of their ESG and economic impact. This included all IHC direct subsidiaries and first-level indirect subsidiaries.



Each of these companies was then classified into sectors and industries in accordance with SASB's Sustainable Industry Classification System (SICS) and MSCI's Global Industry Classification Standards (GICS).

By classifying its entities, IHC ensures that its ESG framework and performance are better aligned with the global frameworks that are commonly used by ESG rating agencies, global investors, and other key stakeholders.

IHC mapped all selected entities against their corresponding ESG material topics as per the SASB Standards, which considers impacts on enterprise value (financially material) as well as MSCI, which looks at how the company impacts externalities connected to each ESG issue.

We identified 22 ESG topics that are most material to IHC from a risk perspective, as well as four strategic sustainability opportunities:

#### Environmental - 6 Topics

- Energy Management
- Waste & Hazardous Materials Management
- Water & Wastewater Management
- GHG Emissions
- Climate Change Vulnerability
- Biodiversity & Land Use

#### Governance - 7 Topics

- Business Ethics
- Systemic Risk Management
- Critical Incident Risk Management
- Board
- Pay
- Accounting
- Tax Transparency

#### Social - 9 Topics

- Product Safety & Quality
- Human Capital Development
- Employee Engagement, Diversity & Inclusion
- Health & Safety
- Labor Management
- Privacy & Data Security
- Selling Practices & Product Labelling
- Community Relations (Access & Affordability)
- Customer Welfare

#### Opportunities - 4 Topics

- Green buildings
- Clean tech
- Renewable Energy
- Nutrition & Health



## Top Down

The 'top-down' approach enabled us to identify those ESG topics that are specific to IHC's operation at the holding level. These are related to IHC's continued quest to become a responsible business operator, a responsible investor and a responsible asset owner.

Combining both the Bottom Up and Top Down materiality approach, IHC has developed a comprehensive ESG Framework encompassing ESG Risk Management issues, ESG integration topics, and opportunities, as shown in the diagram below.



### ESG risk management issues

- Environment**
  - GHG Emissions
  - Waste Management
  - Water Management
  - Energy Management
  - Climate Change
  - Biodiversity & Land
- Social**
  - Employee Health & Safety
  - Human Capital Dev.
  - Labour Management
  - Engagement, Diversity and Inclusion
  - Product Safety & Quality
  - Privacy & Data Security
  - Customer Welfare
  - Community Relations (Incl. Access & Affordability)
- Governance**
  - Business Ethics
  - Systemic Risk Mgmt.
  - Critical Incident Risk Management
  - Board & Pay
  - Accounting
  - Tax Transparency

### ESG integration material (top-down)

| Responsible Corporate Citizen   | Responsible Investor  | Responsible Asset Owner  |
|---|---|--|
| <ul style="list-style-type: none"> <li>Ensure to provide gainful employment</li> <li>Engage with the community and contribute to its wellbeing</li> <li>Transition towards a circular workplace</li> <li>Continuously strengthen governance structure and ensure Business Ethics</li> </ul>                         | <ul style="list-style-type: none"> <li>Incorporate ESG issues into investment analysis and decision-making processes</li> <li>Align investment mandates, monitoring procedures, performance indicators and incentive structure accordingly</li> <li>Disclose how ESG issues are integrated within investment practices and all active ownership activities</li> </ul> | <ul style="list-style-type: none"> <li>Be active owners and incorporate ESG issues into ownership policies and practices</li> <li>Seek appropriate disclosure on ESG issues by IHC investee companies</li> <li>Engage with investee companies on ESG issues</li> <li>Exercise voting rights and file shareholder resolutions consistent with long-term ESG considerations</li> </ul> |
| <ul style="list-style-type: none"> <li>Participate in collaborative engagement initiatives</li> <li>Encourage academic and other research on Sustainability and ESG</li> <li>Advocate ESG training</li> <li>Form partnerships or join alliances to enhance effectiveness in implementing ESG integration</li> </ul> |   |  |

### ESG opportunities

- Green building
- Clean tech
- Renewable energy
- Nutrition & health

## Developing an ESG Roadmap

Based on the above Framework, IHC is developing a Roadmap to deepen ESG integration over the coming year with a view to advancing our sustainability journey and enhancing ESG performance.

As part of this process, we are evaluating potential initiatives as well as strategic objectives and KPIs. In tandem, we are assessing ways to strengthen our ESG governance with appropriate policies and procedures to ensure a consistent approach moving forward. Furthermore, we are evaluating ways to effectively integrate ESG considerations into our investment decision-making while also considering how we can embed ESG into IHC's risk management framework. Throughout this journey, we will maintain close engagement with all key stakeholders.

For further alignment and refinement of the ESG Roadmap and Strategy, IHC will refer to globally recognized standards and frameworks. This includes potentially conducting an SDG mapping exercise to identify those SDGs that the Group impacts the most as well as evaluating the benefits of joining strategic networks such as The United Nations Principles for Responsible Investment (PRI) and The United Nations Global Compact.

Beyond this, we will evaluate ways to further enhance engagement with our investee companies, upskill IHC companies from an ESG perspective, and report on portfolio GHG emissions, among other initiatives.

## Stakeholder Engagement

Maintaining continuous dialogue with key stakeholders is critical to gathering feedback for our ESG materiality assessment and the development of IHC's ESG strategy. Our close relationships with these stakeholders ensure we have a clear understanding of the issues that matter most to them which, in turn, enables us to identify and prioritize the ESG risks and opportunities that must be managed moving forward.

The table below shows the seven key stakeholder groups identified, the methods we use to engage with them, and what matters to them.

| Stakeholder                          | What Matters to Them  | Engagement Methods   |
|--------------------------------------|---|--|
| Customers (Subsidiaries)             | <ul style="list-style-type: none"> <li>Market leading products and services</li> <li>Innovation and sustainability</li> <li>Value for money</li> <li>Efficient and proactive customer channels</li> <li>Friendly and responsive customer service</li> </ul> | <ul style="list-style-type: none"> <li>Face to face meetings</li> <li>Social media channels</li> <li>Customer service offices for IHC companies</li> </ul>   |
| Employees (Holding and Subsidiaries) | <ul style="list-style-type: none"> <li>Career progression and growth</li> <li>Training &amp; development opportunities</li> <li>A safe and secure work environment</li> <li>Fair compensation</li> </ul>  | <ul style="list-style-type: none"> <li>In house meetings</li> <li>Internal communications - Recognition and rewards - Social gatherings</li> <li>Team building exercises</li> </ul>  |
| Shareholders                         | <ul style="list-style-type: none"> <li>Strong balance sheet and continuous cash flows</li> <li>Ambitious expansion vision</li> <li>Robust governance and risk management</li> <li>Transparency and disclosure</li> <li>Strong market position</li> </ul>    | <ul style="list-style-type: none"> <li>Annual General Meetings (AGM)</li> <li>Investor relations</li> <li>Reporting (Annual, Corporate Governance, ESG)</li> <li>Stock Exchange announcements</li> </ul>   |
| Communities                          | <ul style="list-style-type: none"> <li>Support underprivileged members of society</li> <li>Promoting health, education, security, sports and culture</li> <li>Environmental initiatives</li> </ul>  | <ul style="list-style-type: none"> <li>Sponsorship of events that promote social wellbeing</li> <li>Partnerships with other organisations</li> <li>Participation campaigns and initiatives to protect the environment</li> <li>Donations to charitable causes</li> <li>Social welfare campaigns</li> </ul> |



| Stakeholder             | What Matters to Them   | Engagement Methods  |
|-------------------------|--|---|
| Government & Regulators | <ul style="list-style-type: none"> <li>Compliance with all applicable laws and regulations</li> <li>Alignment with federal and local government strategies</li> <li>Protecting the interests of investors and shareholders</li> <li>Consumer protection</li> <li>Environmental protection</li> </ul> | <ul style="list-style-type: none"> <li>Regulatory disclosures</li> <li>Annual reports</li> <li>Public-private business forums and conferences</li> <li>Direct relationships</li> <li>Legal and Compliance Department</li> </ul> |
| Partners                | <ul style="list-style-type: none"> <li>New business opportunities</li> <li>Timely payments</li> <li>Transparent bidding and tendering processes</li> </ul>   | <ul style="list-style-type: none"> <li>Supplier portal at IHC Subsidiaries</li> <li>Procurement department - Supplier feedback surveys</li> </ul>   |
| Portfolio Companies     | <ul style="list-style-type: none"> <li>Access to growth capital Strategic direction</li> <li>Access to a wider network</li> <li>Governance support</li> </ul>  | <ul style="list-style-type: none"> <li>Regular meetings</li> <li>Board of Director meetings</li> <li>Review meetings</li> <li>Interim and full year financial statements</li> </ul>   |

## Our Enhanced Material Topics

Feedback gathered through stakeholder engagement provides vital input for the materiality assessment that IHC conducts to identify the material ESG topics the company needs to manage and report on at the Holding level.

In addition, the materiality assessment utilizes global frameworks and standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Using a dual approach to materiality, we assessed ESG topics in terms of their potential impact on the business as well as the external impact of our operations on the economy, society and the environment.

The following table highlights those material ESG topics that are a priority for IHC.

|          | What Matters to Them          | Engagement Methods   |
|----------|-------------------------------|--|
| <b>1</b> | <b>Climate Change</b>         | <ul style="list-style-type: none"> <li>GRI 302 - Energy</li> <li>GRI 305 - Emissions</li> </ul>  |
|          | Energy                        | <ul style="list-style-type: none"> <li>E1: GHG Emissions</li> <li>E2: Emissions Intensity</li> <li>E3: Energy Usage</li> <li>E4: Energy Intensity</li> <li>E5: Energy Mix</li> <li>E7: Environmental Operations</li> <li>E8: Environmental Oversight</li> <li>E9: Environmental Oversight</li> <li>E10: Climate Risk Mitigation</li> </ul> |
|          | Emissions                     |  |
| <b>2</b> | <b>Human Development</b>      | <ul style="list-style-type: none"> <li>GRI 401 - Employment</li> <li>GRI 402- Labour Management Relations</li> <li>GRI 404-Training and Education</li> <li>GRI 405 - Diversity and Equal Opportunity</li> <li>GRI 406 - Non-discrimination</li> </ul>  |
|          | Diversity & Equal Opportunity | <ul style="list-style-type: none"> <li>S2: Gender Pay Ratio</li> <li>S3: Employee Turnover</li> <li>S4: Gender Diversity</li> <li>S5: Temporary Worker Ratio</li> <li>S6: Non-Discrimination</li> <li>S11: Nationalisation</li> </ul>  |
|          | Non-discrimination            |  |

|          | What Matters to Them          | Engagement Methods   |
|----------|-------------------------------|--|
| <b>3</b> | <b>Responsible Investment</b> | <ul style="list-style-type: none"> <li>GRI 203 Indirect Economic Impact</li> </ul>   |
| <b>4</b> | <b>Governance</b>             | <ul style="list-style-type: none"> <li>GRI 205 - Anti-Corruption</li> <li>G1: Board Diversity</li> <li>G2: Board Independence</li> <li>G3: Incentivized Pay</li> <li>G5: Ethics &amp; Prevention of Corruption</li> <li>S1: CEO Pay</li> <li>S9: Child and Forced Labour</li> <li>S10: Human Rights</li> </ul> |

# 5.5 Key Sustainability Initiatives at IHC

## Integrating ESG Values into Investees

IHC looks to integrate ESG considerations into investment decision-making and build our portfolio through strategic acquisitions of companies that can make a positive social and environmental impact. As a responsible asset owner we also consider how we embed ESG values into our existing portfolio of companies.

Given the size and the diverse nature of IHC's vast portfolio, there can be no 'one size fits all' approach to ESG integration within our investee companies. Instead, each company will have considerable latitude to adopt the most appropriate and effective approach for them. How each entity goes about this process may depend on a variety of factors, including the size of the company, and the jurisdictions and the sectors in which they operate.

What matters is that IHC, at the holding level, is sending a clear signal to its investees that managing ESG risks and opportunities while maximizing social and environmental impacts is a priority for all moving forward. In doing so, they may be guided by our newly developed sustainability framework, which has been designed to serve this purpose, as well as IHC's vision, mission, and values.

In addition, investees can use globally recognized frameworks and standards, such as the Task Force on Climate-related Financial Disclosures (TCFD), the Science-based Targets initiative (SBTi), and the Sustainable Development Goals (SDGs), among others to develop their ESG frameworks and strategies. This report highlights how a selection of the larger entities within our portfolio operating across diverse sectors have gone about this process. Featured examples of companies that have made substantial progress with their own ESG journeys include Multiply Group, Emirates Driving Company (EDC), and PureHealth, among others.





## ProSeed: Spreading Awareness, Sharing Knowledge

To effectively facilitate the dissemination of ESG values throughout the portfolio, IHC has launched the Proseed Sustainability Hub which will provide a forum for our entities to engage, share their experiences, and exchange knowledge around sustainability issues. The Hub will also host training sessions and informative talks by thought leaders on sustainability topics and insights on how to manage ESG risks and opportunities. As such, it will be one of the cornerstones of IHC's efforts to infuse sustainability and ESG values across the portfolio. For more details on the Proseed Sustainability Hub.

Integrating ESG values into our investees will play a critical role in strengthening the overall ESG profile of our portfolio, enhancing our reputation as a responsible investor and asset owner, while supporting IHC's mission to maximize value for all stakeholders.

## ProSeed Hub by IHC for Transformative Environmental Stewardship



IHC launched the Proseed Sustainability Hub at its headquarters in Abu Dhabi in October 2023. Inaugurated by His Excellency Dr Sultan Al Jaber, UAE Minister of Industry and Advanced Technology and COP28 President, the hub provides a platform for IHC to enact its sustainability agenda and contribute towards the UAE's sustainability ambitions.

The Proseed Hub is a multi-functional space designed to serve a variety of purposes. It demonstrates IHC and its subsidiaries commitment to sustainability, including how three companies have announced their SBTi-based Net-Zero Commitments, and underscores how the private sector can play a critical role in addressing climate change while driving inclusive and sustainable economic development.

The Hub will serve as an interactive platform, facilitating IHC's engagement with Government Programs, external parties, and internal champions to infuse sustainability across its portfolio. It will host training sessions, think tanks and events to spark conversations and exchange knowledge around sustainability. Finally, it will provide a forum for IHC partners and subsidiaries to collaborate, ideate, and implement innovative solutions, enhancing sustainability across operations and fostering sector-wise growth.

### FACTBOX

- Located at Khalifa Park at IHC's headquarters, the Hub is comprised of six zones, each depicting IHC's sustainability journey and providing a space for collaboration.
- Guests can enjoy a user-friendly experience as they embark on a journey to explore the sustainability initiatives of IHC and its subsidiaries.
- Engaging video content will introduce them to IHC's investments, portfolio, products, and services, offering insight into the company's sustainability drive.
- The journey concludes at the "Meeting & Amphitheatre Space", a vibrant space designed for hosting workshops, ESG signing ceremonies, company presentations, thought leadership sessions and facilitating active ESG participation.
- The second floor showcases sustainability innovations and displays by esyasoft and easylease
- IHC, through Proseed, has also launched a corporate wellness offering in its Digital Wellness Studio.






















## IHC at COP28

IHC had a prominent presence at the COP28 United Nations Climate Change Conference, which was held at Expo City Dubai from November 30 to December 13, 2023. The company, participated as a Climate Supporter and showcased the sustainability efforts of 19 portfolio companies across three thematic zones: Energy Transition Hub; Healthcare Cluster; and Technology and Innovation Hub.

During the two-week event, IHC held a dedicated 'Thematic Day Program' which highlighted the company's 'Abu Dhabi to the World' sustainability impact. The following table shows the 19 IHC companies that featured at COP28, the theme of their participation, and a brief description.



| Company   | Theme                                      | Description  |
|---|--|--|
|  Alpha Dhabi Holding | Elevating Potential                        | Pioneering across a diverse portfolio, prioritizing sustainability, synergized, for an eco-conscious future        |
|  Aldar               | Enriching Sustainable Communities          | Decarbonizing real estate for liveable and sustainable spaces while fostering education to shape a brighter future |
|  Sirius Intl Holding | Global Climate Delivery Systems            | Harnessing technology for a sustainable, interconnected, and improved quality of life                              |
|  Multiply Group      | Empowering Excellence                      | Investing in Clean Energy, Mobility and Wellness for a Sustainable Future  |
|  Ghitha              | Sustaining Life, Championing Food Security | Nurturing Growth, Ensuring Food Security with Sustainable Agriculture and Produce                                  |

|  |                                |   |  |
|--|--------------------------------|---|--|
|  EasyLease                        | EasyLease                      | Empowering Eco-Friendly Mobility                          | Decarbonizing the mobility sector through sustainable transportation solutions                           |
|  Q Holding                        | Q Holding                      | Building Sustainable Investments & Landscapes             | Driving sustainable real estate, hospitality, and diverse economic growth                                |
|  Arena                            | Arena                          | Extraordinary Global Live Experiences                     | Delivering exceptional, eco-friendly events globally to positively impact communities                    |
|  Reset                            | Reset                          | Redefining Energy Solutions                               | Turnkey solutions for energy and water savings in urban areas  |
|  Palms Sports                     | Palms Sports                   | Integrating Wellbeing into Everyday Life                  | Emphasizing the significance of sports, health, and leisure through education                            |
|  ESG Emirates Stallion Group      | Emirates Stallions Group       | Building a Greener Future                                 | Integrating Sustainability in Real Estate, Landscaping, Construction, and Agriculture                    |
|  OCI                              | OCI                            | Elevating Potential, for clean logistics                  | Producing and distributing methanol and hydrogen solutions to fuel the world sustainably                 |
|  Mawarid Holding Investment      | Mawarid Holding Investment     | Elevating Potential, for nature-based solutions           | Responsible approaches to forest, wildlife, water, biosciences, landscaping, and agriculture             |
|  Trojan                         | Trojan                         | Elevating Potential, for building sustainable communities | Providing large-scale, multidisciplinary construction and community development                          |
|  Wio Bank                       | Wio Bank                       | Elevating Potential, empowering individuals               | The region's first platform bank created to reboot banking for all                                       |
|  Esyasoft                       | Esyasoft                       | Transforming the Energy Industry                          | Pioneering Smart Grid and Decarbonization for global water, gas and energy utility companies             |
|  Botanical Water Technologies   | Botanical Water Technologies   | World's Most Sustainable Drinking Water                   | Striving to positively impact 100 million lives by providing drinking water, sustainably and efficiently |
|  Rebound                        | Rebound                        | Revolutionizing Plastic Recycling                         | Trust-based trade to reduce plastic pollution's impact for a Cleaner, Greener Planet                     |
|  Emirates Driving Company (EDC) | Emirates Driving Company (EDC) | Driving Safe Mobility Education                           | Advancing the future of mobility with sustainability and technological innovation                        |

11 Announcements at COP28 across the following sectors:

- 01. Carbon Capture
- 02. Methane Abatement
- 03. Finance
- 04. Sustainable water solutions
- 05. Circular Economy
- 06. Energy Efficiency & Utilization
- 07. Construction
- 08. EV Infrastructure and Mobility
- 09. Real Estate & Urbanization
- 10. Healthcare
- 11. Nature & Biodiversity



# Sirius International Holding – Shaping the Future of Sustainability through Technology and Digital Transformation

Sirius International Holding, headquartered in Abu Dhabi, is a subsidiary of IHC that seeks to harness technology and digital transformation to shape the future of sustainability. The company is comprised of more than 20 subsidiaries globally, working at the vanguard of today's health, climate and digital eco-systems.

In November 2023, IHC transferred four of its key 'green businesses' under the Sirius umbrella as part of IHC's plans

to grow the company into one of its key subsidiaries. The transfer included Green Energy Investment Holding RSC LTD, Green Enterprise Investment Holding RSC LTD, Green Vitality LTD and IHC's 80% ownership of Rebound Limited. Each of these subsidiaries leverages disruptive technologies to engineer solutions that can combat climate change, and with a dedication to driving digital transformation through investments.

## Smart Sustainability Solutions (S3)

In December 2023, during COP28 in Dubai, Sirius International Holding announced the establishment of Smart Sustainability Solutions (S3), a pioneering climate company focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy.

S3 is committed to providing innovative and effective solutions to combat climate change and create a sustainable future for all. The objective is to bridge the gap in the market and establish itself as the largest company dedicated to combating climate change.

S3 will focus on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency.



### Methane

S3 is developing a full-service engineering and construction company dedicated to mitigating methane emissions and promoting methane abatement across the entire Oil & Gas industry, covering upstream, midstream, and downstream segments.



### Carbon

S3 is pioneering the world's first vertically integrated carbon management enterprise, extending the Oil & Gas value chain from the point of CO2 capture. A separate unit within the Company will also capitalize on existing carbon accounting and trading platforms.



### Circular Economy

Strategically positioned as an in-house investment manager, this vertical will focus on scaling up industrial technologies aligned with circular economy principles. The strategic initiative includes harnessing excess waste energy from diverse sources and orchestrating synergistic clean energy transformations and production loops.



### Water

This vertical is dedicated to commercializing cutting-edge technologies aimed at optimizing water usage and recovery of water resources from agricultural processing and industrial operations. S3's objective in this domain is to combat water scarcity in specific locations by providing a new source of drinkable, sustainable, plant-derived water for initiatives with social and environmental impact.



Sirius International Holding (Sirius), headquartered in Abu Dhabi, is a subsidiary of IHC harnessing technology and digital transformation to shape the future of sustainability. The company is comprised of more than 20 subsidiaries globally, working at the vanguard of today's digital, climate and health eco-systems.

**Investment Strategy and Approach**

In November 2023, IHC transferred four of its key 'green businesses' under the Sirius umbrella as part of IHC's plans to grow the company into one of its key subsidiaries. The transfer included Green Energy Investment Holding RSC LTD, Green Enterprise Investment Holding RSC LTD, Green Vitality LTD and IHC's 80% ownership of Rebound Limited. Each of these subsidiaries leverages disruptive technologies to engineer solutions that can combat climate change, and with a dedication to driving digital transformation through investments.

Sirius is dedicated to advancing sustainable practices by strategically investing in companies at the forefront of developing innovative technologies aimed at reducing carbon footprints. These investments not only contribute to mitigating environmental impact but also align with Sirius' commitment to foster a better world. The investment approach seeks to support ground-breaking initiatives that drive positive change, creating a more environmentally conscious and socially responsible future.

Sirius has committed to investing the capital required to fully develop these business verticals, capitalizing on its existing assets, and operationalizing its strategy, including 'finance-build-operate-transfer' models. Sustainability-linked assets IHC transferred under Sirius management in November will be integrated into one of S3's four business verticals, as appropriate.

These business verticals will play a pivotal role in advancing corporate agendas focused on achieving net zero emissions, fulfilling methane reduction pledges, and implementing strategies for net positive water impact.

**Technologies**

Investment in Botanical Water Technologies - aimed at addressing water scarcity and contamination challenges through under S3, Sirius' sustainability vertical. This investment enables Sirius us to harness BWT's expertise and expand their reach, making a tangible difference worldwide. Investing in clean water harvesting technologies to support the vision of giving clean drinking water and positively impacting 100 million of the world's most vulnerable people by 2025.

**SOCAR**

Sirius partners with SOCAR to explore and spearhead sustainable solutions within Azerbaijan's dynamic oil and gas sector to lead the way in methane abatement and CCTUS, shaping a greener future. This partnership marks a significant milestone to excellence, innovation, and the pursuit of greener energy solutions. Sirius and SOCAR will focus on recycling waste energy by identifying waste energy sources and evaluating their sustainability, as well as designing and building facilities to recover and reuse waste energy. As part of their collaboration in the area of water efficiency, the two entities will implement advanced water metering infrastructure, identify inefficient water users in the industry, and design and implement solutions to recover and reuse wastewater.

**Achievements and Impact**

Esyasoft are working towards Blockchain-based Carbon registry & exchange for emission reduction & delivery as well as Installation of +500 million utility metering & IOT infrastructure for power, water & gas. This innovative registry enhances transparency and traceability in carbon markets, ensuring secure and efficient transactions. This will result in Smart meter CO2e savings of 1.1 billion tons for +1 billion lives.

Rebound marked significant achievements, notably the launch of Rebound Solutions, its advisory and consultancy division, successfully partnering with multiple businesses. This year, Rebound earned prestigious accolades: it was honoured as the Technology Pioneer by the World Economic Forum, the only company in the region to receive this recognition. Furthermore, Rebound's innovative expertise was acknowledged with the Future100 award, the Most Innovative Technology award, and the Small & Mighty award for the most innovative businesses of the year.







# 5.6 ESG Integration and Impact

## Alpha Dhabi Holding – Investing in a Sustainable Future



In 2023, Alpha Dhabi Holding (ADH) worked on streamlining its Environmental, Social, and Governance (ESG) efforts to ensure their effectiveness, scalability, and impact.

The Group is navigating the complexities of embedding ESG principles into its operations while pursuing strategic objectives, exploring how business decisions impact the broader societal and environmental context, and how these can coexist with ADH’s duty to deliver shareholder value. This journey is marked by an effort to align actions with material ESG topics while ensuring that endeavours are both impactful and aligned with corporate strategy.

ADH is working to enhance ESG practices within its existing subsidiaries, viewing this as an essential process to ensure the long-term resilience of the portfolio. While continuously seeking to align with the UAE government’s vision for economic diversification and sustainable development, ADH is laying the groundwork for a future where its commitment to sustainability is progressively integrated into its core business operations, thus serving the dual objectives of creating shareholder value while promoting responsible business practices.

### Operationalizing ESG

ADH’s ESG approach is based on the principle of continuous improvement and strategic alignment across subsidiaries. In 2022, the Group conducted a comprehensive materiality assessment that spanned its industries. This exercise resulted in a broad spectrum of material ESG topics and paved the way for a more focused approach in 2023 that reflects the diversity of operations within the company’s portfolio.

More ADH subsidiaries are conducting their own materiality assessments to pinpoint ESG topics that are pertinent to their operations. This decentralized approach allows for more precise and operation-specific ESG reporting, moving away from the ‘one-size-fits-all’ model. The aim is to foster an environment where ESG integration is not only strategic but also relevant to each subsidiary and their stakeholders.

### ESG Material Topics

ADH’s materiality assessment in 2023 focused on refining the Group’s role as an investor, identifying material ESG topics for corporate operations at the holding level.

Drawing on stakeholder feedback, internal expertise in investment, sustainability, and risk management, as well as insights from sustainability industry experts, and utilizing global frameworks and standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), ADH pinpointed the following key focus areas:

**Environment**

Prioritizing carbon emissions and energy efficiency

**Human Capital Development**

Cultivating talent and ensuring workforce wellbeing

**Compliance & Ethical Behavior**

Maintaining robust governance frameworks

**Finance**

Ensuring fiscal practices that support sustainable growth



These topics align with core functions and responsibilities at the holding level rather than the broader operational concerns of ADH subsidiaries.

However, common material topics across subsidiaries, such as Carbon Emissions, Human Capital Development, Health & Safety, and Governance, are integrated into ADH's reporting framework ensuring that, while subsidiaries maintain autonomy over their ESG agendas, there is alignment in addressing issues of universal importance across the group.

These common topics will allow ADH to present a group-wide perspective on critical areas of ESG reporting.

This strategic shift underscores ADH's commitment to an ESG approach that is both decentralized in assessment yet unified in vision. It reflects a commitment to empower subsidiaries with the autonomy they need to advance their ESG practices, while ADH as the parent company maintains oversight on Group-wide material topics, ensuring they align with the our overarching values and objectives.

## Integrating ESG Across Subsidiaries

ADH collaborates with subsidiaries to gradually enhance their ESG practices. In 2023, the focus was on empowering subsidiaries through education and direct engagement, supporting them to understand and measure their ESG impact.

Through bespoke materiality assessments, each subsidiary identifies and prioritizes their material ESG topics, aligning them with specific corporate goals and values. This tailored approach ensures that while each entity progresses, it contributes to the overall ESG progress of the ADH Group.

## Towards Decarbonization

Within the broader context of integrating ESG across subsidiaries, ADH has made significant strides in advancing its carbon emissions strategy. The cornerstone of ADH's carbon strategy is the establishment of a detailed GHG inventory which serves as a measure of the group's environmental impact as well as a benchmark for future improvement. ADH is implementing a digital GHG accounting platform across select subsidiaries, empowering them with the means to independently calculate, manage and report emissions. While currently limited in scope, these efforts lay the groundwork for a more comprehensive and effective ESG strategy across the Group. The initiative promises not only environmental benefits but also operational and economic efficiencies, underscoring the multifaceted value of integrating ESG practices.



## Multiply Group A Blueprint for Sustainable Success



Multiply Group has made substantial progress with its sustainability journey since becoming listed on the Abu Dhabi Securities Exchange (ADX) in 2021 reflecting a commitment to responsible business practices while creating sustainable value for all stakeholders. Moving forward, Multiply intends to fine tune its approach to ESG in line with the UAE's strategic sustainability priorities as well as international standards and best practices.

### 2022

Multiply Group laid the groundwork for the start of its sustainability journey by developing a practical and action-oriented framework, which outlined ESG pillars and key material topics for the company, ranked on their level of importance.

### 2023

Established a comprehensive ESG strategy, including clear objectives and actionable initiatives for each pillar.

Built upon the foundational work undertaken in 2022, streamlining and focusing our material topics and areas of impact.

### 2024 & Ahead

Multiply Group will develop an ESG Integration Framework to seamlessly incorporate ESG factors into investment analysis, due diligence approach, and operational decision-making processes.

As a diversified holding company, Multiply recognizes the importance of leveraging ESG to manage risks and opportunities, maximize long-term sustainable growth, and generate positive social and environmental impacts. As a responsible investor, the company is prioritizing the integration of ESG principles into our investment strategy and decision-making processes while as a responsible asset owner, Multiply encourages portfolio companies to incorporate ESG considerations into their operations.



### 15.8 Sustainalytics Score

Received a rating of 15.8 from Sustainalytics, a leading global ESG rating agency, indicating a low ESG risk score.



### COP28 Climate Supporters

Proudly took on the role of Climate Supporters at COP28 as part of our active role in addressing global climate challenges.





## Sustainability Framework

### Multiply Group's sustainability framework is comprised of four pillars:

- Foundational Excellence
- Growing Our Human Capital
- Investing in a Sustainable Future
- Managing Our Influence

Aligned with the company's strengths, mission-driven values, and organizational scope, the framework is designed to address both internal priorities and external ESG risks and opportunities and serves as a strategic roadmap for ESG integration throughout the portfolio. Emphasizing solid internal practices, workforce development, responsible resource allocation, and ethical business practices, the framework underscores Multiply Group's commitment to sustainability and long-term success.

These four pillars guide decision-making and support actions that produce a positive sustainable impact in line with each of the priorities and material topics. As such, the framework provides a practical tool to help drive meaningful change across the organization.

## Sustainability Strategy

During 2023, Multiply Group developed a comprehensive sustainability framework and long-term strategy, aligning operations with a commitment to responsible business practices and having a positive impact on the environment and society.

Central to this strategy is the establishment of an ESG blueprint. Designed with clear, actionable objectives for each pillar of the framework, the blueprint provides a structured and transparent pathway for all stakeholders to understand and engage with Multiply Group's sustainability efforts.

Defining specific goals ensures accountability, supports the measurement of progress, and reinforces a commitment to continuous improvement in ESG practices.

In addition, the strategy provides a comprehensive roadmap of actions, both immediate and long-term, including detailed initiatives and milestones that ensure a systematic approach to implementation.

Immediate actions are focused on embedding ESG principles into core business processes and decision-making frameworks, thereby fostering a culture of responsibility and awareness across the group. The Roadmap also anticipates evolving challenges and opportunities in sustainability, ensuring that Multiply remains agile and responsive in the face of a fast-changing landscape.

### Pillar 1: Robust Foundations

This pillar focuses on implementing robust governance structures, overseeing compliance, championing sustainable practices, and integrating ESG risks into the organization's risk management approach. By prioritizing ESG-centric leadership and developing a culture rooted in ethics and human rights, Multiply Group fosters strong corporate governance, which is critical for building stakeholder trust and setting an example for subsidiaries to follow.

### Pillar 2: Growing our Human Capital

Initiatives related to this pillar revolve around the development and wellbeing of the company's most valuable asset: its people. Investing in the workforce helps underpin sustainable growth, innovation, and delivering on the company's sustainability vision. By focusing on diversity, safety, and wellbeing, along with aligning compensation to ESG performance, Multiply can attract top talent, drive innovation, and boost productivity.

### Pillar 3: Investing in a Sustainable Future

Priorities under this pillar consist of shaping the investment landscape with ESG-centric decision-making. This involves considering material ESG factors in all investment decisions, engaging with portfolio companies on ESG, aligning financial growth with ESG commitments, and supporting subsidiaries to do the same. In this way, Multiply Group can play a significant role in driving sustainability while ensuring long-term profitability.

### Pillar 4: Managing our Influence

Actions under this pillar revolve around driving positive environmental and social impacts to successfully build a resilient and future-ready business. This involves aligning with global climate and environmental initiatives, adopting sustainable energy solutions, championing community development, supporting local businesses, and ensuring an ethical supply chain, among other key initiatives.

Multiply Group's sustainability framework and strategy goes beyond a theoretical approach to provide a dynamic, practical tool for driving positive change across the organization while ensuring that the company manages all material ESG risks and opportunities and creates long-term value for all stakeholders. In short, it offers a blueprint for the Group's sustainable success far into the future.



## IHC Climate - Action Champions: Leading the Charge Towards a Sustainable Future

### PureHealth - Towards a Healthier and Greener Future

PureHealth is the largest integrated healthcare platform in the Middle East, with an ecosystem that spans 25+ hospitals, 100+ clinics, multiple diagnostic centers, health insurance solutions, pharmacies, health tech, and more. The ADX-listed company has committed to reach Net Zero by 2040, making it the first healthcare entity in the MENA region to sign up to the UN-backed 'Race to Zero' initiative and commit to SBTi.

In 2022, PureHealth established a comprehensive greenhouse gas (GHG) baseline at the Group level, providing a clear picture of the company's environmental footprint.

Baseline emissions, including Scope 3 analysis, are fully aligned with the Science Based Targets initiative (SBTi) guidelines and GHG Protocol, ensuring that emissions reduction targets are ambitious, based on the latest science, and relevant across the entire value chain.

PureHealth then developed a decarbonization strategy and committed to reach Net Zero by 2040, making it the first healthcare entity in the MENA region to sign up to the UN-backed 'Race to Zero' initiative and commit to SBTi.



This commitment is backed by a robust implementation roadmap comprising of four key pillars:



**Green Clinical Practices**

**Smart Facilities and Operations**

**Virtual Care**

**Value-Based Care**

Achieving these decarbonization goals requires engaging and managing a diverse group of stakeholders, including employees, the communities it serves, supply chain partners, investors, and regulators.

## Innovating for Net Zero

The initiatives under the four pillars are designed to bring holistic emissions reductions across PureHealth's operations and value chain. In 2023, the company developed a Group-wide program for Energy Transition and Energy Efficiency. A critical part of the Energy Transition program is the emissions from the existing vehicle fleet which contributed 55,000 tonnes of CO2 in 2022. To address this, PureHealth implemented the Green Mobility project, upgrading 350+ fleet vehicles to hybrid and CNG powered vehicles.

In addition to this, the company initiated work on a renewable energy project to increase the uptake of renewable energy to meet current demand, established a group wide inventory of assets, and initiated procurement for on-site solar deployment. A new hospital at Al Ain features a state-of-the-art on-site solar installation that is expected to reduce demand for conventional grid-based electricity.

Another priority area for PureHealth is virtual care and the digital transformation of healthcare delivery models through its Healthcare in the Cloud Strategy. This not only empowers patients to receive high-quality medical advice from the comfort of their homes, but significantly reduces the need for travel and associated emissions. Over the next five years, this expansion of virtual care services is expected to produce an estimated 8.82% reduction in the company's CO2 emissions.

In 2023, PureHealth launched several innovative tech driven solutions such as the Dawak- online pharmacy, Pura Super App, and PureNet which aim to transform healthcare delivery models and make healthcare democratized. In addition,

PureHealth explored the use of IOT-based monitoring solutions for optimizing energy consumption across various types of healthcare assets within the Group's operations.

Finally, PureHealth has partnered with AstraZeneca to explore decarbonization through clinical pathways for CKD and Asthma patients. The study is being conducted at SEHA hospitals to understand the impact of CKD treatment, comprising of Lifecycle Assessment across the different stages of CKD in adults. This would enable identification of sustainable clinical pathways supporting the transition to climate resilient health systems.



## Improving Data Quality and Coverage

Building upon the data quality foundation established in 2022, PureHealth focused on enhancing carbon emissions tracking and reporting, rolling out a comprehensive approach involving the following:

### Standardized Data Collection

Robust protocols have been implemented uniformly across all entities and facilities to ensure the reliability and consistency of recorded data. This standardization is fundamental to the accurate tracking, analysis, and reporting of emissions.

### Stakeholder Engagement

Tailored workshops have been organized for various teams to develop a deeper understanding of data quality requirements and their pivotal role in achieving decarbonization goals. Stakeholder engagement ensures alignment and commitment to data quality objectives.

### Data Cleansing and Integration

Actively identifying and addressing inconsistencies within collected data is a priority. This proactive approach ensures the integrity of data and facilitates seamless integration for comprehensive analysis.

### Internal Reporting Cycle

A dedicated team at Group level conducts biannual data collection exercises, taking place at mid-year and year-end. This allows the company to monitor progress against ambitious decarbonization targets, identify areas for improvement, and maintain a rigorous internal reporting cycle.



## Achieving Targets Across Assets

PureHealth maintains a collaborative approach across operations and the wider ecosystem as it strives to achieve its Net Zero targets. Several strategic measures have been implemented to facilitate this:

### Empowering ESG Champions

A dedicated network of ESG Champions has been established across various entities within the group. These champions play a pivotal role in promoting sustainable practices within their respective entities with support from data owners. They drive awareness, facilitate coordination with individual data owners across assets, and act as catalysts for the seamless integration of Net Zero initiatives.

### Thought Leadership for Impactful Change

Recognizing that awareness is fundamental to driving positive change, PureHealth actively participates in conversations about the interlinkages between climate change and public health. In 2023, the company focused on establishing strategic partnerships with Global Climate Action groups and strengthening ties with government agencies to support the UAE's vision on decarbonization and economic diversification.

In addition, PureHealth collaborated with esteemed organizations such as Economist Impact and Accenture to produce impactful whitepapers and research reports. This concerted effort extends to developing a knowledge repository specific to the unique challenges of the UAE, providing valuable insights into the connections between climate change and health within the region.

These efforts are instrumental in providing impetus, guidance and help scale the health sectors response on Climate Change in the UAE.



## The Power of Partnerships

PureHealth is steadfastly committed to cultivating strategic partnerships with public and private sector entities that amplify its sustainability efforts. Understanding the collective impact of collaboration, the company has been engaging with government authorities, technology service providers, knowledge institutions, and local communities to foster meaningful partnerships. Notable collaborations in 2023 include:

### MoUs with Government Entities

Formalized Memorandums of Understanding (MoU) with the Ministry of Climate Change and Environment (MOCCAEE) and the Environment Agency-Abu Dhabi (EAD). These strategic partnerships underscore a commitment to building a knowledge repository for the region, supporting policy development, and bolstering advocacy efforts.

### Thought Leadership Collaborations

Fostering collaboration with organizations such as Economist Impact and Accenture, PureHealth has supported on the creation of white papers. These thought leadership initiatives aim to raise awareness about the interlinkages between climate change and public health, fostering impactful change through shared insights.

### Research Partnerships for Environmental Studies

Collaborative efforts with VITO (Flemish Institute for Technological Research) have been directed towards air quality and heat stress studies. These partnerships contribute to PureHealth's understanding of environmental factors and aid in the formulation of targeted strategies to address and mitigate climate-related challenges.

These collaborations exemplify PureHealth's commitment to a multi-stakeholder approach, where partnerships with governmental entities, thought leaders, and research institutions play a pivotal role in advancing the sustainability agenda. Through these alliances, PureHealth aims to collectively drive positive change, contribute to environmental stewardship, and achieve its ambitious decarbonization goals.

## Ahead of the Curve

To surpass expectations and achieve Net Zero by 2040, PureHealth closely monitors the regulatory landscape, with a particular focus on how these could impact the energy transition. This diligence ensures that strategies are not only ambitious but also compliant and well positioned to anticipate future regulatory developments. The company expects a fundamental transformation in healthcare delivery, propelled by cloud-based solutions and innovative technologies.

Ambitions extend beyond regulatory compliance and towards setting new standards. PureHealth's pledge to achieve net zero is a decade ahead of other major healthcare providers in the Middle East. The company was also the first healthcare company in the Middle East to be a part of esteemed initiatives including the Science Based Targets Initiative (SBTi), Global Green and Healthy Hospitals (GGHH) and UN backed Race to Zero initiative, emphasizing its position as a leader in advancing healthcare sustainability in the region.



# Emirates Driving Company - Setting a Course for Net-Zero

Established in 2000, Emirates Driving Company PJSC (EDC) is the leading provider of driver education and the premier pre-licensing driving institute for the emirate of Abu Dhabi. The ADX-listed company is fully committed to supporting the UAE Federal Government's Net Zero ambitions and being an industry leader on climate action. Here's how they plan to go about it.

EDC was among the first private sector organizations in the UAE to commit to achieving Net-Zero emissions, in alignment with the UAE Net-Zero by 2050 Strategic Initiative, and to set targets in line with the Science Based Targets initiative (SBTi).

The company spent much of 2023 laying the groundwork for a new decarbonization and Net-Zero transition plan, beginning with a detailed carbon accounting of the business to gain a thorough understanding of the source of its GHG emissions followed by setting clear targets for emissions reductions. The process was aligned with globally recognized standards to ensure transparency and accountability. EDC adopted the GHG Protocol standard for GHG emissions calculations and aligned targets with the Science Based Targets initiative (SBTi) Corporate Standard.

Achieving Net-Zero will require close collaboration between EDC and key stakeholders and the company is engaging closely with all partners, including suppliers, government entities, investors, customers, communities, and others. In 2024, EDC will publicly disclose its annual GHG emissions as well as further details of the transition plan and progress on the road to Net-Zero.

## Baseline

EDC set 2022 as the baseline year for emissions reduction targets, having produced its first GHG report validated by an independent auditor. The organizational boundary for the baseline was defined by the control approach, which covers all entities over which EDC has operational control. The 2022 accounting included offices in Abu Dhabi, Al Ain, and Madinat Zayed, as well as its subsidiary, Tabieah Property Investment, which owns a residential building in Abu Dhabi.

### Baseline Data (2022):

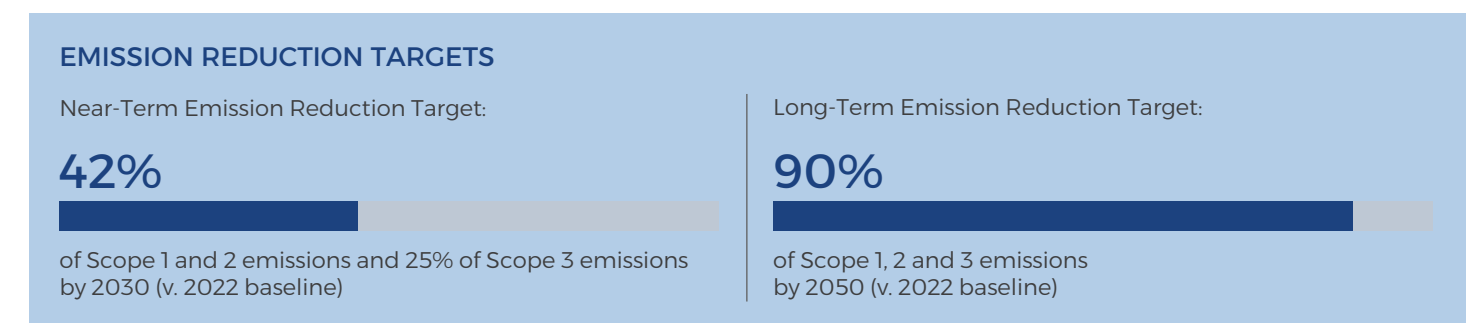
| Scope of Emissions                     | Emissions (tCO2e) | % of total   |
|--|-------------------|--------------|
| Scope 1: direct GHG emissions          | 4,066             | 23.8         |
| Scope 2: energy indirect GHG emissions | 5,039             | 29.5         |
| Scope 3: other indirect GHG emissions  | 7,978             | 46.7         |
| <b>Total GHG emissions</b>             | <b>17,083</b>     | <b>100.0</b> |



The operational boundary for the baseline was defined by the operational control approach, which accounts for sources directly owned or controlled by EDC. Combining both the Bottom Up and Top Down materiality approach, IHC has developed a comprehensive ESG Framework encompassing ESG Risk management issues, ESG integration topics, and opportunities, as shown in the graphic below.

## Targets

Having completed the GHG accounting process, EDC initiated the development of both near- and long-term emissions reduction targets that align with the latest guidance by the Science-Based Targets initiative (SBTi). Once validated by the SBTi, EDC intends to formally adopt and implement the targets within its sustainability strategy.



\* Provisional targets pending validation by SBTi

## Emissions Reduction Pathway

EDC will introduce ambitious measures to reduce emissions across its operations and supply chain by 2030.

### Key actions that form the basis for the Net-Zero strategy include:

- Electrify Mobility
- Optimize Buildings Infrastructure Efficiency
- Integrate Solar Energy
- Promote Green Commuting
- Implement Sustainable Sourcing
- Eco-Optimize Investment Portfolio

In addition to addressing Scope 3 emissions, the most critical element of the plan is to develop comprehensive vehicle fleet and building decarbonization plans. This will involve transitioning the fleet towards electric vehicles (EV) and introducing measures to decarbonize buildings, such as solar PV integration, HVAC equipment efficiency improvement, and more. These plans will address the most significant sources of EDC's emissions and enable the company to make significant reductions.

The transition is planned across three stages: Taking Action; Accelerating Change; and Net Zero by 2050. Until 2030, the primary focus will be on mitigating Scope 1 and 2 emissions, while also initiating efforts to address significant Scope 3 emissions, including purchased goods & services, capital goods, employee commuting, and investments.

From 2030 to 2050, EDC will intensify decarbonization efforts, working towards complete fleet and building decarbonization. The company will collaborate with employees, suppliers, and key stakeholders to reduce its environmental impact across the value chain, with a strong emphasis on mitigating

all relevant Scope 1, 2, and 3 emissions. EDC is committed to ensuring that any remaining emissions are also effectively mitigated to achieve its ambitious 2050 targets.

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### Taking action

#### ELECTRIC FLEET TRANSITION

We are committed to a transition toward electrifying our fleet by 2030, incorporating both hybrid electric vehicles (HEVs) and electric vehicles (EVS) among our passenger cars.

#### BUILDING EFFICIENCY ENHANCEMENT

We will retrofit our head office in Abu Dhabi with higher efficiency chillers and extend similar upgrades to our other buildings.

#### ACTION ACROSS OUR VALUE CHAIN

We will engage with suppliers to collaborate on emission reduction strategies with a focus on our tier 1 suppliers and start adopting responsible investment processes.

#### GREEN COMMUTING INITIATIVES

We will mitigate the footprint of employee commuting by implementing teleworking arrangements, incentivizing carpooling and promoting the use of public transport.

#### Near-Term Targets by 2030\*:

- 42% Emission Reduction in Scope 1 and 2
- 25% Emission Reduction in Scope 3

#### Baseline Emissions:

Scope 1: 4,066 tCO<sub>2</sub>e  
Scope 2: 5,039 tCO<sub>2</sub>e  
Scope 3: 7,978 tCO<sub>2</sub>e

### Accelerating change

#### FLEET MANAGEMENT OPTIMIZATION

We will persist in our journey towards full electrification, making essential infrastructure adjustments. We will also work on fleet optimization and route efficiency improvement to enhance overall operations.

#### GREENER BUILDINGS & RENEWABLE ENERGY ADOPTION

We will upgrade and replace major equipment to minimize refrigerant leaks and emissions while improving electricity consumption efficiency. We are also committed to integrating solar PV in our head office.

#### ONGOING SUPPLIER ASSESSMENT & COLLABORATION

We will continuously assess and collaborate with our suppliers, ensuring a collective effort towards achieving our targets, with periodic reassessments to track our progress.

#### By 2040\*:

- 63% Emission Reduction across all Scopes

### Net-zero by 2025

Embarking on our Net Zero Pathway, we are committed to delivering our promise by 2050. This journey is a collaborative effort, and we aspire to lead the way alongside key regional players. Active engagement with crucial stakeholders is key:

- Government
- Employees
- Customers
- Suppliers
- Other

Our focus will center on core areas, including fleet and building decarbonization, adoption of clean energy practices, and a dedication to continuous innovation. Together, we aim to create a sustainable future, driving positive change across our industry and beyond.

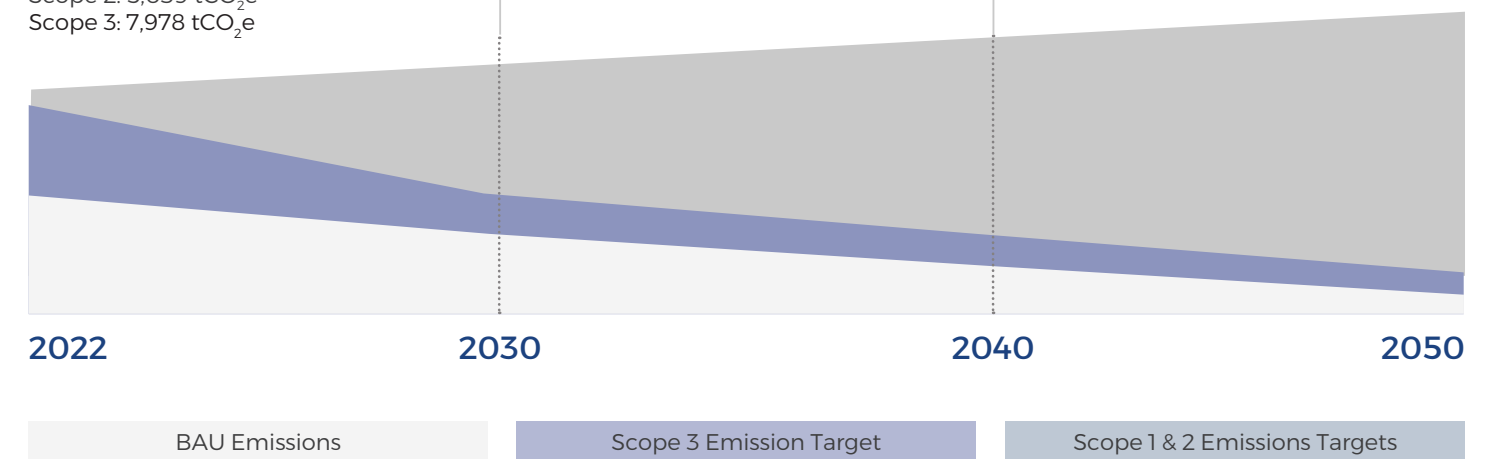
By 2050, we are committed to the electrification of the majority of our fleet.

By 2050, we are committed to achieving comprehensive supply chain emissions reduction through supplier engagement and transition.

#### Long-Term Targets by 2050\*:

- 90% Emission Reduction in Scope 1, 2 and 3

BAU emissions are projected to rise to -29,000 tCO<sub>2</sub>eq in 2050-18 times beyond Net-Zero targets.



### Emirates driving company's net-zero roadmap

#### Our guiding principles

- Accountability and transparency
- innovation and continuous improvement
- collaboration and partnership
- Adaptability and resilience

\* Provisional targets pending validation by SBTi



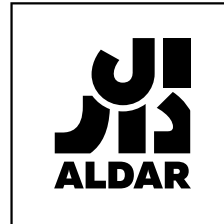
# Aldar Properties – Decarbonizing the Building Sector

*With a comprehensive Net Zero Plan now in place, Abu Dhabi's flagship real estate developer is taking the lead when it comes to curtailing emissions and making the built environment more sustainable.*

Aldar Properties launched its Net Zero Plan in 2023, a pivotal milestone that reflects the company's commitment to sustainability and responsible growth.

The company aims to achieve net zero in Scope 1 and 2 emissions and a 45% reduction in Scope 3 emissions intensity by 2030 reach Net Zero across all emissions scopes by 2050.

With this Plan, Aldar is taking a holistic approach to decarbonizing its operation across the value chain, from design and construction to asset management and acquisitions. Embedding sustainability ensures that Aldar's growth aligns seamlessly with both societal and environmental goals, exemplifying the company's dedication to a future where corporate success is synonymous with positive impact.



# Levers for Decarbonization

Aldar has strategically implemented eight key decarbonization levers across its development and investment activities to systematically reduce emissions throughout the lifecycle of its assets. Ongoing initiatives have already progress across these levers, some of which have been bolstered through partnerships to accelerate results.

**The eight levers are:**



**01. Low carbon design**

We are implementing an Aldar Sustainable Design Standard to embed low carbon active and passive design options, maximising energy efficiency, building performance, and asset climate resilience.



**02. Low carbon supply chain**

We are incentivising the supply chain to innovate around low carbon products, materials, and manufacturing processes.



**03. Greenconstruction**

We are taking a whole lifecycle approach to assets that prioritises low carbon site practices and construction material procurement.



**04. Clean energy**

We are prioritising use of clean energy through grid decarbonisation and procuring clean energy generated by government instruments.



**05. Resource efficiency & management**

We are upgrading our current systems to reduce leakage and improve asset efficiency in use.



**06. Tenant initiatives**

We are developing a programme of tenant engagement across all leased and managed assets, offering guidance and incentives for more sustainable behaviours.



**07. Circular economy**

We are focusing on better waste management during design, build and use phases, prioritising diversion from landfill, increasing greywater recycling and supporting the local waste sector.



**08. Sustainable acquisitions**

We are ensuring that all new investments and acquisitions will be guided by criteria that formally integrate sustainability considerations into the end-to-end investment decision making process.





In 2023, Aldar collaborated with various partners and government entities to address both immediate and long-term challenges to decarbonizing the built environment. As a result, the company has made significant headway across the following four levers:

### Clean Energy

In 2023 Aldar conducted a detailed cost-benefit analysis of deploying solar photovoltaic (PV) panels on a select number of real estate assets. Subsequently, the company signed a partnership to deploy PV across 45 assets under Aldar’s management. This transition to solar power is expected to save 23,000 tonnes of carbon dioxide emissions in the first year, marking a 12% reduction in Aldar’s Scope 2 greenhouse gas (GHG) emissions related to purchased electricity compared to the 2022 baseline. Over the project’s 20-year lifespan, over 560,000 tonnes of CO2 are anticipated to be avoided. This strategic partnership is expected to increase Aldar’s average clean energy consumption by 12% across its entire portfolio.

### Low-Carbon Supply Chain

In 2023, Aldar moved to enhance the knowledge among its suppliers by offering to conduct bi-annual educational sessions on its sustainability procurement programs for all suppliers. The company also introduced sustainability training for contractors at the project commencement stage, with the aim of familiarizing them with Aldar’s sustainability requirements, data collection processes, and green site practices.

Furthermore, almost all of Aldar’s construction projects use green concrete, which has reduced the company’s overall embodied carbon by 13%. Further, Aldar is working with steel and cement producers to explore opportunities to increase the use of low-carbon materials. Sustainable steel can provide up to a 60% reduction in steel-related CO2 emissions while green cement can reduce cement-related CO2 emissions by up to 70%.

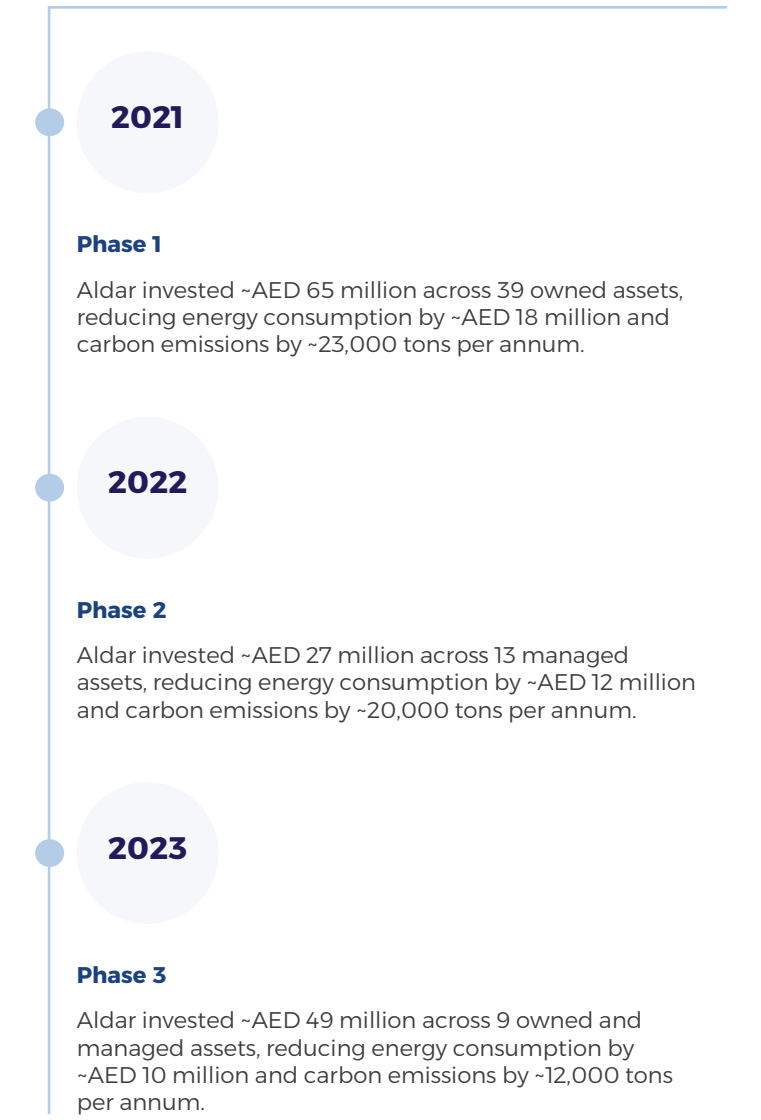
### Circular Economy

During COP28, and in collaboration with local and international companies specializing in circular economy practices, Aldar announced the development of EcoLoop, a waste management integrated facility to treat waste across the company’s communities and operations. Aligned with Aldar’s goal to reduce landfill waste and associated emissions, EcoLoop is projected to eliminate around 32,500 tonnes of carbon dioxide emissions per year. EcoLoop will divert municipal solid waste from landfills, treat it at a newly developed plant in Abu Dhabi, and convert it into by-products. The segregation process covers a wide range of recyclable materials including plastic and glass.

### Resource Efficiency and Management

Building on the success of the initial two phases of the Aldar Energy Retrofit project involving 52 assets, Aldar launched a third phase in 2023 covering the retrofitting of nine additional buildings. In addition to the environmental benefits, the initiative yields significant financial benefits by reducing energy costs through the installation of more efficient systems.

Details of the three phases of the retrofitting project are as follows:



For further information regarding Aldar’s ESG disclosures, please refer to their report (<https://www.aldar.com/en/explore-aldar/sustainability/reporting>)



# IHC's Impact Case Studies: Breakthroughs in Sustainable Success

## Accelerating Decarbonization



Esyasoft is a leader in smart grid and climate technologies, providing innovative solutions for the energy automation and IoT sectors. Collaborating with top utilities, OEMs, and system integrators, Esyasoft implements smart grid and smart city solutions designed to meet the energy sector's unique challenges. Pioneering on advanced metering infrastructure (AMI) systems and climate technologies, Esyasoft facilitates net-zero strategies and efficient energy management.

By harnessing data from smart meters and IoT devices, Esyasoft's solutions enable utility companies to optimize operations, mitigate environmental impact, and encourage sustainable energy practices. Integrating smart meters with Esyasoft's Meter Data Management Systems (MDMS) propels energy distribution automation forward, updating grids and enhancing both reliability and billing precision. This shift aids the move towards a more sustainable and resilient energy future. Esyasoft, recognized by Gartner for four consecutive years, is established as a trusted leader in advancing the energy sector's digital transformation.

Guided by the vision of impacting 1 billion lives and removing 10 billion tonnes of carbon, Esyasoft actively harnesses the power of innovation, aligning with the dynamic shifts in climate, technology, and customer needs. A commitment that positions Esyasoft as a leader in driving towards a more sustainable and energy-efficient future.

### Staying ahead of the curve

Innovation is central to Esyasoft's approach, and the company places strong emphasis on research and development. The current focus includes advancing AI algorithms and exploring the potential of Blockchain and Quantum computing for enhanced security and building a decarbonization digital infrastructure. These technologies are at the forefront of modern innovation, offering new avenues for addressing climate change actions and realizing netzero goals.

Esyasoft has actively engaged in strategic partnerships and collaborations to enhance its capabilities. With the recent acquisition of Landis & Cyr Smart Metering manufacturing in India, Esyasoft is positioned to lead the utilities transformation and accelerating decarbonization in the electricity, water and gas sector.

A notable partnership is with ADANI India, where Esyasoft has collaborated to deploy end to end smart grid solutions. This joint effort combines ADANI's infrastructure prowess with Esyasoft's Smart Grid capabilities, facilitating more efficient energy distribution and management. The synergy between ADANI's extensive reach in the energy sector and Esyasoft's cutting-edge technology significantly enhances the efficiency and effectiveness of energy distribution and consumption monitoring.

Esyasoft has collaborated with leaders in the electric vehicle (EV) charging, hydrogen infrastructure, and carbon management sectors. These partnerships are geared towards integrating the company's smart metering and IoT solutions with the emerging technologies in these areas. This integration is key to supporting the transition to cleaner energy sources and promoting sustainable practices in energy consumption.



### A safe and secure system

At Esyasoft, cybersecurity and data privacy are paramount, especially given the sensitive nature of data in the energy industry. The company employs a multi-layered security strategy, rigorously complying with NIST standards, which sets a robust foundation for its cybersecurity protocols. Adherence to these industry-recognized standards ensures that the company's technology products are safeguarded against a wide array of cyber threats, maintaining the integrity and confidentiality of sensitive data.

In addition, Esyasoft's security framework incorporates the OWASP Framework for web application security and utilizes Quantum proof keys, preparing its systems for future technological advancements and potential threats.

The integration of blockchain technology further strengthens Esyasoft's security measures, providing enhanced data protection through its decentralized and immutable nature. These comprehensive security practices demonstrate the company's commitment to upholding the highest standards of data security and privacy in the energy sector.

### A clean energy enabler

Esyasoft is dedicated to achieving the monumental goal of reducing 10 billion tonnes of carbon over the next 10 years.

Its approach to product and service development is crafted to support this overarching goal, ensuring a significant contribution to minimizing environmental impact and advancing clean energy solutions.

The company is venturing into Electric Vehicle (EV) Charging and Hydrogen Infrastructure, acknowledging their vital role in a sustainable future. Esyasoft's focus on reducing its carbon footprint extends to every product, reflecting a commitment to environmentally responsible practices.

Additionally, Esyasoft's ESG (Environmental, Social, and Governance) services and application suite enable businesses to seamlessly integrate sustainable practices and adhere to global ESG standards.

### Harnessing the power of AI

Artificial Intelligence (AI) and Machine Learning (ML) are rapidly reshaping the landscape of energy automation and the Internet of Things (IoT) sector. Esyasoft is keenly aware of this transformative shift and is proactively integrating these technologies into its products particularly in enhancing the efficiency, reliability, and sustainability of energy systems.

For instance, in smart metering, AI algorithms analyze consumption patterns, detect irregularities, and project future usage trends. This capability is crucial for accurate energy demand forecasting, enabling utility companies to fine-tune energy production and distribution.

In terms of predictive maintenance, AI-driven analytics proactively identify potential faults in energy infrastructure, mitigating risks and reducing maintenance costs. In the IoT domain, AI augments the intelligence of interconnected devices, allowing them to autonomously make informed decisions based on real-time data. This enhances the efficiency and responsiveness of energy systems, marking a significant step towards smarter energy management.





# Rebound - Transforming the Lifecycle of Plastics

Rebound was founded with a global mission to keep plastics out of the environment and in the economy. The company adopts a two-pronged approach to promoting the circular economy and being part of the solution to reducing plastics pollution.



The establishment of Rebound in the plastic recycling sector was inspired by a collective concern for the environment during the COVID-19 pandemic in 2020. The team delved into the lifecycle of plastics, identifying limitations in global plastic recycling regulations and the impact it had on the untapped market.

## The approach involves two key components:

### Rebound Platform

Global B2B Digital Marketplace:

The Rebound Platform acts as a unique global B2B digital marketplace connecting all stakeholders in the plastics industry. It promotes transparency and quality within the industry, ensuring responsible practices and reducing the likelihood of plastics entering the environment.

### Rebound Solutions

Expert Advisory Services:

Rebound Solutions provides expert advisory services to individuals, households, businesses, and governments, empowering them to embrace circularity, minimize waste, and create economic value while addressing plastic pollution.

## How They Work Together

The Rebound Platform focuses on ensuring quality and transparency in the trade of recycled plastics. The company has multiple global partners to guarantee the quality of recycled materials traded on the platform, offering members a reliable marketplace for their transactions. The actions taken on the platform revolve around a proprietary certification protocol.

To achieve a more comprehensive approach, Rebound Solutions was introduced. Through collaboration and partnerships across the entire value chain, from households to businesses and governments, Rebound Solutions addresses

the broader challenges associated with plastics ending up in the environment. This collaborative approach enables the company to provide expert advisory services, guiding entities on embracing circularity, and implementing sustainable practices.

Combining the technological infrastructure of the Rebound Platform with the collaborative efforts of Rebound Solutions creates a holistic solution that not only ensures the quality and transparency of plastic recycling transactions but also actively engages with stakeholders throughout the value chain.

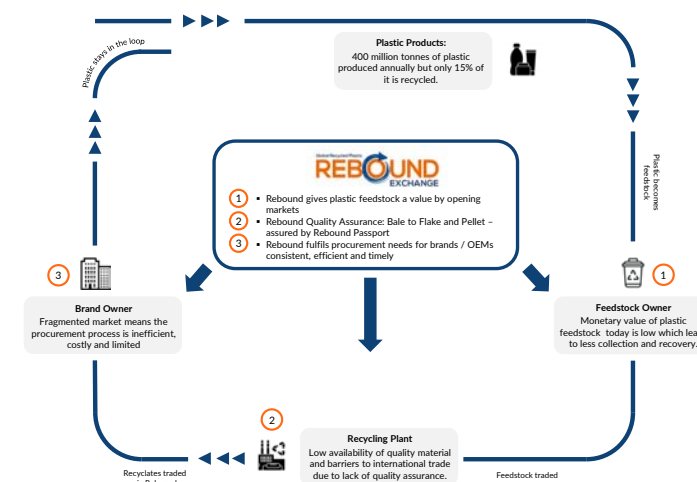
## A Multi-Stakeholder Approach

Rebound collaborates with key stakeholders in the waste management and recycling ecosystem to amplify the impact of plastic recycling initiatives. Partnerships with local governments involve advocacy for robust waste management policies and joint efforts to develop essential recycling infrastructure. By aligning with regulatory frameworks, Rebound contributes to an environment conducive to sustainable practices.

Engaging with businesses is a core aspect of the strategy, focusing on establishing closed-loop systems that integrate recycled materials into production cycles. Rebound Solutions offers advisory services to guide businesses in adopting sustainable packaging and circular economy practices.

Collaboration with non-profit organizations extends to community outreach programs and research initiatives that raise awareness about the significance of plastic recycling at the grassroots level and contribute to innovative solutions through research and development.

Through these multifaceted collaborations, Rebound aims to create a comprehensive network of support that enhances the effectiveness of plastic recycling, promoting sustainable practices, and contributing to the global reduction of plastic pollution while reducing carbon emissions by diverting plastic from landfill and decreasing virgin plastic production.



## Managing Challenges

In navigating the plastic recycling industry, Rebound has encountered multifaceted challenges, with a primary obstacle being the industry's initial resistance and scepticism towards a global recycled plastics trading platform.

As pioneers in developing such a platform, the challenge lay in convincing stakeholders to understand and accept this innovative approach. Market fragmentation posed logistical hurdles, but the core challenge was fostering industry trust in the viability of seamless cross-border transactions.

To address this, Rebound prioritized building credibility through transparent and efficient operations on the platform. The company implemented advanced quality controls to ensure the integrity of materials traded, easing concerns about the potential complications at borders. Collaborative efforts with local governments and businesses helped navigate regulatory compliance, emphasizing the company's commitment to aligning with international standards. There are also numerous challenges due to the technical complexity

of recycling the material, as output continuously depends on input, as well as technology used in the recycling process.

Beyond that, greenwashing remains a key challenge, as corporations that commit to incorporating recycled plastic content opt for virgin plastics only due to financials. However, regulations are playing a key role in shifting the demand while Rebound is enabling the supply side.

Rebound has successfully overcome the challenges and built trust with entities worldwide, establishing itself as a leading global recycled plastics trading platform. In just over a year since the Rebound Platform's launch, the company has garnered the support and participation of over 200 members from more than 50 countries around the world.

This rapid global adoption is a testament to its commitment to transparency, quality assurance, and efficient cross-border transactions.

## Product Innovation

Rebound's approach to product innovation with recycled plastics is characterized by strategic collaborations and a commitment to delivering high-quality, sustainable materials.

Through partnerships with manufacturers, Rebound aims to integrate recycled plastics into diverse product lines, tailoring solutions to meet specific industry requirements. These collaborations involve not only supplying a consistent stream of top-tier recycled materials but also providing guidance on effective integration.

Rebound recently signed a collaboration with the Circular Packaging Association (CPA) which marks a significant milestone in the company's commitment to sustainable packaging. This collaboration is poised to revolutionize the landscape for eco-friendly practices within the packaging industry.

By working closely with CPA, Rebound aims to establish industry standards that ensure the quality and consistency of recycled plastics used in packaging materials. This initiative not only promotes the adoption of sustainable practices but also contributes to the broader goals of creating a circular economy.

Rebound's long-term vision centers on actively promoting circular economy practices to transform the lifecycle of plastic products, fostering sustainability and resource conservation. The company aims to be the global hub for all things recycled plastics.



# RESET - Cutting Back on Energy and Water

RESET is a collaboration between IHC and Alliances for Global Sustainability, a company dedicated to identifying, developing, and investing in high-performing ventures and providing advisory services for global sustainability. The inspiration and driving force behind this collaboration is a commitment to the vision for a more sustainable future of Her Highness Sheikhha Shamma bint Sultan bin Khalifa Al Nahyan, Founder of RESET and the CEO of Alliances for Global Sustainability.



RESET was conceived as an Energy Service Company (ESCO) to support companies and organizations in the UAE to tackle the challenges of over-consumption and wastage that inevitably arise within the workplace and to help business owners reduce their energy usage and consequently lower their expenditure.

By efficiently monitoring and controlling energy usage, using analytics and algorithms, RESET's innovative solutions not only help to optimize energy consumption but also contribute to environmental sustainability. By reducing their overall carbon footprint companies can play their part in addressing climate change.

An Energy Management Center at RESET's head office plays a crucial role in monitoring projects and tracking utility cost savings, helping clients to achieve further reductions in operational expenses and utility consumption.

By implementing proven technologies covering HVAC, Lighting, Water & Irrigation, Pumps & Motors, Controls & Automation, and Solar PV & Hybrid Renewables, RESET's solutions can deliver significant energy and water savings.

Core services include Energy & Water Audits, Irrigation Audits, Energy Performance Contracting, Project Financing. Projects include buildings of all kinds, including residential and office buildings, schools, hotels, and even parks. RESET partners with clients of all kinds including public and private sector organizations and agencies, hotel operators, healthcare providers, real estate developers, and facilities management companies.

For each project, RESET aims to achieve a 15 to 30% reduction in utility costs for its clients. Through its existing projects RESET has identified AED 100 million in utility savings per year, some of which have already been implemented and are benefiting the UAE economy and supporting the country's climate action initiatives.



## Sourcing the Latest Technology

RESET's team of experts ensures it stays abreast of the latest emerging technologies and innovation trends to implement in its projects. The team spends a significant amount of time each year researching and evaluating those new technologies that can potentially make an even greater impact when it comes to tackling inefficiencies in building operations and therefore reducing carbon emissions and combatting climate change. It routinely engages with new suppliers and participates at relevant industry events to stay in touch with the market and any new opportunities that may arise.

Internally, RESET leverages cross-departmental collaboration and internal communications to ensure the company's sustainability initiatives are integrated into its day-to-day operations and decision-making processes.

## The company has set itself a series of sustainability goals, including:

- 01 Energy Saving Initiatives**

Promote energy efficiency in all sectors
- 02 Employee wellbeing**

Provide a safe and healthy work environment to improve happiness and productivity
- 03 Waste reduction and recycling efforts**

Implementing efficient disposal solutions to reduce waste and promote recycling
- 04 Ethical sourcing**

Sourcing materials and products from ethical suppliers to align with our values that promote fair labor practices, avoid modern slavery, and protect human rights

To support its sustainability initiatives, RESET partners and collaborates with other organizations, both within and outside the clean energy sector. For example, it currently has a partnership with RECAAP, a Veolia company, for plastic bottle recycling. Through the RECAP APP, RESET can track the volume of plastic waste recycled and the amount of carbon saved.

The company is also evaluating the possibility of signing an agreement with an external partner for paper recycling and is also considering going paperless. It expects to implement this initiative in 2024.

In the coming years, RESET's vision is to continue its evolution as a company that harnesses the latest technology to help clients reduce their energy and water consumption and position itself as a leading service provider in the UAE and the wider region in support of the quest to achieve Net-Zero.





# Mawarid Holding Investment – Breathing Life into the Desert

Through its responsible environmental practices and efforts to conserve natural resources, MHI Group supports the UAE's mission to be a global leader in environmental sustainability. In the face of challenges presented by the UAE's desert climate, the company harnesses technology and innovative techniques including sustainable forestry, water conservation, renewable energy deployment, and agricultural practices to protect the country's unique biodiversity and rehabilitate degraded land.

With a heritage deeply rooted in sustainability, MHI Group<sup>1</sup> continues to drive transformation across the UAE's natural landscape, greening the desert through our sustainable afforestation and wildlife programs. MHI Group harnesses technology and innovative methods to provide natural capital conservation services in the UAE. Water-saving technologies, agri-tech, wildlife and forest management, and circular economy techniques are all central to the company's mission to preserve the UAE's natural environment amid the challenges presented by the country's desert climate.



## Biodiversity and Land Use Management

Through its subsidiary, Barari Natural Resources, MHI preserves the biodiversity of the UAE through Afforestation and Wildlife Management, activities that are mutually beneficial. Forests provide shelter and sustainable habitats for both native and non-native wildlife species which in turn support forests to thrive.

MHI Group oversees the welfare of more than 100,000 individual wild animals that inhabit its reserves, comprising 25 different species. The Group operates the world's largest breeding center for the endangered Arabian Tahr. In addition, MHI Group cares for more than 120,000 wild birds, including over 30 endangered species, and sustains around 20,000 head of sheep of various breeds, across 27 sites.

Native ecosystems are protected from the negative impact of invasive species, particularly avian species, and forests are rehabilitated to provide optimal habitats for native fauna. Barari Natural Resources is proud to have contributed to the development of the UAE National Invasive Species Strategy and Action Plan 2022 – 2026 as a specialist in the field.

Population monitoring and management is an essential part of maintaining a healthy ecosystem and MHI Group conducts controlled animal capture programs to maintain appropriate herd management. In addition, captive breeding of animals is vital to rewilding programs that help maintain native populations at healthy levels.

MHI Group applies internationally accepted wildlife management standards across all its activities including husbandry, nutrition, veterinary care, breeding, biosecurity, pest control, and ancillary activities. Wildlife conservation efforts are supported by the Group's own research centers and specialized laboratories run by expert professionals.

## Sustainable Forestry Management

Through its subsidiaries, MHI Group manages over 400 individual forest sites and protected areas spread across some 200,000 hectares in Abu Dhabi and conserves and maintains more than 13.5 million predominantly native trees.

Forest management prevents and reverses soil erosion, enhances wildlife habitats, supports greening the desert, and promotes carbon sequestration. The Group leverages technology and innovative methods to convert deserts into afforested areas and rehabilitate degraded land.

Conservation and rehabilitation efforts are supported by four large tree and native plant nurseries with a capacity to produce more than 10 million seedlings per year, with an emphasis on native species that are well adapted to desert conditions. Forestry teams gather indigenous plant seeds from their habitats which can be stored using modern methods for future use. More than 130 species of native plant seeds have been preserved.

The Group also operates mangrove nurseries for the expansion and revival of coastal mangrove forests which support biodiverse ecosystems in addition to acting as effective carbon sinks.

## Resource Management

MHI Group uses innovative solutions to ensure a secure and steady supply of water to forested areas. This includes an extensive irrigation network comprising of more than 160,000 km of irrigation pipes supported by some 5,000 water wells. Smart irrigation systems that use Artificial Intelligence (AI) technology based on wireless sensors have been selectively deployed to dispense the right amount of water at the right time to forests and food producers, thus helping to conserve water. In addition, the company favors native plants that are well adapted to desert conditions and require less water.

A variety of water-saving techniques are used, including Liquid Natural Clay (LNC), which can reduce irrigation water needs by up to 50%. Irrigation pipes are maintained to minimize water leakage and mulch is used to prevent water loss from evaporation in forests and farmlands. Furthermore, about 40,000 gallons (180,000 liters) per day of irrigation water is sourced from treated wastewater, meaning water recycling plays a key role in water savings.

In terms of energy management, Barari Natural Resources is incrementally introducing solar PV panels to replace diesel-powered generators resulting in reduced fuel consumption and CO2 emissions. Currently, close to 100 sites use solar power to support irrigation systems. The Group is also looking to draw more electricity from the national grid produced using a blend of nuclear power, natural gas, and solar power, and thus lower in carbon emissions than on-site diesel generators.

<sup>1</sup>Mawarid Holding Investment LLC (MHI) and its subsidiaries are referred to as "MHI Group"

## GHG Emissions Inventory

In 2023, MHI Group expanded its Scope 1 and 2 GHG emission inventory to cover all subsidiaries within the Group following the definition of its organizational boundary, in accordance with the Greenhouse Gas Protocol standard. This accounts for the nearly 7% increase in year-on-year emissions.

|      | 2023       | 2022           |
|------|------------|----------------|
| 2021 | 104,352.01 |                |
| 2022 | 3,052.57   |                |
| 2023 | 107,404.58 | CGS Cycling, W |

## COP28 Climate Action

MHI was present at CoP28. It showcased its subsidiary Mawarid Desert Control (MDC), a leading provider of smart agriculture solutions to combat desertification and soil degradation. MDC focuses on sustainable ecosystem management across the Middle East using Liquid Natural Clay (LNC) and the reduction of water consumption. One application of LNC lasts for 3-5 years. Water savings take effect immediately as does the reduction in the quantum of fertilizer needed resulting in excellent return on investment. The process can turn degraded soil and deserts into fertile arable land.

## Commitments to Global Initiatives

MHI is a participant to the United Nations Global Compact, the world's largest corporate sustainability initiative.

For further information regarding Mawarid Holding Investment's ESG disclosures, please refer to its ESG Progress Report – (<https://www.mawaridhi.com/esg.php>)











# 5.7 Sustainable Operation

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8, E9, E10)

## Climate

### Material Topics



Climate Change



Energy



Emissions

### SDGs

|  |   |   |
|--|---|---|
| <b>9</b> INDUSTRY INNOVATION AND INFRASTRUCTURE<br> | <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES<br> | <b>13</b> CLIMATE ACTION<br> |
|--|---|---|

### Vision 2030

- A large empowered private sector
- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets
- The optimisation of the Emirate's resources



As a company with a mandate to diversify the UAE's economy, IHC is fully aligned with the country's climate ambitions and is addressing climate change through its portfolio investments. As highlighted earlier in this report, many of IHC's portfolio companies are moving to decarbonize their operations and, thus far, three have announced SBTi-based Net-Zero commitments.

In addition to the work being undertaken by individual portfolio companies, IHC has invested in many companies that offer solutions specifically designed to address pressing global challenges. IHC has consolidated businesses with a focus on developing sustainability and climate action solutions under Sirius International Holding, and specifically its recently launched subsidiary Smart Sustainability Solutions (S3), which is developing solutions focusing on methane abatement, carbon capture and storage (CCS), water availability and replenishment, and the circular economy.

S3 will offer industrial scale solutions and services for the transition to a net-zero economy. The objective is to invest \$5bn in a pipeline of projects aimed at combating climate change.



# Environmental Initiatives

At the holding level, IHC adopts a culture of environmentally responsible behavior and has implemented initiatives to address our environmental footprint in the workplace.

## Waste Management

IHC is committed to achieving SDG 12 (Responsible Consumption and Production) through the implementation of innovative waste management strategies to reduce the volume of waste we production.

In 2023, we conducted a workplace waste management workshop for all staff and implemented a tech-based waste recycling solution. REE™ is a software company that provides bespoke recycling solutions to tackle the problem of source segregation while providing full transparency and traceability. All employees segregate their waste and using REE's technology IHC has built its dashBoard with real-time accurate data on how much recycling that is generated and transparency with where everything goes. REE along with Proseed has been paramount to spread awareness, promoting circular economy and waste management amongst all employees of IHC. Within the first 4 months of installing REE, 174Kg of total waste was recycled and 166Kg of carbon emissions avoided.

## Energy and Water Management

Reset Energy, an IHC portfolio company, conducted a comprehensive energy and water audit of IHC Headquarters. This subsequently resulted in retrofitting systems to improve energy and water efficiency and a 23% saving in consumption.

### The solutions implemented included:

- Adiabatic cooling system for 2 chillers
- Lighting and lighting controls
- Building management system
- Cloud based analytics platform
- HVAC Control and Optimization
- Energy saving M&V and reporting

|                          | Unit                              | Unit          | 2021            | 2022            | 2023     |
|--------------------------|-----------------------------------|---------------|-----------------|-----------------|----------|
| Energy Consumption       | Fuel Consumption                  | Petrol GJ     | 796.26          | 1,480.16        | 1,386.12 |
|                          |                                   | Die-sel GJ    | 0.00            | 0.00            | 0.00     |
|                          | Electricity Consumption           | GJ            | 118.89          | 140.68          | 295.85   |
|                          | Chilled Water                     | GJ            | 0.00            | 0.00            | 0.00     |
|                          | Total Direct Energy Consumption   |               | 796.26          | 1,480.16        | 1,386.12 |
|                          | Total Indirect Energy Consumption |               | 118.89          | 140.68          | 295.85   |
| Total Energy Consumption |                                   | <b>915.15</b> | <b>1,620.84</b> | <b>1,681.97</b> |          |

| Direct Energy Intensity       | 2021         | 2022         | 2023         |
|-------------------------------|--------------|--------------|--------------|
| Direct Energy Intensity       | 24.88        | 40.00        | 29.49        |
| Indirect Energy Intensity     | 3.72         | 3.80         | 6.29         |
| <b>Total Energy Intensity</b> | <b>28.60</b> | <b>43.81</b> | <b>35.79</b> |

| Scope   | Item                              | Unit   | 2021  | 2022  | 2023  |
|---------|-----------------------------------|--------|-------|-------|-------|
| Scope 1 | Combustion of Fuels               | MTCO2e | 52.10 | 95.40 | 86.75 |
|         | Process Emissions                 | MTCO2e | NA    | NA    | NA    |
|         | Fugitive Emissions                | MTCO2e | N/A   | N/A   | NA    |
| Scope 2 | Electricity Purchased for Own Use | MTCO2e | 13.30 | 15.79 | 33.21 |
|         | Heat Purchased for Own Use        | MTCO2e | N/A   | N/A   | NA    |

| Scope                     | 2021  | 2022   | 2023   |
|---------------------------|-------|--------|--------|
| Scope 1                   | 52.10 | 95.40  | 86.75  |
| Scope 2                   | 13.30 | 15.79  | 33.21  |
| Scope 3                   | 0.00  | 71.07  | 140.19 |
| Total Emissions (MT CO2e) | 65.40 | 182.26 | 260.16 |

| Scope  | 2021 | 2022 | 2023 |
|--|------|------|------|
| Scope 1 - Intensity                          | 1.63 | 2.58 | 1.85 |
| Scope 2- Intensity                           | 0.42 | 0.43 | 0.71 |
| Scope 3- Intensity                           | 0.00 | 1.92 | 2.98 |
| Total Emissions Intensity (MT Co2e/employee) | 2.04 | 4.93 | 5.54 |

# Human Capital Development

## Material Topics



Human Development



Diversity and Equality



Non-Discrimination

## SDGs



### Vision 2030

- A large empowered private sector
- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets



IHC is committed to identifying, recruiting, and nurturing outstanding talent with the potential to be world-class leaders. We see this as an integral element of driving our business growth and enabling us to successfully achieve our ambitious goals.



In return, we offer a challenging, stimulating, and supportive working environment where individuals can achieve their potential and reach their career goals.

Our employees are rewarded with attractive compensation packages accompanied by statutory as well as additional benefits and opportunities for training and development.

In addition, employees may enjoy other benefits including housing, schooling, transportation, and an annual flight allowance, among others.

**Employee benefits offered as standard by IHC companies include:**

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision



**Diversity and Inclusion**

IHC fosters an inclusive working environment where diverse cultures, backgrounds and perspectives are respected and valued.

IHC has a Group Code of Conduct that enshrines the principles of fair and equal treatment for all employees and outlines how all workers should treat each other with dignity and respect, regardless of their station.

IHC has a zero-tolerance policy towards intimidation or verbal or physical harassment and forbids any discrimination based on race, gender, ethnic origin, nationality, religion, age, or physical ability.

Due to the rapid expansion of the Group, IHC's workforce, at the holding level, has grown by close to 50% over the past two years, from 32 employees in 2021 to 47 in 2023.

In 2023, women made up more than 25% of IHC's workforce, up from 15% in 2021 following a greater emphasis on female recruitment over the past two years.

There has also been a greater emphasis on youth recruitment. In 2023, 30% of IHC's workforce were below 30 years of age while 68% were aged 30-50. This compares to 25% and 87.5% respectively in 2021. As a result, more junior 'non-management' staff now comprise close to half of employees at IHC, compared to 12.5% two years ago.

There are now 19 different nationalities employed compared to 12 in 2021, a rise of more than 50%.

**Breakdown of employees:**

Total Employees (Gender)

|      | 2021   |      | 2022   |        | Total |
|------|--------|------|--------|--------|-------|
|      | Female | Male | Female | Male   |       |
| 2021 | 5      | 27   | 15.63% | 84.38% | 32    |
| 2022 | 6      | 31   | 16.22% | 83.78% | 37    |
| 2023 | 13     | 34   | 27.66% | 72.34% | 47    |

Total Employees (Age group)

|      | 2021               |                         |                   | 2022                 |                           |                     | 2023                 |                           |                     |
|------|--------------------|-------------------------|-------------------|----------------------|---------------------------|---------------------|----------------------|---------------------------|---------------------|
|      | Below 30 years old | Between 30-50 years old | Over 50 years old | Below 30 years old % | Between 30-50 years old % | Over 50 years old % | Below 30 years old % | Between 30-50 years old % | Over 50 years old % |
| 2021 | 8                  | 28                      | 1                 | 25.00%               | 87.50%                    | 3.13%               | 29.79%               | 68.09%                    | 2.13%               |
| 2022 | 11                 | 25                      | 1                 | 29.73%               | 67.57%                    | 2.70%               | 29.79%               | 68.09%                    | 2.13%               |
| 2023 | 14                 | 32                      | 1                 | 29.79%               | 68.09%                    | 2.13%               | 29.79%               | 68.09%                    | 2.13%               |

Total Employees (Employment Category)

|      | 2021                   |                   |                   | 2022                     |                     |                     | 2023                     |                     |                     |
|------|------------------------|-------------------|-------------------|--------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|
|      | Non-Management (Staff) | Middle Management | Senior Management | Non-Management (Staff) % | Middle Management % | Senior Management % | Non-Management (Staff) % | Middle Management % | Senior Management % |
| 2021 | 4                      | 12                | 16                | 12.50%                   | 37.50%              | 50.00%              | 13.51%                   | 37.84%              | 48.65%              |
| 2022 | 5                      | 14                | 18                | 13.51%                   | 37.84%              | 48.65%              | 46.81%                   | 38.30%              | 14.89%              |
| 2023 | 22                     | 18                | 7                 | 46.81%                   | 38.30%              | 14.89%              | 46.81%                   | 38.30%              | 14.89%              |

Permanent employees

|      | 2021     |        | 2022     |        | 2023     |        |
|------|----------|--------|----------|--------|----------|--------|
|      | Female % | Male % | Female % | Male % | Female % | Male % |
| 2021 |          | 15.63% |          | 84.38% |          | 84.38% |
| 2022 |          | 16.22% |          | 83.78% |          | 83.78% |
| 2023 |          | 27.66% |          | 72.34% |          | 72.34% |

**Hires Breakdown:**

Total New Hires (Gender)

|      | 2021   |      | 2022     |        | 2023     |        |
|------|--------|------|----------|--------|----------|--------|
|      | Female | Male | Female % | Male % | Female % | Male % |
| 2021 | 2      | 17   | 40.00%   | 62.96% | 50.00%   | 16.13% |
| 2022 | 3      | 5    | 50.00%   | 16.13% | 53.85%   | 14.71% |
| 2023 | 7      | 6    | 53.85%   | 14.71% | 53.85%   | 14.71% |

Total New Hires (Age Group)

|      | 2021               |                         |                   | 2022                 |                           |                     | 2023                 |                           |                     |
|------|--------------------|-------------------------|-------------------|----------------------|---------------------------|---------------------|----------------------|---------------------------|---------------------|
|      | Below 30 years old | Between 30-50 years old | Over 50 years old | Below 30 years old % | Between 30-50 years old % | Over 50 years old % | Below 30 years old % | Between 30-50 years old % | Over 50 years old % |
| 2021 | 4                  | 14                      | 1                 | 50.00%               | 50.00%                    | 100.00%             | 9.09%                | 28.00%                    | 0.00%               |
| 2022 | 1                  | 7                       | 0                 | 9.09%                | 28.00%                    | 0.00%               | 42.86%               | 18.75%                    | 0.00%               |
| 2023 | 6                  | 6                       | 0                 | 42.86%               | 18.75%                    | 0.00%               | 42.86%               | 18.75%                    | 0.00%               |

**Turnover breakdown:**

Total Employees that left (Gender)

|      | 2021   |      | 2022     |        | 2023     |        |
|------|--------|------|----------|--------|----------|--------|
|      | Female | Male | Female % | Male % | Female % | Male % |
| 2021 | 2      | 1    | 40.00%   | 3.70%  | 0.00%    | 9.68%  |
| 2022 | 0      | 3    | 0.00%    | 9.68%  | 30.77%   | 26.47% |
| 2023 | 1      | 2    | 30.77%   | 26.47% | 30.77%   | 26.47% |

Employee Turnover %

Employee Hire %

|      |        |        |
|------|--------|--------|
| 2021 | 9.38%  | 59.38% |
| 2022 | 8.11%  | 21.62% |
| 2023 | 27.66% | 25.53% |



Diversity & Equality

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

|      | Non-Management (Staff) |        | Middle Management |        | Senior Management |        |
|------|------------------------|--------|-------------------|--------|-------------------|--------|
|      | Male                   | Female | Male              | Female | Male              | Female |
| 2021 | 4                      | 0      | 10                | 2      | 13                | 3      |
| 2022 | 5                      | 0      | 11                | 3      | 15                | 3      |
| 2023 | 14                     | 8      | 13                | 5      | 7                 | 0      |

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

|      | Non-Management (Staff) |        | Middle Management |        | Senior Management |        |
|------|------------------------|--------|-------------------|--------|-------------------|--------|
|      | Male                   | Female | Male              | Female | Male              | Female |
| 2021 | 100.00%                | 0.00%  | 83.33%            | 16.67% | 81.25%            | 18.75% |
| 2022 | 100.00%                | 0.00%  | 78.57%            | 21.43% | 83.33%            | 16.67% |
| 2023 | 63.64%                 | 36.36% | 72.22%            | 27.78% | 100.00%           | 0.00%  |

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER

|      | Non-Management (Staff) |                         |                   | Middle Management  |                         |                   | Senior Management  |                         |                   |
|------|------------------------|-------------------------|-------------------|--------------------|-------------------------|-------------------|--------------------|-------------------------|-------------------|
|      | Below 30 years old     | Between 30-50 years old | Over 50 years old | Below 30 years old | Between 30-50 years old | Over 50 years old | Below 30 years old | Between 30-50 years old | Over 50 years old |
| 2021 | 1                      | 3                       | 0                 | 5                  | 12                      | 0                 | 2                  | 13                      | 1                 |
| 2022 | 1                      | 4                       | 0                 | 7                  | 7                       | 0                 | 3                  | 14                      | 1                 |
| 2023 | 8                      | 14                      | 0                 | 6                  | 12                      | 0                 | 0                  | 6                       | 1                 |

Total Number of Nationalities

|      |    |
|------|----|
| 2021 | 12 |
| 2022 | 15 |
| 2023 | 19 |



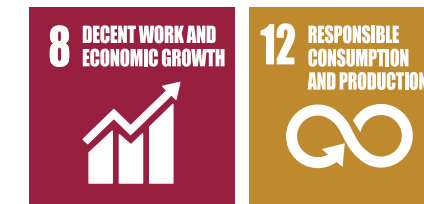
Responsible Investment

Material Topics



Responsible Investments

SDGs



Vision 2030

- A large empowered private sector
- Premium education, healthcare, and infrastructure assets
- A sustainable knowledge-based economy
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE



At IHC, a key area of focus has been on building global ecosystems by evaluating diversification opportunities and leveraging global trends that can generate long-term shareholder value.

Having already built strong internal processes that are augmented with technology for its Finance, Legal and Strategy functions, the aim was to continue enhancing digitisation solutions via investment and establishing companies that provide these digitisation services regionally and globally.

In the short and medium term, IHC has encouraged and enhanced the use cases for generative AI within the group and all its departments. The Group has shared with all subsidiaries a playbook for available AI tools that each sector and business function could leverage to enhance productivity and boost performance.

The Group CEO undertook a targeted exercise on building and utilising an internal Generative AI Application that can be utilised by select IHC subsidiaries to enhance financial analysis and performance. Providing the business unit leaders with

predictive analysis capabilities and utilising a customizable and modular AI platform that is specific to the company's sector. The aim is to pilot this across several subsidiaries, provide data driven information to leadership, and roll-out across the group.

Similarly, IHC has built and is testing an AI Platform to enhance synergy and internal-business development across its portfolio of 500 subsidiaries. The AI tool will provide all employees and leadership across the group to easily search and access all services, products and solutions within the group.

Lastly, the establishment of its new subsidiary, Sirius International Holding will lead digital transformation solutions for businesses and governments across the world in multiple sectors, including: energy, climate tech, block chain and crypto currency, business process automation, software development, and health tech



## Governance

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G2, G3, C4, C5)

### Material Topics



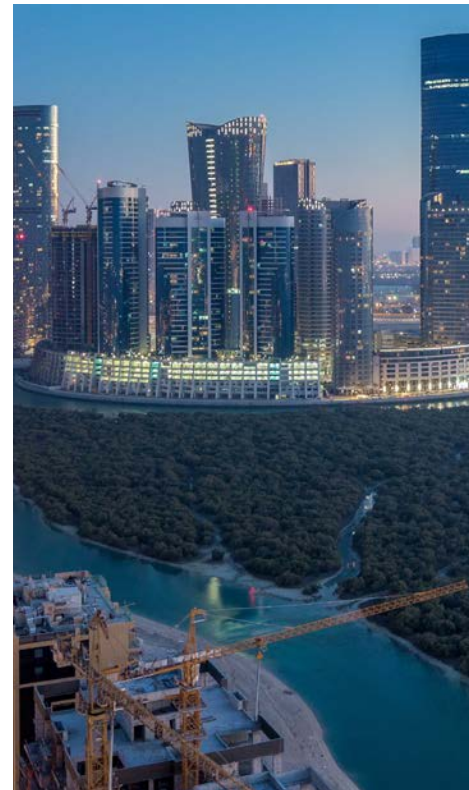
Governance

### SDGs



#### Vision 2030

- A large empowered private sector
- Premium education, healthcare, and infrastructure assets
- A sustainable knowledge-based economy
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE



IHC operates according to the highest standards of business integrity, transparency and accountability. To ensure this, and to manage operations efficiently, the company has embedded a strong corporate governance culture and structure, including appropriate systems for internal oversight and risk management.

This section provides a high-level overview of IHC's governance structure. For a more in-depth exploration, readers may refer to the company's latest Corporate Governance Report.

## The Board of Directors

IHC's Board of Directors is responsible for the overall health of the company, protecting the interests of all key stakeholders, and creating value within an appropriate risk management framework.

The Board sets the company's strategy and oversees the Executive Management's implementation of the strategic vision, ensuring it delivers according to set targets over the short-, medium-, and long-term.

Either directly or through Board sub-committees and delegated authority, the Board provides independent judgment on all issues of strategy, performance, resources (including key appointments) and standards of conduct.

The Board established the Board Charter, which among other matters, recognizes their roles, responsibilities, functions, and powers, both collectively and individually.

The Board of Directors has five members that were re-elected at the Annual General Meeting in April 2023 for a term of three years. Since April 2020, IHC has had one female Board member.

## Board Members



**H.H. Sheikh Tahnoon Bin Zayed Al Nahyan**  
Chairman



**Dr. Mohamed Somar Nassouh Ajalyaqin**  
Vice-chairman



**Mr. Syed Basar Shueb**  
Board Member & Managing Director



**Ms. Sofia Abdellatif Lasky**  
Board Member



**Mr. Mohammed Nasser Saif Howaiden Al Shamsi**  
Board Member

## Board Committees

The Board has established three committees to assist in the execution of its responsibilities.

### Audit Committee

**Chairwoman**

Ms. Sofia Abdellatif Lasky

**Vice-Chairman**

Dr. Mohamed Somar Nassouh Ajalyaqin

**Member**

Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Audit Committee provides the Board with independent advice on the adequacy of management's arrangements with respect to the following key areas: Financial Reporting; Corporate Governance; Internal Control and Risk Management; External Audit; Group Internal Audit; Compliance Monitoring.

### Nomination and Remuneration Committee

**Chairman**

Dr. Mohamed Somar Nassouh Ajalyaqin

**Vice-Chairwoman**

Ms. Sofia Abdellatif Lasky

**Member**

Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Nomination and Remuneration Committee proposes criteria for membership of the Board and Senior Management and helps to identify and recommend individuals qualified to join these bodies. It evaluates the performance of the Board and its members and Committees and considers succession planning for directors and other senior executives. The Committee also sets remunerations and benefits for Board members and employees and reviews and monitors the Group's human resources and training policies.

### Follow-up and Insiders Transaction Supervision Committee

**Chairman**

Mr. Syed Basar Shueb

**Member**

Mr. Fawad Zahid

**Member**

Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Follow-up and Insiders Transaction Supervision Committee monitors the transactions of insiders, maintains their register, and submit statements and periodic reports to the market. It provides guidance to the Board and Senior Management on insider trading, monitors compliance with the IHC Securities Trading Policy, and initiates disciplinary action against non-compliant employees.



## Corporate Governance Policies

IHC governance framework comprises of key policies and guidelines which promote and enhance consistent and efficient decision-making. These policies are currently being reviewed by the Board.

### Corporate Governance Manual

Covers the roles and responsibilities of all stakeholders involved in governance processes, including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, Managing Director & CEO, Senior Management, Internal Audit/Internal Control, External Audit, Board and Committees Secretary and other stakeholders.

### Code of Conduct and Business Ethics

Guides the conduct of Directors and Employees

### Board of Directors Charter

Supports effective functioning of the Board.

### Board Committees Charters

Supports effective functioning of the three Board Committees

### Conflict of Interest Policy

Sets forth requirements for the avoidance and management of potential and actual conflicts of interest involving the Group.

### Anti-Fraud Policy

Facilitates the detection and prevention of fraud and provides an overall framework for managing suspected cases of fraud.

### Whistleblower Policy

Enables employees to report, in confidence, matters where they feel malpractice is taking place, or if ethical/integrity standards are being compromised.

### Disclosure and Transparency Policy

Provides guidelines to ensure that IHC makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.

### Compliance Management Policy

Provides assurance that the Group is in conformance with its legal and policy obligations.

### Investment Policy

Provides a framework and guidelines to IHC Senior Management and IHC's Investment Function on investment strategy and process.

## Subsidiary Governance

All of IHC Group's subsidiaries, joint ventures, and affiliates have been grouped under one of eight verticals for efficient operations.

### IHC's subsidiary governance process is as follows:

- Establish strategic plans for subsidiaries and a monitoring process for review of actual performance vs strategic plan.
- All listed subsidiaries and affiliates have dedicated governance frameworks including independent Boards and Committees.
- For unlisted subsidiaries, where IHC does not fully own the subsidiary, organizational governance is based on the shareholders' agreement or similar constitutional documents applicable to the subsidiary.

All entities are expected to contribute to and are responsible for implementing good Corporate Governance practices in their respective areas.

- The Delegation of Authority Policy framework lists the matters reserved for IHC Shareholders, IHC Board, subsidiary Board/ IHC Managing Director & CEO (where the subsidiary Board is not established) and subsidiary management.
- IHC Managing Director & CEO with support from IHC Executive Management oversees the operations of the Group. To the extent permissible, IHC Managing Director & CEO may delegate authority to the Business Unit Management in accordance with the Delegation of Authority Policy Framework.

## Risk Management

The Board of Directors is responsible for establishing the system of risk management, setting the risk appetite of the Group, and maintaining a sound internal control system.

The Group Audit Committee oversees the risk management process and assesses the effectiveness of risk management within the Group. The Group's business is structured into eight verticals based on sectors/industries and operating businesses have been categorized into one of these verticals.

The Risk Management responsibility and accountability, therefore, is vested largely in vertical management/business unit management structures. Any risk taken is considered within the scope of the Group's risk appetite and tolerance levels, which are reviewed annually by the IHC Board.

## Internal Control System

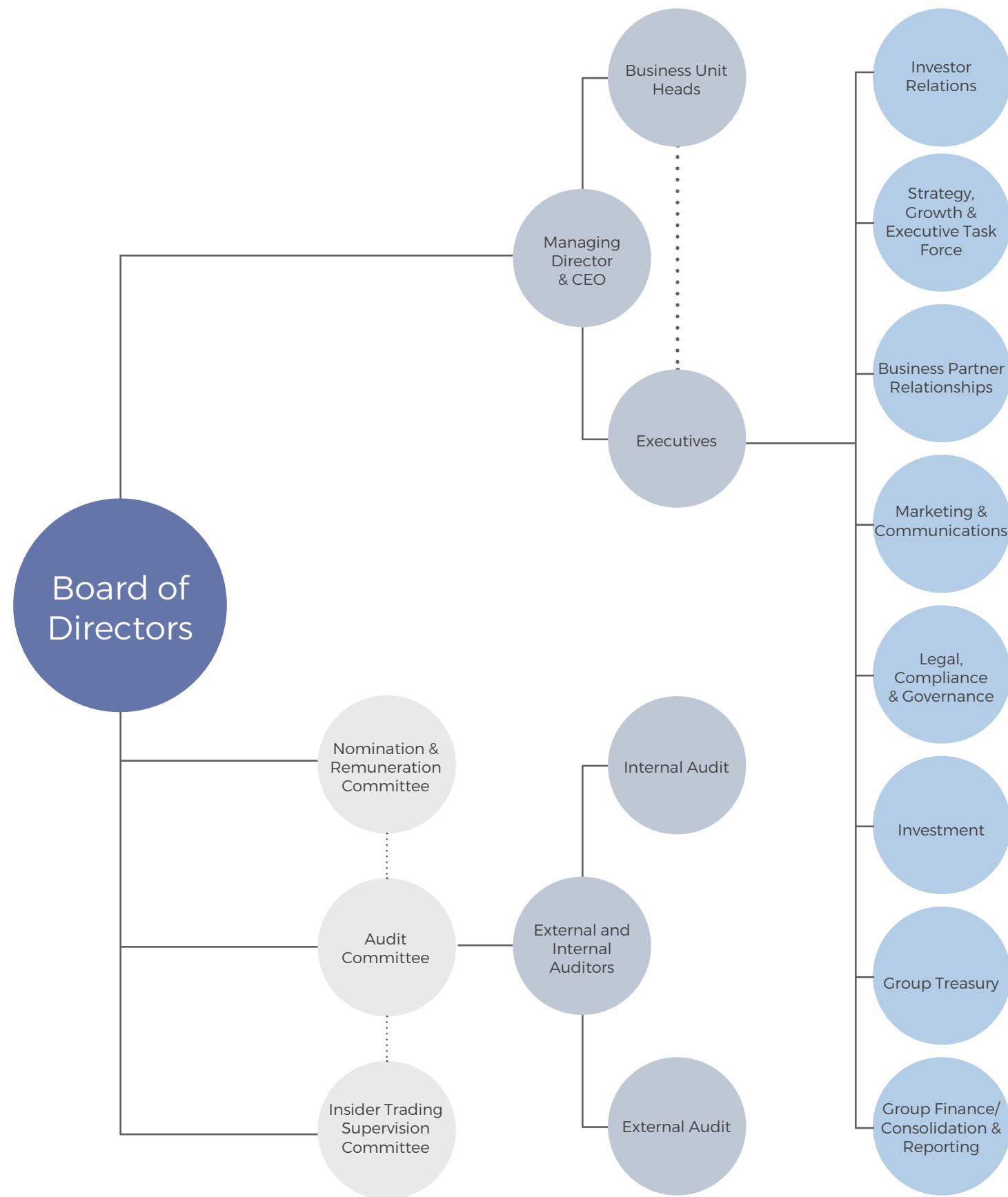
The Board is responsible for ensuring that management maintains a system of internal control that provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations and has delegated the responsibility for oversight of the Internal Control to the Audit Committee.

The Internal Control Department (ICD), supported by a third-party service provider, performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit Committee reviews the effectiveness of the ICD.





## Group Governance Chart





# Community

(GRI 202-2, GRI 413-1, S11, S12)

## Material Topics



Community

## SDGs



## Vision 2030

- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets
- The optimisation of the Emirate's resources
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE



As a responsible holding company, IHC adopts community-focused Corporate Social Responsibility (CSR) practices through a blend of charitable donations, sponsorships, volunteering, education support projects, and healthcare initiatives, among others.

**The key focus areas of the Group's CSR strategy are aligned with national priorities and initiatives as well as pressing global challenges, including:**

- Gender and Inclusivity
- Employee Health and Well being
- Sustainability Drives & Engagement
- Circular Economy
- Food Security

IHC partners with renowned non-governmental organizations (NGO) as well as government agencies, and other civil society groups to address social as environmental challenges and support communities. Major local partners include the National Food Loss and Waste Initiative (Ne-ma), The Authority of Social Contribution (Ma'an) and the Emirates Red Crescent.

IHC also sponsors the men's (UAE Team Emirates) and women's cycling teams (Team ADQ).



# Employee Engagement

IHC is now using its new Proseed Sustainability Hub to run workshops, seminars and other initiatives that promote employee wellbeing, active participation in the circular economy at work and at home and sustainable living for employees.

|      | Total Amount of community investments in AED | Main contribution (please describe briefly) |
|------|--|---|
| 2021 | 17,556,460                                   |   |
| 2022 | 25,480,400                                   |   |
| 2023 | 36,077,703                                   | CGS Cycling, W Women Sports, KPI Sports etc |





